



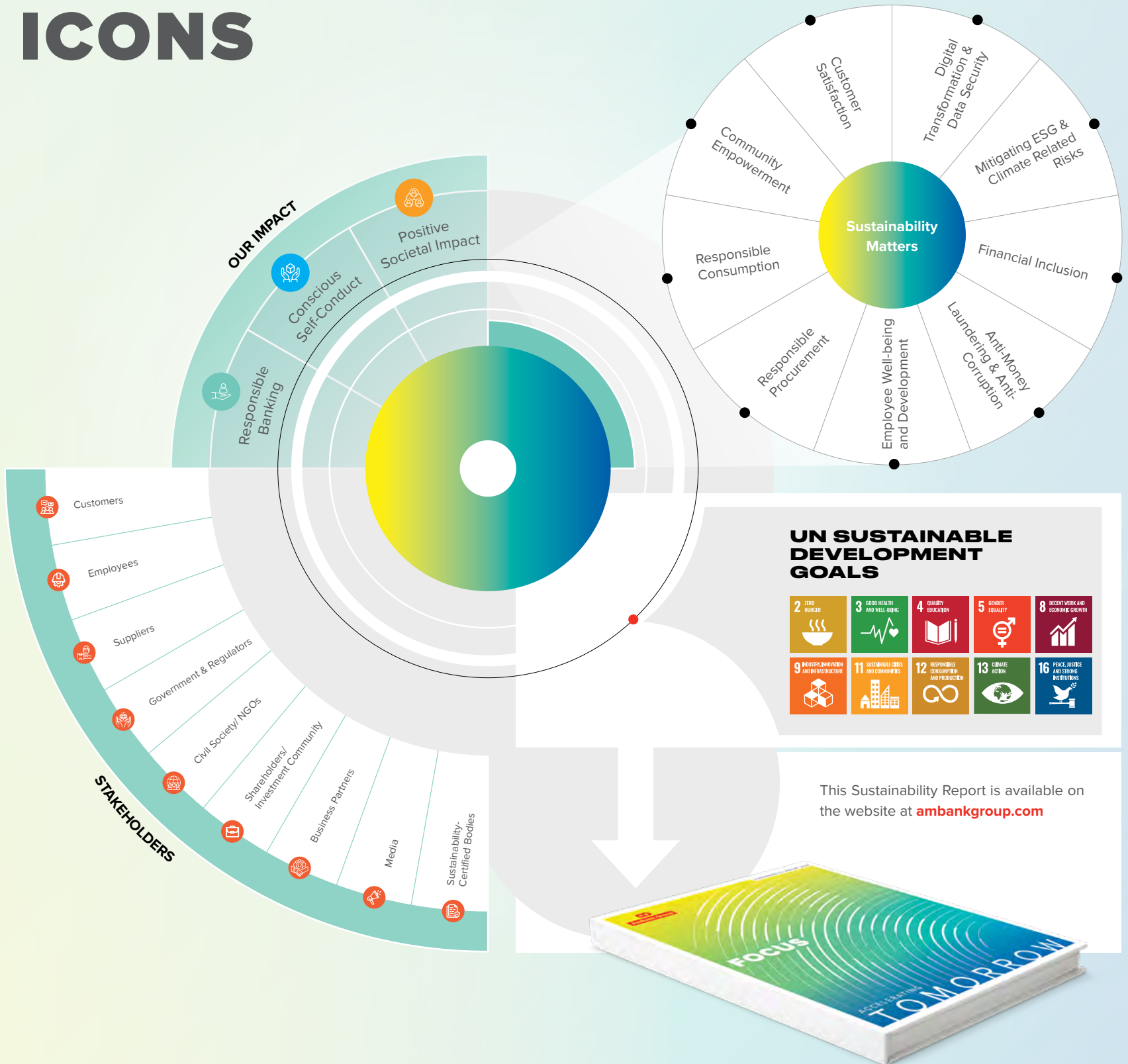
AmBank Group

# FOCUS

ACCELERATING

# TOMORROW

# NAVIGATION ICONS



## UN SUSTAINABLE DEVELOPMENT GOALS



This Sustainability Report is available on the website at [ambankgroup.com](http://ambankgroup.com)



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**32<sup>nd</sup>** Annual  
General Meeting

### Broadcast Venue

Board Room, 26<sup>th</sup> Floor  
Bangunan AmBank Group  
Jalan Raja Chulan 50200  
Kuala Lumpur Malaysia



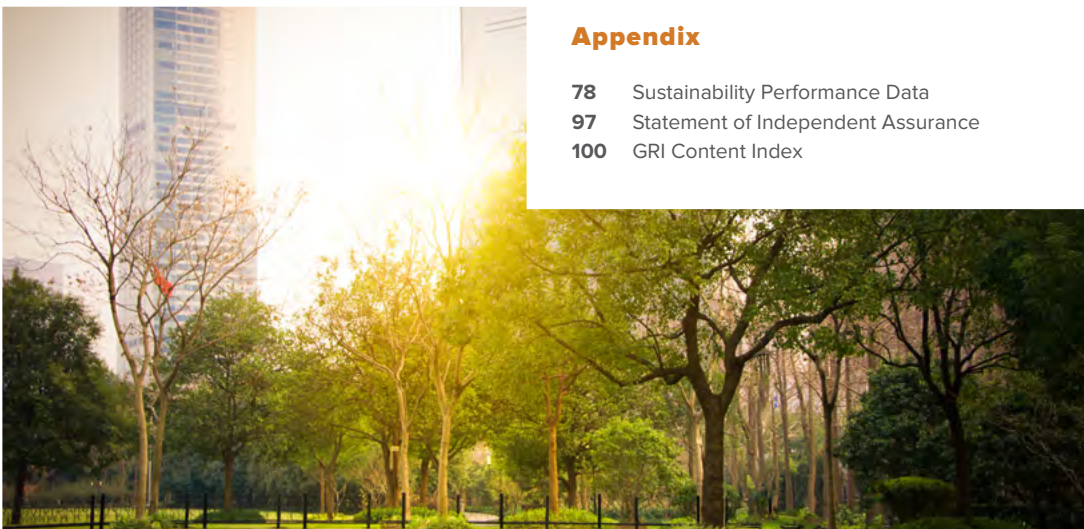
Wednesday, 23 August 2023

10.00 a.m.

**AMMB  
HOLDINGS  
BERHAD**

SUSTAINABILITY REPORT

**2023**



## BASIS OF THIS REPORT

**The Sustainability Report of AMMB Holdings Berhad (also known as the AmBank Group Sustainability Report 2023, this Sustainability Report or this Report) showcases the organisation's sustainability achievements and outcomes. Through this Report, we highlight how we are contributing to the betterment of society by generating positive environmental and social outcomes. This Sustainability Report complements our Integrated Annual Report 2023, which outlines our stakeholder-focused approach to value creation and balancing the interests of all our stakeholders.**

AMMB Holdings Berhad (AMMB or the Company) is a public company listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia). This Report covers AMMB and its key subsidiary companies (AmBank Group or the Group or we).

### REPORTING PERIOD

This Sustainability Report includes data and information from 1 April 2022 to 31 March 2023 (FY2023) unless stated otherwise. We endeavour to present a year-on-year sustainability progress by providing data from the past three years whenever possible. Our previous Sustainability Report for FY2022 was published to cover the period from 1 April 2021 to 31 March 2022.

### REPORTING BOUNDARIES

This Sustainability Report focuses on data related to our three main subsidiaries: AmBank (M) Berhad; AmBank Islamic Berhad; and AmInvestment Bank Berhad (collectively referred to as AmBank Group or the Group or we). These subsidiaries make up more than 96.0% of AmBank Group's overall assets, making them the primary contributors to our sustainability impact.

This Sustainability Report charts the progress of the nine Sustainability Matters that generate long-term value for our stakeholders and ensure our business remains sustainable. Throughout this Sustainability Report, the impacts of our sustainability initiatives are labelled with the following icons:



Responsible  
Banking



Conscious  
Self-Conduct



Positive  
Societal Impact

### PRINCIPLES OF REPORTING

In our commitment to producing a credible and transparent sustainability report, we applied the following GRI Standards Reporting Principles:

- **Accuracy:** Reporting information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts
- **Balance:** Reporting information in an unbiased way and providing a fair representation of the organisation's negative and positive impacts
- **Clarity:** Presenting information in a way that is accessible and understandable
- **Comparability:** Selecting, compiling, and reporting information consistently to enable an analysis of changes in the organisation's impacts over time and an analysis of these impacts relative to those of other organisations
- **Completeness:** Providing sufficient information to enable an assessment of the organisation's impacts during the reporting period
- **Sustainability Context:** Reporting information about its impacts in the wider context of sustainable development
- **Timeliness:** Reporting information on a regular schedule and making it available in time for information users to make decisions
- **Verifiability:** Gathering, recording, compiling, and analysing information in such a way that the information can be examined to establish its quality

### REPORTING STANDARDS

This Report has been prepared with reference to the following local and international standards and guidelines:

- Global Reporting Initiative (GRI) Standards
- Bursa Malaysia Sustainability Reporting Guide
- The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies

📄 The GRI content index for the Report is shown on pages 100-104.



**BASIS OF THIS REPORT****Integrated Annual Report****CONTENT**

Provides a thorough evaluation of AmBank Group's progress, including its Corporate Governance Statements, milestones and accomplishments, and illustrates how we generate value while catering for the interests of all stakeholders during the financial year ended 31 March 2023 (FY2023). Additionally, it outlines our future prospects for the financial year ending 31 March 2024 (FY2024).

**FRAMEWORKS & GUIDELINES**

- International Integrated Reporting Framework (IIRF) of the International Integrated Reporting Council (IIRC)
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Malaysia and Securities Commission Malaysia
- Companies Act 2016
- Malaysia Code on Corporate Governance (MCCG) 2021
- Global Reporting Initiative (GRI) Standards

**Financial Report****CONTENT**

Provides a comprehensive overview of the Financial Statements and Audited Annual Financial Results for FY2023, providing in-depth reporting and also outlines our prospects for the upcoming financial year, FY2024.

**FRAMEWORKS & GUIDELINES**

- MCCG 2021
- Bursa Malaysia's MMLR
- Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Malaysia and Securities Commission Malaysia
- Companies Act 2016
- Bank Negara Malaysia (BNM) Policy Documents and Guidelines
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Financial Services Act (FSA) 2013
- Islamic Financial Services Act (IFSA) 2013

**INDEPENDENT ASSURANCE**

SIRIM QAS International Sdn. Bhd. has provided independent assurance on Sustainability Governance, Responsible Consumption, Responsible Procurement and Employee Well-Being and Development, including Occupational Safety and Health.

📄 The assurance report is shown on pages 97-99.

**POINT OF CONTACT**

Readers are welcome to reach out to us with feedback, comments and enquiries to help us enhance the quality of our sustainability reporting.

Please contact our Sustainability Department at [sustainability@ambankgroup.com](mailto:sustainability@ambankgroup.com)

## LEADERSHIP COMMITMENT

Dear Stakeholders,

**As a responsible financial institution, AmBank Group is not merely an observer in the field of sustainability, but an active advocate and participant. At our core, we embrace sustainability as an inseparable component of our strategic approach, integrating Environmental, Social and Governance (ESG) considerations.**

DATO' SULAIMAN MOHD TAHIR

Group Chief Executive Officer



**LEADERSHIP COMMITMENT**

Our Group's Sustainability Framework shapes our initiatives around three vital themes – Responsible Banking, Conscious Self-Conduct and Positive Societal Impact. These themes mirror our support towards the United Nations Sustainable Development Goals (UN SDGs) and the overarching objectives of Shariah (Maqasid Shariah).

To fulfil our sustainability commitments, we endeavour to minimise our environmental footprint, uphold good governance and business practices and contribute to society by empowering our communities. Moreover, we are bolstering our climate risk management capabilities including by aligning the reporting of our climate-related matters with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The achievements and challenges of our sustainability journey are encapsulated in this Sustainability Report 2023, reflecting our commitment to sustainable value creation.

### ACCELERATING THE JOURNEY TOWARDS A LOW-CARBON ECONOMY

AmBank Group is cognisant of the profound effects of climate change on our operations and stakeholder interests. In response, we are enhancing our climate risk management competencies, while facilitating our clients' transition towards a low-carbon economy.

We have enhanced our ESG risk assessment of selected non-individual customers to include climate change risk assessment and covers eight sector-specific checklists. Since FY2022, we have expanded our exclusion list where we have ceased to refinance or provide new or additional loans/financing for coal-fired plants or coal-dependent businesses unless critical for national energy security.

Where customers are categorised with a high ESG-RG, our strategy is to engage and understand their mitigation strategies against ESG risks. This aligns

with our move towards sustainable financing practices and the goal of achieving Net Zero by 2050. Further to that, we support energy transition by offering financing to electric vehicles and solar panel manufacturers. In addition, we work closely with strategic business partners to provide green financing solutions to customers. During the year, we partnered with Sime Darby Property Berhad to offer homebuyers a sustainable financing option online. In FY2023, we disbursed RM312 million of retail green loans/financing which consist of RM214 million in mortgage and RM98 million in electric vehicles.

Navigating the path towards sustainability can be arduous, especially for small and medium enterprises (SMEs). Recognising this, AmBank Group has inked a memorandum of understanding (MOU) with Pantas Software Sdn Bhd, on the Greening Value Chain (GVC) Programme. Our role as the official banking partner of GVC allows us to provide relevant sustainability-linked financing products to help SMEs bolster climate resilience, reduce greenhouse gas emissions (GHG) and contribute towards a more sustainable future. We would also embark upon capacity-building efforts to support our SME customers in their respective journey towards low carbon practices.



## RM2.6 bil

in loans/ financing under affordable home and auto financing schemes

**Bolstered our climate risk management capabilities including by aligning the reporting of our climate-related matters with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).**

## LEADERSHIP COMMITMENT



Achieved  
**93%**  
reduction after  
carbon offset  
compared to our  
FY2019 levels.

**First financial institution in Malaysia to receive the Energy Management Gold Standard (EMGS) Certification**

### BUILDING CLIMATE RESILIENCE

A keystone of our strategy to reduce our carbon footprint is the emphasis on top-driven energy management systems and conservation measures. The Energy Management Forum, chaired by the Group Chief Financial Officer, oversees the Group's energy management. Through our sustained climate action, we have successfully offset over 13,000 mtCO<sub>2</sub>e. This marks a 93% reduction after carbon offset compared to our FY2019 levels. This commitment to energy efficiency has earned us the Energy Management Gold Standard (EMGS) Certification, making us the first financial institution in Malaysia to achieve this recognition.

In FY2023, we fortified our carbon offset initiatives by participating in Bursa Malaysia's inaugural carbon credit auction. By acquiring carbon credits from environmentally conscious projects, we position ourselves strategically to meet our long-term targets and expedite our journey towards Net Zero by 2050.

Becoming a climate-resilient organisation necessitates not just operational changes, but also fostering a climate-conscious culture within our team. To this end, we have emphasised the importance of sustainability education and awareness across our workforce, strengthening our training programmes to include compulsory sustainability-related training. As we

advance towards Net Zero by 2050, sustainability principles will become an even more intrinsic part of the Group's culture.

### SHAPING A HIGH-PERFORMING WORKFORCE

At AmBank, we recognise that our employees form the very foundation of our organisation and play a crucial role in ensuring our sustainability. To prioritise their well-being, we strive to create a secure and inclusive work environment while providing ample learning and development opportunities to cultivate an adaptable and future-ready workforce.

To strengthen the capabilities of our team, we have implemented numerous collaborative programmes, focusing on enhancing crucial areas such as leadership acumen and digital adaptability. In August 2022, we established the AmBank Digital Academy, which enabled more than 3,000 employees to participate in digital competency programmes. These programmes, co-developed with ten strategic partners, encompass a broad spectrum of areas including cybersecurity, data analytics and tech talk, among others, and are also available to our recent graduate hires. We also partnered with the Asian Banking School (ABS) and Asian Institute of Chartered Bankers (AICB) to design and execute joint training programmes, aimed at expanding the industry knowledge of our employees, thereby fostering increased job satisfaction and enhancing talent retention.





## LEADERSHIP COMMITMENT

As a caring employer, we understand that employee well-being extends beyond professional upskilling. We provide a comprehensive suite of benefits including a Hybrid Working Arrangement that allows for flexible working hours, extended parental leave, improved medical coverage and shortened working hours for expectant mothers. Additionally, we champion healthy living by coordinating health and wellness campaigns, providing informative health talks and setting up a social and sports club. These initiatives aim to enhance their well-being and mental health, ultimately boosting productivity. Our sustained efforts have been rewarded with an Employee Engagement Index of 86%, a near 10% increase from FY2022, highlighting the positive impact of our initiatives. We remain committed to continual engagement with our employees to meet their needs and increase their satisfaction.

### EMPOWERING OUR COMMUNITIES

At AmBank, we deeply appreciate the vital role we play in driving social and economic growth in our communities. Our commitment goes beyond banking services, extending to the empowerment of our communities through impactful corporate social responsibility (CSR) initiatives that foster long-lasting positive change. To streamline our efforts, we have initiated AmCare, an engagement platform that encourages our employees to participate in volunteer activities and strengthen ties with the communities we serve. Our CSR programmes focus on enhancing financial and English literacy, as well as providing essential financial aid to those who need it most.

As a member of the Financial Industry Collective Outreach (FINCO), we actively participate in their programmes aimed at equipping underprivileged children and youth with the guidance and educational resources needed to realise their aspirations. AmBank had successfully volunteered 90 times in FINCO programmes in 2022. Our involvement spans various initiatives, including career fairs, workshops, contests and financial literacy sessions. Furthermore, we collaborate with strategic partners to organise literacy programmes and provide support to vulnerable communities through food and financial contributions.

As a testament to our dedication to FINCO, AmBank Group was honoured with the “Overall Financial Institution with the Most Volunteers (Banking)” award at the FINCO Annual Awards Ceremony 2022. We are also proud to report that one of our employees, Mr Darald Divesh a/l Gunasekaran from Group Information Technology, was recognised as the “Most Engaging Volunteer (Banking)” by FINCO. These awards truly reflect the commitment and capability shown by AmBank in being a responsible and caring financial institution.



Beyond our dedicated CSR programmes, we are committed to enhancing financial inclusivity for the Bottom 40 (B40) income group. In FY2023, we disbursed over RM2.6 billion in loans/ financing under affordable home and auto financing schemes. We also cater to the financial needs of underserved businesses, particularly SMEs, by providing financial access and supporting capacity building initiatives. As of March 2023, our SME loans/ financing outstanding stood at RM26.7 billion.

### ACKNOWLEDGEMENTS

Our accomplishments are a testament to the collective endeavour of numerous stakeholders. We are deeply grateful for the support and guidance we have received from our regulators and esteemed members of our Board. To our dedicated AmBankers, we extend our sincere appreciation for your unwavering dedication and commitment to our sustainability endeavours.

On behalf of my team, I extend a heartfelt thank you to our valued business partners and customers, your trust in us fuels our commitment to sustainability.

As we journey into FY2024, we are eager to continue our journey towards creating a sustainable future for us all.

**DATO' SULAIMAN MOHD TAHIR**

*Group Chief Executive Officer*

## OVERVIEW OF AmBank Group



### OUR VISION

**GROWING  
TRUST,  
CONNECTING  
PEOPLE**

### PURPOSE

- We are not transactional. We focus on deepening relationships by acting as advisors and long-term partners to our customers. We earn the trust of our customers by being professional, reliable and efficient, and providing the best possible service.
- We believe in supporting the growth of our customers, our people, and our business. We empower our stakeholders to achieve their aspirations.

We will continue to help our customers, both individuals and businesses, with financial and non-financial assistance to weather through the uncertainties of the COVID-19 pandemic.

- We are a holistic, integrated multi-industry financial services group. We go beyond traditional banking by evolving into a trusted financial solutions provider.

- Externally, we focus on helping our customers to become winners. Internally, we emphasise performance, teamwork and collaboration to achieve our goals.
- We leverage opportunities to revolutionise our business and to help our customers grow and win together through our Focus 8 strategy.

### WHO WE ARE

AmBank Group is a leading financial services group with over 40 years of expertise in supporting the economic development of Malaysia.

We have over three million customers and employ over 8,000 employees. We are the sixth-largest banking group by assets in Malaysia, with a market capitalisation of more than RM12 billion as at 31 March 2023.



## 2023 KEY HIGHLIGHTS

### FINANCIAL HIGHLIGHTS



Total income

**RM4,737.7**  
million

Cost-To-Income Ratio

**44.3%**



Return On Equity (ROE)

**10%**

Current Account Savings  
Account (CASA) Growth

**13.2%**

Profit After Tax And Minority Interests  
(PATMI)

**RM1,735.2**  
million

Gross Loans, Advances And Financing

**RM130.2**  
billion



Liquidity Coverage Ratio  
(LCR)

**149.2%**



Earnings Per Share

**RM52.4**  
sen

Common Equity Tier 1  
(CET1) Capital Ratio

**12.5%**



Deposits From Customers

**RM130.3**  
billion



Shareholders' equity

**RM18.1**  
billion

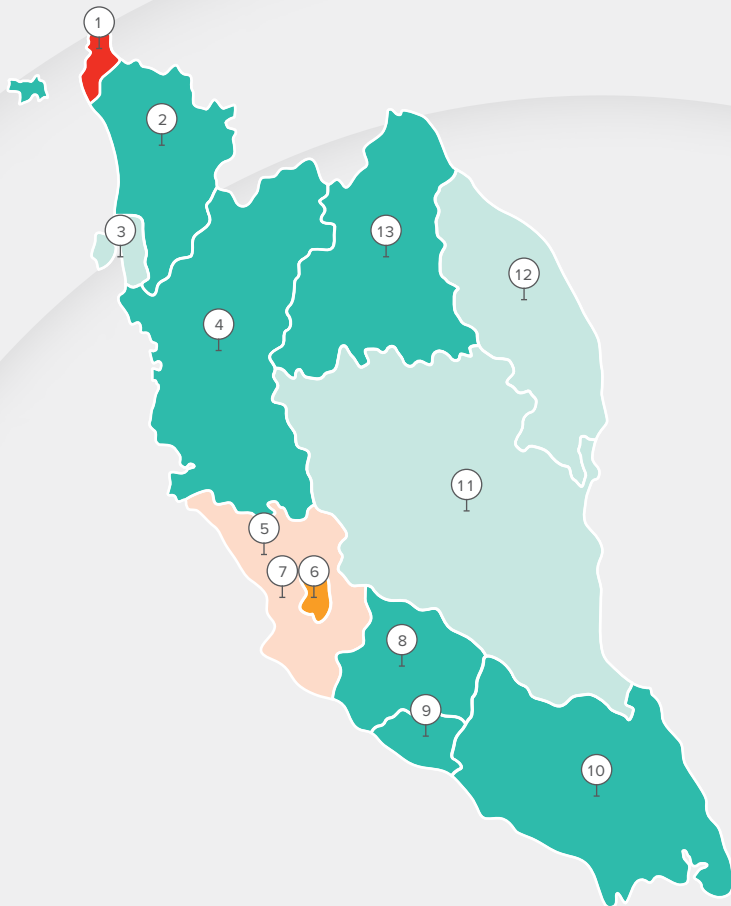


Total Assets

**RM197.5**  
billion

## WHERE WE OPERATE

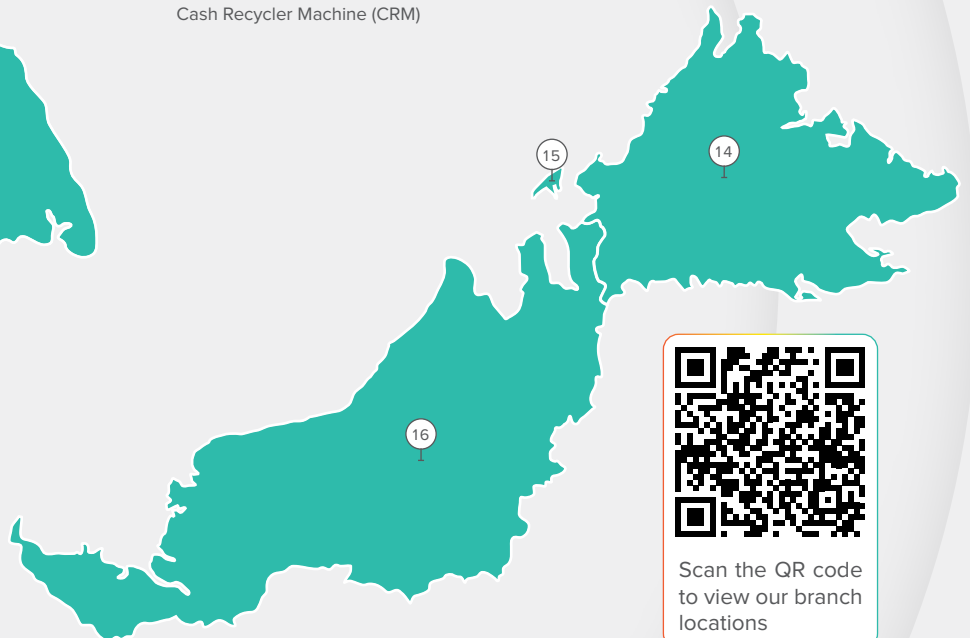
We are one of Malaysia’s leading financial services group, with over 40 years of expertise in supporting the economic development of Malaysia. We provide services in wholesale banking, business banking, retail banking, investment banking and related financial services, which include Islamic banking, general insurance, life insurance, family takaful, stockbroking, futures broking, investment advisory and asset management services in unit trusts and real estate investment trusts.



- <100 people per sq km
- 101-500 people per sq km
- 501-1,000 people per sq km
- 1,001-1,500 people per sq km
- >1,501 people per sq km

	Branches	ATMs	CRMs	CQMs
1 Perlis	1	3	1	1
2 Kedah	5	17	10	5
3 Pulau Pinang	14	38	17	16
4 Perak	18	42	24	19
5 Selangor	35	167	53	47
6 Kuala Lumpur	23	70	30	34
7 Putrajaya	1	4	2	1
8 Negeri Sembilan	7	40	11	7
9 Melaka	6	26	10	8
10 Johor	21	69	34	22
11 Pahang	8	20	13	6
12 Terengganu	2	11	6	2
13 Kelantan	2	13	4	3
14 Sabah	9	33	13	9
15 Labuan	1	3	1	1
16 Sarawak	15	59	25	15
<b>TOTAL</b>	<b>168</b>	<b>615</b>	<b>254</b>	<b>196</b>

\* Cheque Deposit Machine (CQM)  
Cash Recycler Machine (CRM)



Scan the QR code to view our branch locations

## WHAT WE DO: CORE BUSINESS SEGMENTS

### AmBank (M) Berhad



AmBank (M) Berhad (AmBank) offers a comprehensive suite of financial products and services focused on retail, corporate and institutional banking and preferred segments in small business, small and medium enterprise (SME), mid-corporate and strategic partners. It is a Member of the Association of Banks in Malaysia.

### AmBank Islamic Berhad



AmBank Islamic Berhad is the Islamic banking arm of AmBank Group. AmBank Islamic offers a comprehensive range of Shariah-compliant retail and non-retail banking products and services, including investment, treasury, and trade solutions. Its primary role as a credit intermediary is evolving as AmBank Islamic advances towards its value-based intermediation (VBI) aspiration of being a purpose-based organisation whilst being mindful of financial returns to its shareholders. It is a Member of the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM).

📖 Read more on page 88-91 of AmBank Group's Integrated Annual Report 2023.

### AmInvestment Bank Berhad



AmInvestment Bank Berhad (AmInvestment Bank) is a leading Malaysian investment bank with more than 30 years of experience. It is a Member of the Malaysian Investment Banking Association.

📖 Read more on page 74-79 of AmBank Group's Integrated Annual Report 2023.

### AmMetLife Insurance Berhad



AmMetLife Insurance Berhad (AmMetLife) is a strategic partnership between AmBank Group and MetLife International Holdings, Inc. (MetLife). It is a Member of the Life Insurance Association of Malaysia.

📖 Read more on page 92-93 of AmBank Group's Integrated Annual Report 2023.

### AmMetLife Takaful Berhad

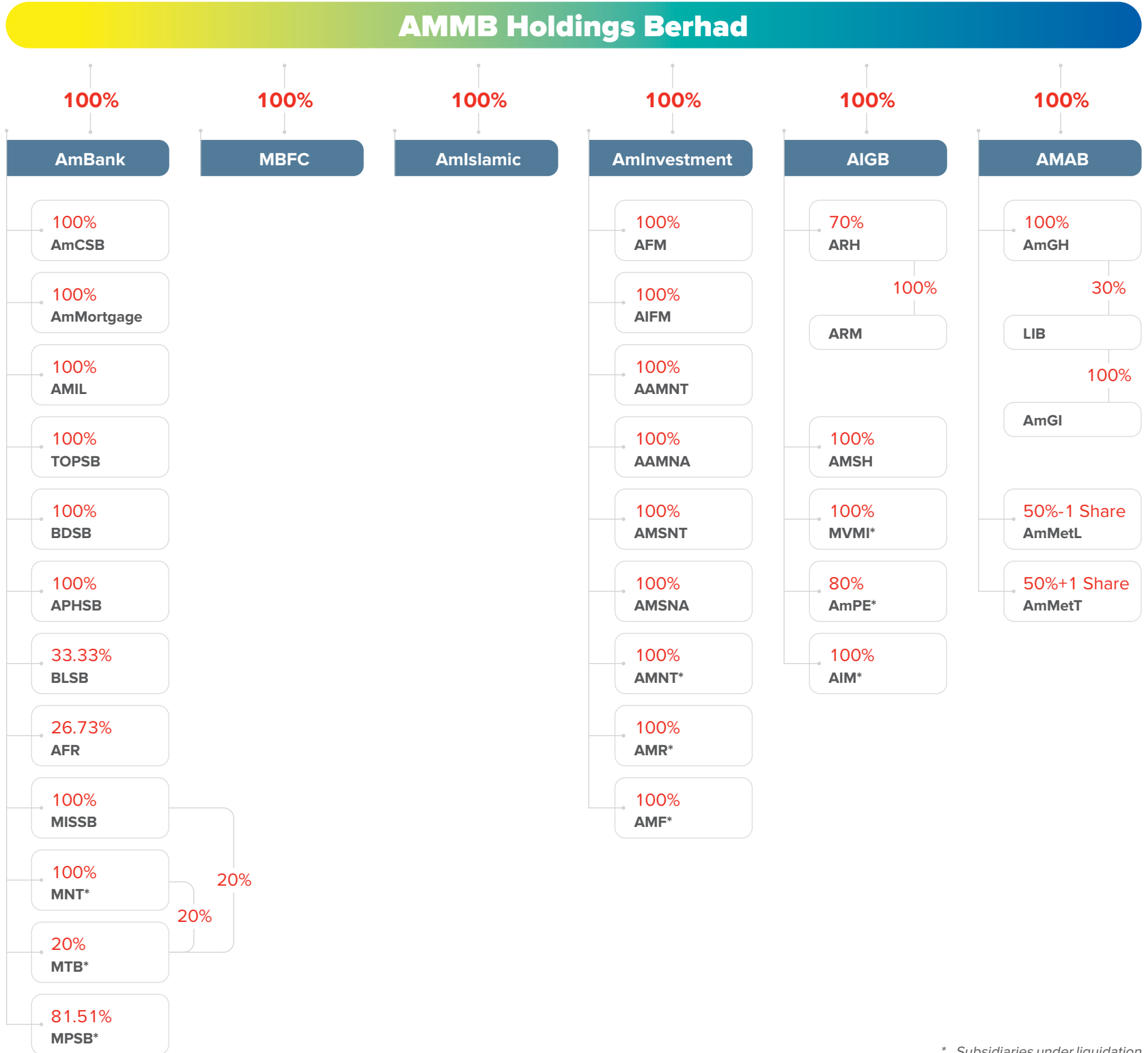


AmMetLife Takaful Berhad (AmMetLife Takaful) is a strategic partnership between AmBank Group and MetLife. The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group. It is a Member of the Malaysian Takaful Association.

📖 Read more on page 94-95 of AmBank Group's Integrated Annual Report 2023.

# CORPORATE STRUCTURE

As at 31 March 2023



\* Subsidiaries under liquidation

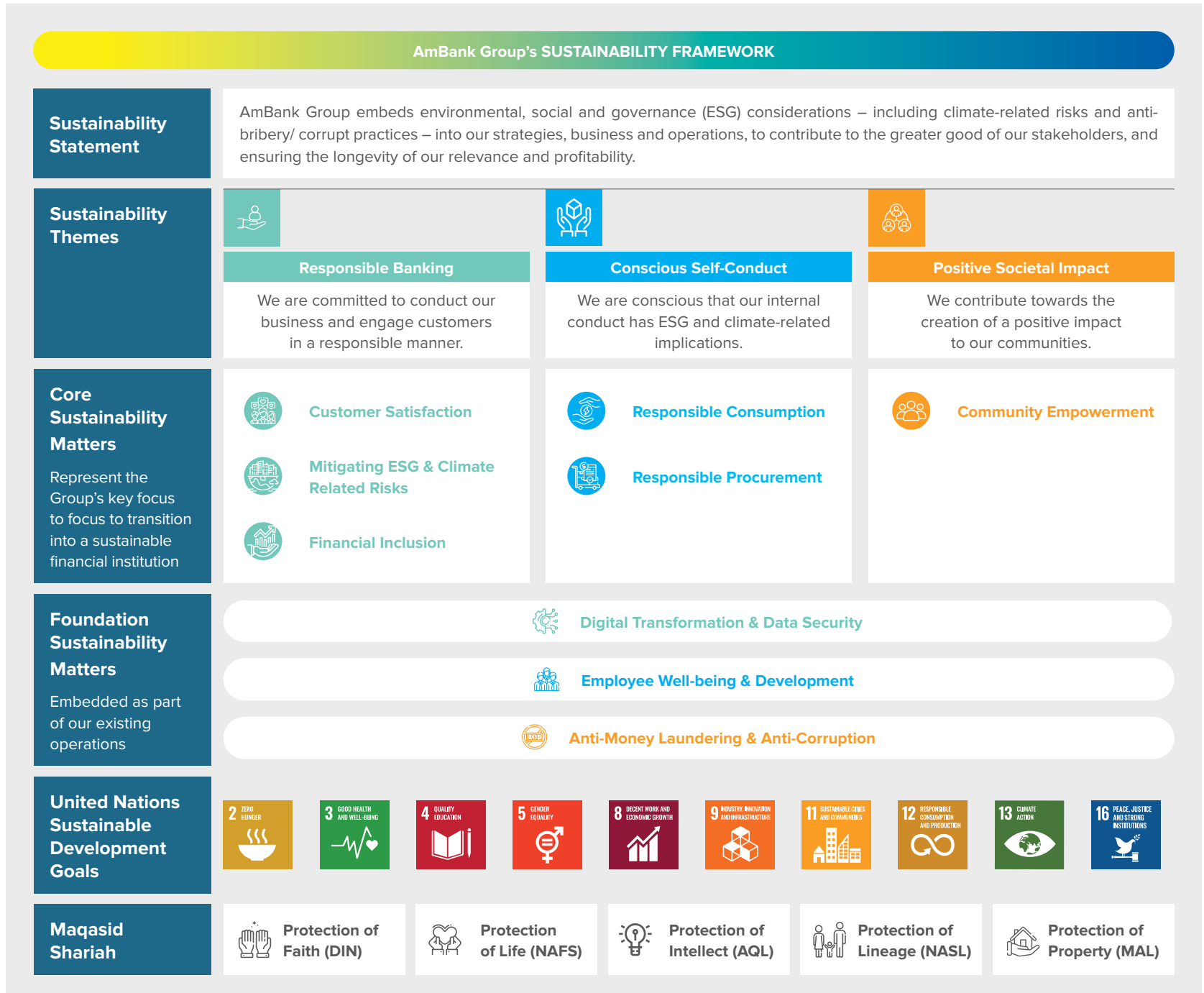
**CORPORATE STRUCTURE**

As at 31 March 2023

Legend	Company	Principal Activities
<b>AMMB</b>	- AMMB Holdings Berhad	Investment holding
<b>AmBank</b>	- AmBank (M) Berhad	Commercial banking
AmCSB	- AmCard Services Berhad	Outsourcing servicer for mortgage related services
AmMortgage	- AmMortgage One Berhad	Securitisation of mortgage loans
AMIL	- AmLabuan Holdings (L) Ltd	Investment holding
TOPSB	- Teras Oak Pembangunan Sendirian Berhad	Dormant
BDSB	- Bougainvillaea Development Sdn Bhd	Property investment
APHSB	- AmProperty Holdings Sdn Bhd	Property investment
BLSB	- Bonuskad Loyalty Sdn Bhd	Managing customer loyalty schemes
AFR	- AmFirst Real Estate Investment Trust	Investment in real estate
MISSB	- MBf Information Services Sdn Bhd	Property investment
MNT	- MBf Nominees (Tempatan) Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
MTB	- MBf Trustees Berhad	Dormant ( <i>In members' voluntary winding-up</i> )
MPSB	- Malco Properties Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>MBFC</b>	- MBF Cards (M'sia) Sdn Bhd	Dormant
<b>AmIslamic</b>	- AmBank Islamic Berhad	Islamic banking
<b>AmInvestment</b>	- AmInvestment Bank Berhad	Investment banking
AFM	- AmFunds Management Berhad	Funds management including management of unit trusts and Private Retirement Schemes
AIFM	- AmIslamic Funds Management Sdn Bhd	Islamic fund management services and distribution of wholesale funds
AAMNT	- AM Nominees (Tempatan) Sdn Bhd	Nominee services
AAMNA	- AM Nominees (Asing) Sdn Bhd	Nominee services
AMSNT	- AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services
AMSNA	- AMSEC Nominees (Asing) Sdn Bhd	Nominee services
AMNT	- AMMB Nominees (Tempatan) Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AMR	- AmResearch Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AMF	- AmFutures Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>AIGB</b>	- AmInvestment Group Berhad	Investment holding
ARH	- AmREIT Holdings Sdn Bhd	Investment holding
ARM	- AmREIT Managers Sdn Bhd	Management of real estate investment trusts
AMSH	- AmSecurities Holding Sdn Bhd	Investment holding
MVMI	- Malaysian Ventures Management Incorporated Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AmPE	- AmPrivate Equity Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
AIM	- AmInvestment Management Sdn Bhd	Dormant ( <i>In members' voluntary winding-up</i> )
<b>AMAB</b>	- AMAB Holdings Sdn Bhd	Investment holding
AmGH	- AmGeneral Holdings Berhad	Investment holding <i>(On 28 July 2022: (a) AmGH became a wholly owned subsidiary of AMAB; (b) AmGH disposed its 100% shareholding in AmGI to LIB; and (c) AmGH acquired 30% shareholding in LIB.)</i>
LIB	- Liberty Insurance Berhad	General insurance
AmGI	- AmGeneral Insurance Berhad	General insurance
AmMetL	- AmMetLife Insurance Berhad	Life assurance
AmMetT	- AmMetLife Takaful Berhad	Family takaful

# SUSTAINABILITY FRAMEWORK

Sustainability at AmBank means creating value beyond profits by aligning with stakeholder expectations and promoting positive ESG outcomes. We strive for socio-economic prosperity while caring for the planet, ensuring sustainable business growth and long-term stakeholder value. Our sustainability agenda is guided by AmBank Group’s Sustainability Framework, which is in line with ESG and value-based intermediation (VBI) principles. In all that we do, we seek to create value for our stakeholders to create a better future for generations to come.





## UN SUSTAINABLE DEVELOPMENT GOALS










As a constituent of the financial ecosystem, we recognise the crucial role we play in supporting the United Nations Sustainable Development Goals (UN SDGs), which encompass a series of interrelated global aspirations. Our efforts to improve environmental and social outcomes are closely linked to the UN SDGs. Through promoting sustainable economic growth, protecting the environment, advocating social inclusivity and adhering to good governance, we contribute to Malaysia's fulfilment of global goals. Ultimately, this strengthens our nation's commitment to establishing peaceful, equitable and inclusive societies, preserving the planet and its resources for future generations.

In ensuring our alignment with the UN SDGs, we prioritise goals that are directly or indirectly affected by our business and activities, evaluating each of the 17 SDGs and their associated indicators to identify ways in which our business can attain these goals. To this end, we have identified ten priority UN SDGs, as indicated below:



# STAKEHOLDER ENGAGEMENT ON SUSTAINABILITY

We strike a balance between the immediate and long-term interests of our diverse stakeholders. Thus, we make every effort to meet their needs by establishing meaningful relationships with our stakeholders to understand their needs and serve them better. We are committed to creating positive long-term value for our business and non-business stakeholders, to pave the way for a sustainable future.

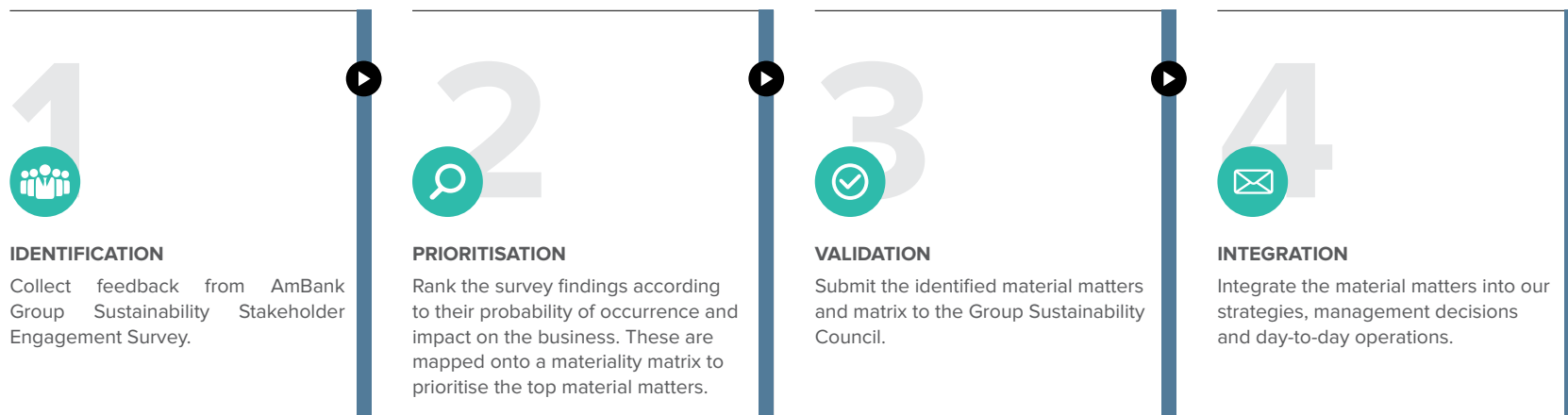
STAKEHOLDER	FREQUENCY OF COMMUNICATION	MODE OF COMMUNICATION	KEY EXPECTATIONS	RESPONSE
 <b>Customers</b>	<b>D</b> <b>M</b>	Survey, Distribution Points	Seamless banking, meeting financing needs	<ul style="list-style-type: none"> <li>Enhancing customer experience</li> <li>Digital transformation</li> <li>New products and services</li> </ul>
 <b>Employees</b>	<b>D</b> <b>M</b> <b>Q</b>	Townhalls, AmBank Connected Portals, HR Emails, Meetings, Performance Reviews	Work-life balance, safe & productive work environment, career development opportunities	<ul style="list-style-type: none"> <li>Promoting work-life balance</li> <li>Talent management programmes</li> <li>Training and development</li> </ul>
 <b>Suppliers</b>	<b>P</b>	Onboarding Process, Performance Evaluation, Ad hoc Engagements	Ethical procurement, guidance and effective communication	<ul style="list-style-type: none"> <li>Implement the e-Procurement system for self-registration of suppliers</li> <li>Guidance and knowledge-sharing with suppliers</li> </ul>
 <b>Government &amp; Regulators</b>	<b>Q</b>	Meetings, Seminars and Workshops, Feedback on Consultation Papers	Responsible banking practices, good governance and compliance, socioeconomic growth	<ul style="list-style-type: none"> <li>Best practices in corporate governance and compliance for meeting regulatory requirements</li> <li>Strong compliance culture within the Group</li> <li>Promoting financial inclusion</li> </ul>
 <b>Civil Society/ NGOs</b>	<b>M</b>	FINCO, Focus Groups, Volunteering Programmes	Financial inclusion and literacy, community development and outreach	<ul style="list-style-type: none"> <li>Implement CSR programmes through AmKasih Programme</li> <li>Launched AmCare</li> <li>Zakat distributions</li> </ul>
 <b>Shareholders/ Investment Community</b>	<b>Q</b> <b>A</b>	Annual General Meeting, Analyst and Fund Manager Briefing, Investor Roadshow, Media Briefings/ Releases, Meetings, Corporate Website, IR Mailbox	Strategic priorities, sustainable earnings growth and stable dividends, prudent cost management, proactive management of asset quality and credit exposure, digital initiatives, ESG considerations in business decisions	<ul style="list-style-type: none"> <li>Strengthening Sustainability Governance, e.g. established the Group Sustainability Council</li> <li>Credit, investment and advisory practices incorporate ESG and climate considerations</li> </ul>
 <b>Business Partners</b>	<b>M</b>	Meetings, Webinars, Seminars/ Workshops, Roadshows	Ethical business practices, strong financial performance	<ul style="list-style-type: none"> <li>Safeguard data privacy and protection</li> <li>Conducting audits and internal control</li> </ul>
 <b>Media</b>	<b>M</b>	Events, Media Releases, Interviews, Engagements	Accurate and relevant information, fair and transparent content	<ul style="list-style-type: none"> <li>Regular engagement with media, e.g. press conferences, press releases, special interviews</li> </ul>
 <b>Sustainability-Certified Bodies</b>	<b>A</b>	Meetings, Audit, Assessment	ESG performance, sustainable financing	<ul style="list-style-type: none"> <li>Assurance statement for Sustainability Report</li> <li>Conduct OSH inspection audits</li> </ul>

**D** Daily   **M** Monthly   **Q** Quarterly   **A** Annually   **P** Periodically

# SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

AmBank Group’s sustainability agenda is structured around three Sustainability Themes, encompassing nine Sustainability Matters.

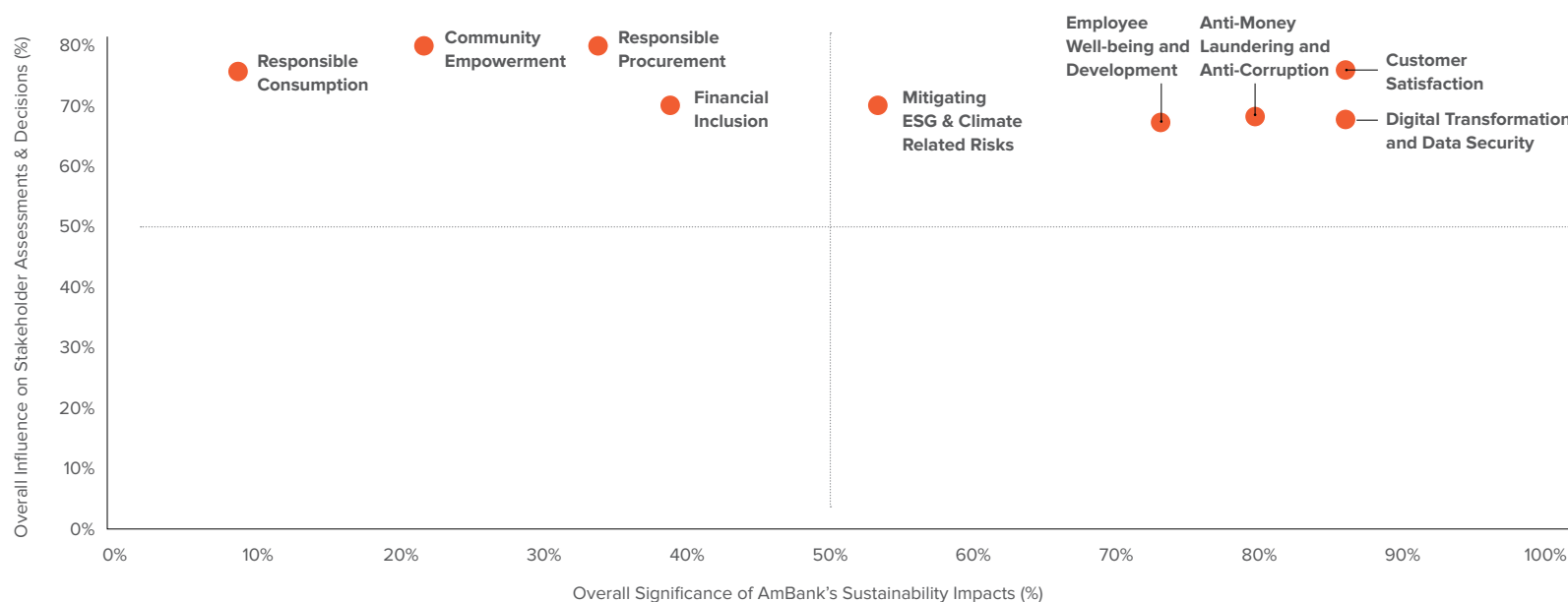
## METHODOLOGY ON SUSTAINABILITY MATTERS



Our methodology has enabled us to identify nine Sustainability Matters, which are categorised into three Sustainability Themes.



The Sustainability Matters represent the key areas we focus on in our sustainability journey. We regularly conduct materiality assessments on these matters to ensure they remain relevant. After our latest assessment in FY2023, we have streamlined the previous ten Sustainability Matters into nine. The matrix below illustrates the ranking and importance of the identified Sustainability Matters:






## SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

### Why Do They Matter?

#### CORE SUSTAINABILITY MATTERS

Sustainability Matters	Business Context	Risks
 <p><b>Customer Satisfaction</b></p>	<p>Customer loyalty and trust are based on our ability to meet customers' changing needs and protect their financial interests.</p>	<p>Conveying misleading information or exploiting customers may tarnish our reputation, affect sales and result in regulatory actions.</p>
 <p><b>Mitigating ESG &amp; Climate Related Risks</b></p>	<p>Stakeholders are increasingly expecting financial institutions to incorporate responsible business practices and contribute towards socio-economic resilience as well as incorporating climate risk-related management.</p>	<p>Working with organisations that harm the environment and society or have weak governance practices, hampers long-term performance and affects customer repayment and collateral values.</p>
 <p><b>Financial Inclusion</b></p>	<p>Providing access to financial products and services which are delivered in a responsible and sustainable way to the underserved and unserved markets.</p>	<p>Our inability to effectively manage the credit risk of underserved and unserved markets will compromise our ability to balance profitability with responsible banking.</p>
 <p><b>Responsible Consumption</b></p>	<p>Environmental challenges, such as climate change, directly impact the environment in which we operate.</p>	<p>Engaging in harmful practices will negatively impact the climate and our environment.</p>
 <p><b>Responsible Procurement</b></p>	<p>Our procurement impacts the sustainability and responsibility of our business activities and our growth as a sustainable organisation.</p>	<p>Regulatory violations and unethical practices committed by suppliers may disrupt our business and damage our reputation.</p>
 <p><b>Community Empowerment</b></p>	<p>Inclusive economic growth and shared prosperity require the empowerment of our communities.</p>	<p>The lack of impactful community development and social programmes may imply that we are an organisation that is focused solely on making profit.</p>

#### FOUNDATION SUSTAINABILITY MATTERS

 <p><b>Digital Transformation &amp; Data Security</b></p>	<p>Emerging technology and digital advancements continue to disrupt and transform the financial industry and concurrently increase data security risk.</p>	<p>Cyberattacks and breaches in our system cause business disruptions and reduce stakeholder trust and confidence. We need to also be aware of the potential risks of emerging digital banks.</p>
 <p><b>Employee Well-being &amp; Development</b></p>	<p>Employees are the drivers of our growth and resilience. A skilled and resilient talent pool is crucial for the business to thrive far into the future.</p>	<p>A workplace that is not conducive leads to diminished productivity, a high employee turnover rate and a disengaged workforce.</p>
 <p><b>Anti-Money Laundering &amp; Anti-Corruption</b></p>	<p>Our sustainability objectives and business growth rely on good corporate governance, transparency, compliance with laws, regulations and Shariah requirements, accountability and integrity across all levels.</p>	<p>Unethical conduct, violations and corruption found in our operations will result in regulatory fines, penalties and loss of stakeholder confidence and trust.</p>

## SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

### Opportunities

Providing excellent customer experience will strengthen our brand and give us the competitive advantage.

Engaging in environmentally and socially responsible lending/ financing practices allows us to seize growth opportunities in the underserved segments and emerging markets including the green sector.

Tapping into the underserved and unserved markets will open up new growth segments, along with enabling infrastructure, risk management and financial inclusion initiatives.

Investing in resource-efficient initiatives enables us to reduce our consumption of resources and enhance operational costs.

Supporting local entrepreneurs and SMEs while advocating responsible practices and ethical conduct contributes to the nation's socio-economic growth and well-being.

Developing the communities in areas where we operate is in line with the health and prosperity of the financial ecosystem.

### Our Approach

See page 33

See pages 36-37

See page 42

See pages 45-47

See page 55

See page 57

### Stakeholders Affected



Through digitalisation, we can create innovative financial solutions to meet evolving customer needs, attract new customers and improve market share. Digitalisation also improves our processes, bolstering customer experience and accelerating productivity.

Providing employees with regular training equips them with future-ready skills while a safe and healthy work environment enhances their performance and preparedness in adapting to challenges.

Having a robust grievance mechanism enables stakeholders to freely and securely report potential wrongdoings or unethical conduct.

See pages 61-62

See pages 64-65

See pages 73-75



## FUNCTIONS & DECISION-MAKING



**Our sustainability governance structure ensures strong oversight and execution of sustainability-related strategies, including ESG risk considerations. Across the Group, we have clear functions in place, with specific roles and responsibilities to efficiently address ESG as well as climate-related risks and opportunities.**

Sustainability governance is driven from the top, where the Board has overall accountability and responsibility for the Group's sustainability agenda. The Board has oversight and decision-making of the Group's sustainability/ ESG agenda, ensuring that sustainability is embedded in the formulation of Group-wide strategies. This includes having the responsibility to consider the strategy to build sustainability/ ESG capacity of the Group. Sustainability/ ESG issues, including climate-related matters are presented to the Board at least twice per financial year.

In FY2023, key climate-related matters were discussed at the Board and Management Committee levels, and these included BNM Climate Change and Principle-based Taxonomy (CCPT), enhancements of the Group's ESG risk grade and Climate Change Classification (CC-C) Guideline, and BNM Climate Risk Management & Scenario Analysis (CRMSA) policy document. Other sustainability-related matters discussed at the Board level included the relevant Group policies, key initiatives undertaken by the Group, and partnerships to strengthen the implementation and outcomes of the Group's initiatives.

Senior management headed by the Group CEO is responsible for the implementation of the Bank's ESG strategy and managing climate-related risks and opportunities related to the Group's activities.

The Group Sustainability Council, which comprises senior management, oversees sustainability-related strategies within AmBank Group. The Council convenes on a quarterly basis and is chaired by the Group CEO whilst the CEO of AmBank Islamic, who is also the Group Sustainability Champion, is the Alternate Chairman.

To ensure clear sustainability accountability, we have assigned sustainability-related KPIs to the Group CEO and all direct reports to the Group CEO.

📄 For more information on sustainability and ESG training for the Board, refer to page 128 of AmBank Group's Integrated Annual Report 2023.

## FUNCTIONS & DECISION-MAKING



- Overall accountable and responsible for the Group's sustainability/ ESG agenda and embeds sustainability/ ESG in the formulation of Group-wide strategies, including oversight and decision-making.
- Responsible to consider the strategy to build capacity in relation to sustainability/ ESG.

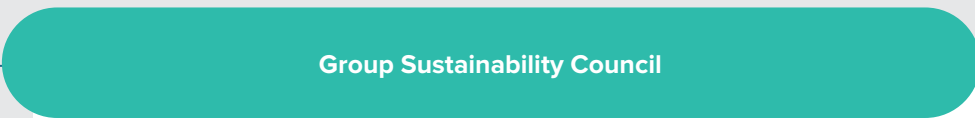
\* Applicable for AmBank Islamic matters



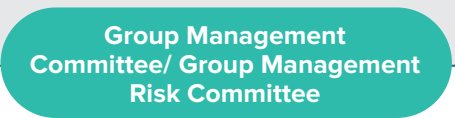
- Responsible and accountable on matters related to Shariah. This includes oversight accountability on Shariah related matters in relation to sustainability and advising the CEO and Board on Shariah matters in relation to sustainability.



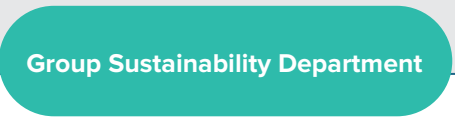
- Responsible to oversee the governance of and infrastructure to manage Group-wide ESG risks, which includes overseeing the formulation and management of the ESG risks within the Group Risk Appetite Framework and Asset Writing Strategy.



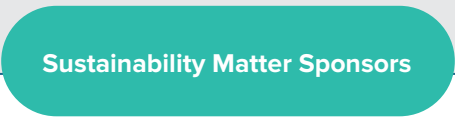
- Responsible for overseeing the development and implementation of sustainability-related strategies and initiatives within AmBank Group.
- Responsible to deliberate/ recommend/ endorse/ note sustainability-related matters.
- Responsible for ensuring the inclusion of sustainability-related key performance indicators (KPIs) in scorecards of senior management personnel of AmBank Group.
- The Council is chaired by the Group CEO whilst the CEO of AmBank Islamic, who is also the Group Sustainability Champion, is the Alternate Chairman.



- Responsible to recommend/ approve sustainability-related matters (e.g. policies and guidelines).

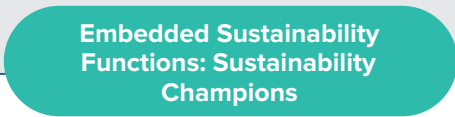


- Accountable to lead the development and implementation of broad-based, Group-wide strategic sustainability initiatives.
- Responsible for supervising the execution of strategies and initiatives in support of the Sustainability Matters.
- Has a broad mandate and competencies to ensure execution of initiatives in line with the Group's sustainability strategies.



- Accountable and responsible for the Sustainability Matters' implementation, which includes to determine and track performance metrics and targets.
- Review the effectiveness of relevant policies/ guidelines/ processes based on the Sustainability Matters and initiatives undertaken.

*Note: Sponsors must be a C-Suite or designated by the Group Sustainability Council.*

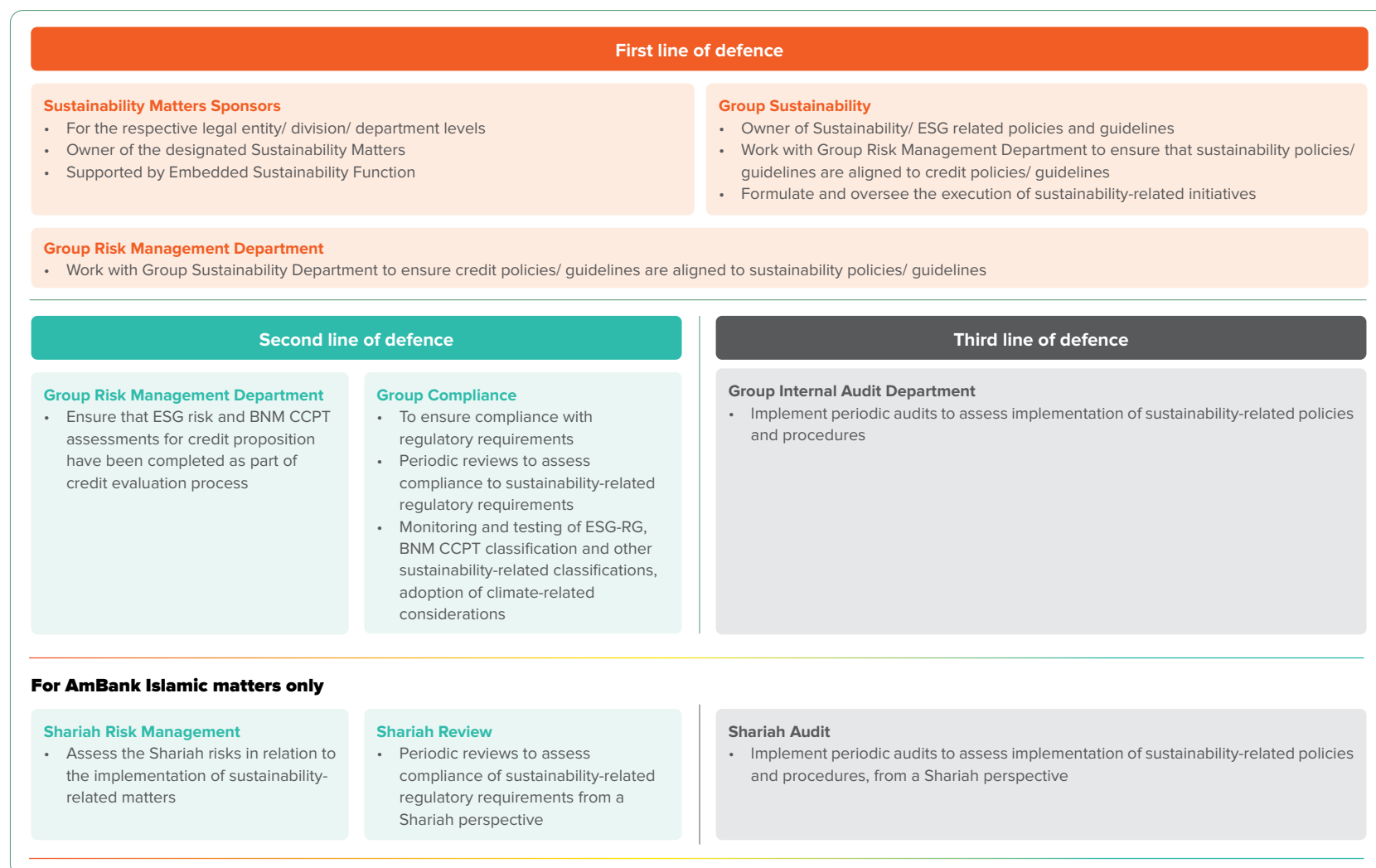


- Appointed business/ operations representatives responsible to drive sustainability initiatives within their legal entity/ division/ department and are under the responsibility of the Sustainability Matter Sponsors.

# SUSTAINABILITY CONTROL FRAMEWORK

## SUSTAINABILITY CONTROL FRAMEWORK

The Group has taken proactive measures to manage our exposures to ESG risks across our business and operations. In addition to our lending/ financing practices, we have established internal controls within the three lines of defence where we have identified the relevant departments within each line of defence. For example, the Group Sustainability Department, which has been established to supervise, lead and coordinate the development of sustainability initiatives, will be the Group's first line of defence where it will work with the Group Risk Management Department to ensure that sustainability policies/ guidelines are aligned with credit policies. Our ESG risk management is illustrated below:



As an organisation in a regulated industry, we have a responsibility to ensure that our business customers are aligned with our sustainability agenda. Failure to comply with global and local regulatory rules and standards could lead to consequences such as ceasing of operations by authorities, which would disrupt business continuity and the financial stability of our customers.

Thus, we have in place an Exclusion List, whereby the Group would not extend new/ additional loans/ financing or refinancing to customers who are under the list. We also assess the ESG risks of selected non-individual customers based on the Group's ESG Risk Assessment (ESG-RA) Guideline, which was enhanced in 2022 to include Climate Change Risk Assessment and eight sector-specific assessment.



## SUSTAINABILITY CONTROL FRAMEWORK

The ESG Risk Assessment is conducted by business units and relationship managers (RMs), who refer to the sector-specific ESG-RA Checklist to assign an ESG risk grade (ESG-RG) and Climate Change Classification as per BNM CCPT. The ESG-RG influences the decision-making process of the approval authority.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK ASSESSMENT

Assign Environmental, Social and Governance Risk Grade (ESG-RG) as part of our credit evaluation process for selected non-individual customers and financial investments

#### Environmental assessment includes:

- Climate Change Risk
- Supply chain and mitigations
- Availability of procurement policy that embeds sustainable considerations
- Availability of deforestation policy which includes land clearance methods, where relevant.
- Availability of water management policy (e.g. water source, usage monitor, pollution)
- Availability of riparian management policy and mitigation plans are in place, where relevant.
- Availability of waste/ effluents/ chemical management plan

#### Social assessment includes:

- Compliance with the labour laws such as child labour laws and avoid poor labour practices (including migrant workers) in relation to its procurement and production
- Compliance of the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019, where relevant
- Social Impact Assessment (SIA), where relevant
- Free, Prior and Informed Consent (FPIC), where relevant
- Availability of grievances handling and management policy
- Availability of Occupational Safety and Health (OSH) management policy and in compliance with ISO45001

#### Governance assessment includes:

- Compliance to Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC) and Anti-Money Laundering Policy
- History of any significant incident/ legal action/ penalty/ fine by authorities or third party in relation to ESG
- Adoption of the Principles and Practices set out in the Malaysian Code of Corporate Governance (MCCG)
- Availability of sustainability report or have any ESG disclosures
- Hold a valid certification (including industry schemes) covering Environmental, Social or Governance considerations
- Establishment of Sustainability Commitment, Sustainability Strategy and Risk Management Framework with ESG integration

### SECTOR-SPECIFIC ESG RISK ASSESSMENTS

There are sector-specific assessments conducted for the following sectors:



#### PALM OIL

- Assess if the customer has a fully compliant MSPO supply chain and mitigations
- Assess if the customer has a no-burning policy



#### FORESTRY

- Assess if the customer has a forest management plan which includes harvesting-related information and commitments



#### QUARRYING

- Assess if the customer decommissions tailings disposal/ storage facilities using comprehensive, risk-based management and governance practices that are in accordance with recognised good practice, in order to minimise the risk of catastrophic failure



#### MINING

- Assess if the customer decommissions tailings disposal/ storage facilities using comprehensive, risk-based management and governance practices that are in accordance with recognised good practice, in order to minimise the risk of catastrophic failure



#### CONSTRUCTION & INFRASTRUCTURE

- Assess if the customer has a no-burning policy



#### OIL & GAS

- Assess if the customer measures the following:
  - Quantity of hydrocarbons discharged and
  - Volumes of produced water an processed water that are reused/ recycled



#### MANUFACTURING

- Assess if the customer has a no-burning policy



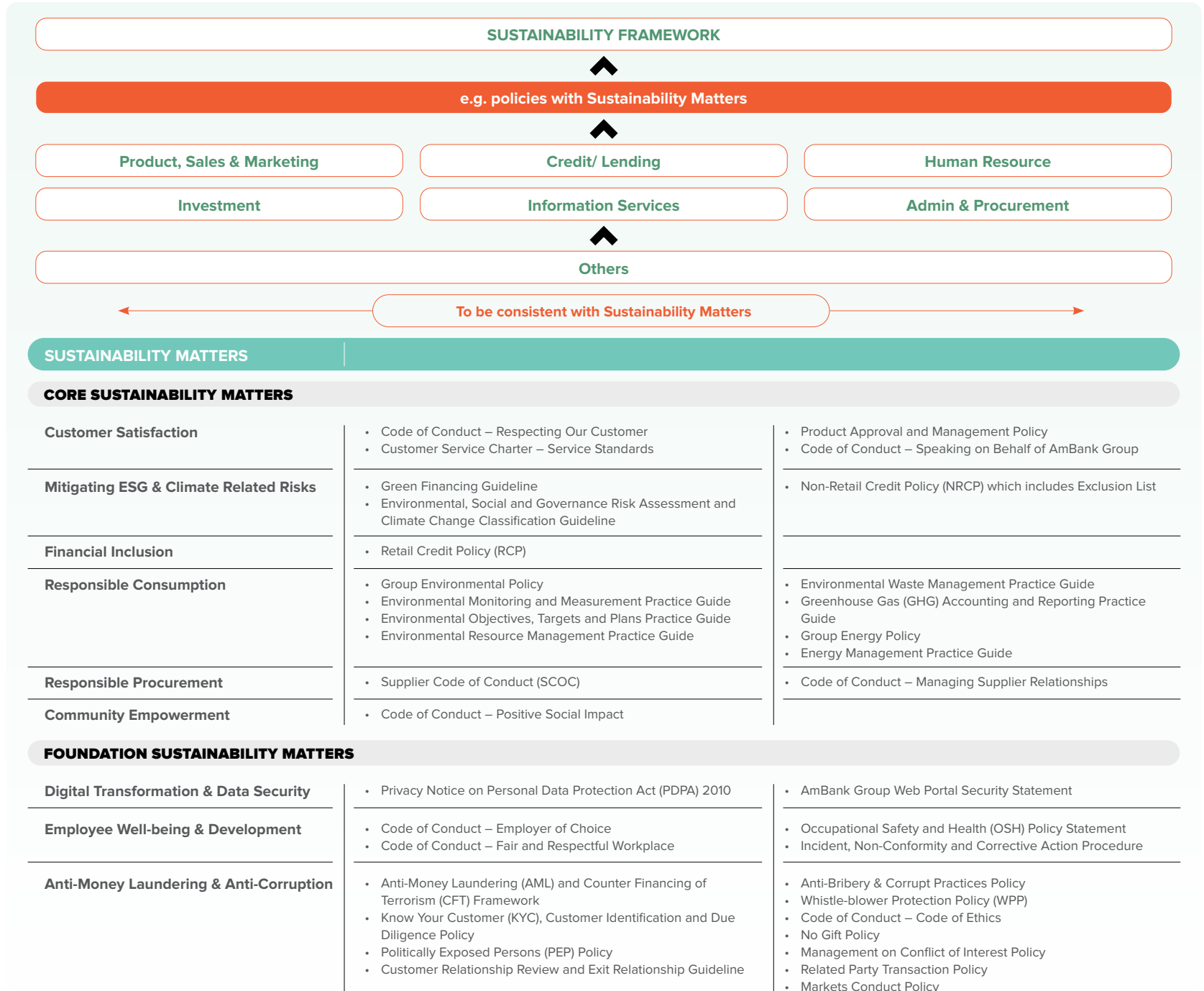
#### LOGISTICS

- Assess environmental and social impacts, waste management and Occupational Safety and Health (OSH) management policy

# KEY SUSTAINABILITY POLICIES & GUIDELINES

## KEY SUSTAINABILITY POLICIES & GUIDELINES

In order to uphold good governance within the organisation, we are guided by our robust Internal Policy Management Framework, which governs the Group’s policies where policies are reviewed on a biennial basis by the respective owner. However, if new legislation or circumstances arise, an earlier review may be conducted to maintain the relevance of our policies.



## KEY SUSTAINABILITY POLICIES & GUIDELINES



### Customer Satisfaction

**Code of Conduct – Respecting Our Customer:** Stresses the importance of fair treatment and respect towards customers. Employees are required to demonstrate professionalism, transparency and integrity in all dealings with customers. Customer complaints received via our various feedback channels must also be resolved in a friendly, expeditious, fair and effective manner.

**Customer Service Charter – Service Standards:** Outlines our commitments and service standards in providing excellent service to our customers. Our employees are expected to understand the customer's profile to deliver products and services according to their needs. The service team is required to deliver transparent and personable service and ensure that the customer is kept aware of our multi-channel options and accessibility.

**Product Approval and Management Policy:** Articulates the overarching principles and minimum requirements in product development throughout the product life cycle. The process balances the need for product governance with commercial considerations. The policy also includes sustainability considerations in its product approval process.

**Code of Conduct – Speaking on Behalf of AmBank:** Emphasises the importance of accurate and factual communications regarding the bank. It applies to all employees and highlights the reputational risks linked to releasing inaccurate information and communication.



### Mitigating ESG & Climate Related Risks

**Green Financing Guideline:** Guidance on how we categorise our green loans/ financing.

**Environmental, Social and Governance Risk Assessment and Climate Change Classification Guideline:** Provides the guidance that the customer's business activities pose to the environment and society, and the risk that the customer may not adhere to good governance practices, by using information obtained from the customer and available public information. It also provides guidance to categorise the impact of the customer's activities to climate change.

**Non-Retail Credit Policy (NRCP):** Sets out the high-level credit principles that we adopt to ensure a consistent approach to managing credit risks for non-retail portfolios. It outlines the credit management standards required to be observed throughout the life cycle of credit exposure, including credit assessment standards, annual review and review of problematic accounts and independent credit review requirements.



### Financial Inclusion

**Retail Credit Policy (RCP):** Represents the credit risk management standards of the Group for retail portfolios. The policy was established within our tolerance for credit risk, and supports the Group Risk Appetite Framework (GRAF) and overall business strategy. The Group Risk Management Department provides independent oversight and risk assessments, as per BNM's Risk Governance standards and guidelines. Whilst we strive to provide access to funding for the underserved segment, our underwriting standards must adhere to the RCP.

## KEY SUSTAINABILITY POLICIES & GUIDELINES



### Responsible Consumption

**Group Environmental Policy:** Describes the key principles to better manage the environmental impact of our operations and activities. Employees and suppliers need to meet all environmental compliance obligations and strive to continuously improve our environmental performance.

**Environmental Monitoring and Measurement Practice Guide:** Helps employees monitor, measure, analyse and evaluate the environmental performance of our operations. The key requirements stipulated in this guide include establishing, measuring and monitoring Environmental Performance Indicators (EPIs).

**Environmental Objectives, Targets and Plans Practice Guide:** Provides direction in developing, implementing, monitoring and evaluating environmental objectives and targets. These objectives and targets are set according to an Environmental Management Plan (EMP).

**Environmental Resource Management Practice Guide:** Outlines the best practices in effectively managing the consumption of resources such as electricity, water, paper and materials. The guide includes Environmental Resource Management Principles; Resource Classification; Electricity and Energy Management; and the Management of Renewable and Non-Renewable Recyclables, Recoverable or Reusable Materials.

**Environmental Waste Management Practice Guide:** Helps effectively manage both solid and scheduled waste generated by our operations and activities. This practice includes details on waste management principles, waste classification and sustainable waste practices.

**Greenhouse Gas (GHG) Accounting and Reporting Practice Guide:** Provides essential carbon management criteria, such as identifying the scopes and boundaries of GHG emissions, as well as the calculation, reporting and verification of carbon data.

**Group Energy Policy:** Acts as the foundation for a successful energy management programme across our buildings and activities. The policy formalises the support and articulates our commitment to energy management and sustainability.

**Energy Management Practice Guide:** Provides guidance in effectively managing energy consumed by AmBank Group in accordance to the Group Energy Policy.



### Responsible Procurement

**Supplier Code of Conduct (SCOC):** Aims to create a sustainable future through responsible procurement. Suppliers must act with integrity, responsibility, honesty, and respect and maintain ethical, safe and environmentally responsible practices.

**Code of Conduct – Managing Supplier Relationships:** Requires employees to abide by the guidelines that help build trust, cooperation and long-term relationships. It emphasises the oversight of the procurement processes to ensure we maintain integrity and honesty across the supply chain.



### Community Empowerment

**Code of Conduct – Positive Social Impact:** Acts as a guide in addressing a wide range of matters on the development of communities. We deliver donations and grants, and conduct volunteering activities through our CSR initiatives that enable the Group to connect with local communities and contribute to their socio-economic growth.

## KEY SUSTAINABILITY POLICIES & GUIDELINES



### Digital Transformation & Data Security

**Privacy Notice on Personal Data Protection Act (PDPA) 2010:** Reflects our commitment to protect and safeguard customers' personal data when entering into any transaction with the Group. The document describes the type of customer data obtained, how it is processed, and the customers' right to withdraw consent to the use or processing of their data.

**AmBank Group Web Portal Security Statement:** Highlights our aim to maintain strict procedures and standards against unauthorised access to personal information. It applies to our website page regarding the security of users' personal information collected and/ or processed through the web portal and the obligations of the user.



### Employee Well-being & Development

**Code of Conduct – Employer of Choice:** Outlines our broad focus areas to become an Employer of Choice. Firstly, to provide a work environment in which our people are valued and enable them to develop their skills and talent towards new challenges. Secondly to maintain and develop the skills, knowledge and capabilities that will assist in delivering good performance at work.

**Code of Conduct – Fair and Respectful Workplace:** Highlights our commitment to creating a workplace that is free from negative and inappropriate behaviours. Employees are required to treat each other with respect, with guidelines on how to act to create a respectful work environment. It emphasises our zero-tolerance of discrimination and harassment and the shared responsibility of fostering a diverse and inclusive workforce.

**Occupational Safety and Health (OSH) Policy Statement:** Stipulates our commitment to mitigate any workplace accident, injury and disease with the following OSH measures: maintain premises and equipment in a condition that is safe and constitutes a minimal risk to health, including the means of access and exit; provide the necessary information, instruction, training and supervision to all employees to sustain a safe and healthy workplace; and provide a monitoring mechanism for compliance with OSH and other relevant statutory requirements. These health and safety procedures extend to all employees, visitors and other persons within our premises.

**Incident, Non-Conformity and Corrective Action Procedure:** Guides the reporting, recording, investigation and correction of workplace incidents and non-conformities. This procedure is reviewed periodically by the OSH unit according to ISO 45001 Standards, ensuring that the contents reflect the current operating procedures.



## KEY SUSTAINABILITY POLICIES & GUIDELINES



### Anti-Money Laundering & Anti-Corruption

**Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework:** Defines the standards and procedures for the prevention and detection of suspicious transactions, such as money laundering and other financial crimes. Thorough investigation procedures help identify suspicious money flows and prevent the use of our banking channels and products to conduct illicit/ illegal transactions.

**Know Your Customer (KYC), Customer Identification and Due Diligence Policy:** Stipulates stringent procedures to ensure that the Group only manages customers who have been properly verified and approved. It ensures proper customer identification through reliable information and documentation, which allows for the proper assessment of a customer's risk profile.

**Politically Exposed Persons (PEP) Policy:** Identifies and manages potential risks associated with onboarding and maintaining our dealings with PEPs, Politically Exposed Corporations (PECs), and Relatives and Close Associates (RCAs). These politically associated groups are subject to Enhanced Customer Due Diligence processes, which involve robust assessment of, inter alia, reputational risk issues and risk mitigation.

**Customer Relationship Review and Exit Relationship Guideline:** Provides guidance on customer relationship reviews where there are AML/ CFT concerns and the process to further monitor or exit a relationship, should evidence indicate that AML/ CFT issues exceed AmBank risk tolerance levels.

**Anti-Bribery & Corrupt Practices Policy:** Sets the standards of integrity demanded of all its employees in their day-to-day business dealings and operations. It represents our zero-tolerance stance on bribery and corruption in all forms. The policy is modelled after the requirements of adequate procedures emanating from the Malaysian Anti-Corruption Commission Act Section 17A.

**Whistle-blower Protection Policy (WPP):** Provides a safe and reliable channel for stakeholders, including customers, suppliers, and employees, to voice grievances and report against unethical conduct without fear of repercussions. They are encouraged to voice out any misconduct such as dishonesty, fraud, corruption, bribery or illegal practices, abuse of power, or conflict of interest involving the Group.

**Code of Conduct – Code of Ethics:** Reflects our firm commitment to maintaining a high level of integrity, professionalism and ethical conduct. It applies to all employees across all levels and provides a clear direction in conducting business, interacting with the community, Government and business partners, as well as general workplace behaviour.

**No Gift Policy:** Strictly prohibits employees from offering, soliciting, or receiving gifts in any form – between current or potential customers, vendors, agents and business partners – which could influence impartial judgement during decision-making. This protects us from potential conflicts of interest, bribery and corruption, as well as ensuring that practices and dealings are conducted ethically and professionally.

**Management on Conflict-of-Interest Policy:** Outlines how to manage situations where an individual's personal interest conflicts with the professional interest owed to the Group and its customers. It describes the identification and prevention of such conflict, including managing Inside Information. The policy promotes high standards of professionalism, integrity and fair dealing by establishing procedures to ensure that Conflict of Interest is properly managed and/ or mitigated.

**Related Party Transaction Policy:** Ensures all related party transactions and recurrent party transactions are made on standard commercial terms and do not favour the related party over those generally made to the public. The policy defines, among other things, associated parties, related party transactions and persons connected, and sets out the approval requirements.

**Market Conduct Policy:** Establishes the overarching principles in managing market activities to ensure compliance with all relevant regulations and uphold high standards of integrity and professional conduct. We have zero tolerance for market misconduct and expect all authorised persons to have sound knowledge and understanding of market regulations.

# ASSOCIATIONS & MEMBERSHIPS

## ASSOCIATIONS & MEMBERSHIPS

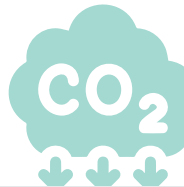
Association	Our Roles and Contributions	Membership
<b>Association of Banks Malaysia</b>	<ul style="list-style-type: none"> <li>Actively participate in various initiatives that promote and strengthen the commercial banking industry to become more resilient, effective and efficient.</li> </ul>	AmBank (M) Berhad
<b>Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)</b>	<ul style="list-style-type: none"> <li>Serve as members of the AIBIM Council and various AIBIM working committees and sub-committees.</li> </ul>	AmBank Islamic Berhad
<b>Malaysian Investment Banking Association (MIBA)</b>	<ul style="list-style-type: none"> <li>Actively participate in programmes and initiatives that improve and strengthen the Investment Banking Industry in Malaysia.</li> <li>Sit on various committees in MIBA, which act as a forum for industry dialogue between practitioners and Malaysian regulators.</li> <li>Discuss and address issues affecting the industry, which provides for smooth functioning of capital markets and aims to push innovation and adopt best practices promptly.</li> </ul>	AmInvestment Bank Berhad
<b>Financial Industry Collective Outreach (FINCO)</b>	<ul style="list-style-type: none"> <li>Support FINCO's goal to provide underprivileged and youths with the guidance and educational tools they need to achieve their life goals.</li> <li>Actively participate and volunteer in FINCO programmes, such as FINCO Reads, FINCO Mentor and FINCO Good SENS (Social Enterprise Network for Schools), which builds on the current efforts of financial industry members and supports Malaysia's national strategy for financial literacy.</li> </ul>	AmBank Group
<b>Malaysian Investor Relations Association (MIRA)</b>	<ul style="list-style-type: none"> <li>Actively participate in knowledge-sharing sessions between other public-listed companies and the investment community to promote corporate governance and transparency, and enhance shareholder value.</li> </ul>	AmBank Group
<b>Joint Committee on Climate Change (JC3)</b>	<ul style="list-style-type: none"> <li>Help pursue collaborative actions for building climate resilience within the financial sector.</li> <li>Collaborate with other financial players to build industry capacity through sharing knowledge, expertise and best practices in managing climate-related risks.</li> <li>Actively support the identification of issues and priorities facing the financial sector in managing the transition towards a low-carbon economy.</li> <li>Collaborate with stakeholders in advancing coordinated solutions to address climate-related challenges.</li> </ul>	AmBank (M) Berhad
<b>Association of Stockbroking Companies (ASCM)</b>	<ul style="list-style-type: none"> <li>Promote the interest of stockbroking companies by providing a collective stockbroker's voice to the relevant regulators and the public.</li> <li>Participate in all issues directly related to the development and progress of the stockbroking industry and help realise the Government's vision of transforming Malaysia into a regional financial centre.</li> <li>Work closely with the Ministry of Finance, the Securities Commission Malaysia and Bursa Malaysia on a diverse range of operational and policy issues.</li> </ul>	AmInvestment Bank Berhad
<b>Community of Practitioners (CoP) of Bank Negara Malaysia's Value-Based Intermediation (VBI)</b>	<ul style="list-style-type: none"> <li>The CEO of AmBank Islamic was the 1st Chairman of the VBI Sectoral Guideline Working Group, which developed sector guide documents pertaining to the Palm Oil, Renewable Energy and Energy Efficiency sectors and activities.</li> <li>For Cohort 2, AmBank Islamic was also part of the VBI Sectoral Guideline Working Group to develop a sector guide pertaining to the Construction &amp; Infrastructure sector.</li> <li>AmBank Islamic's personnel are members of Cohort 3 to develop sectoral guidelines for Transportation and Storage sectors.</li> </ul>	AmBank Islamic Berhad

# SUSTAINABILITY HIGHLIGHTS

Surpassed carbon emissions reduction target of 24% against baseline 2019, achieving 30% reduction before carbon offset and

**93%**

after carbon offset



Achieved

**First Ranking**

in the Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers

**Participated in inaugural carbon credit auction on Bursa Carbon Exchange (BCX)**

and successfully bid for carbon credit



**Energy Management Gold Standard (EMGS) - 1st Financial Institution**

awarded the certification



**81,850 kWh**

energy generated from solar panels from April 2022 to March 2023, offsetting 63.84 mtCO<sub>2</sub>e

Maintained  
**“AA”**

Rating For MSCI ESG



**RM1.94 billion**

of green loans/ financing disbursed

**Became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD)**



**100% of energy consumption from operations in Sarawak was from a hydroelectricity source, reducing 503.45 mtCO<sub>2</sub>e**

**RM1.4 billion** disbursed under the affordable home financing schemes with 5,916 homes purchased

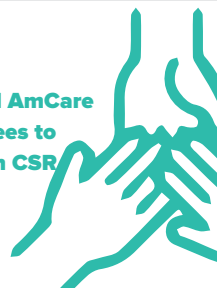


**Incentivise and assist SMEs**

to green their operations via the **GVC Programme**



**Established AmCare for employees to volunteer in CSR activities**



**Zero** Lost Time Injury Frequency Rate

**100% members of the Board and employees received training and communication on the Group’s anti-corruption policies and procedures**



## CUSTOMER SATISFACTION

**Customer satisfaction is essential for the sustainable growth of a business. At AmBank, we prioritise customer satisfaction and go beyond our daily duties to meet customer needs and expectations.**

Fulfilling customer banking needs through providing seamless banking experience will enable us to achieve greater customer retention and build a stronger brand reputation. In today's digital era where innovative technologies and rapid digitalisation prevail, customer expectations continue to evolve with higher expectations. While we embrace new technologies, we strive to provide a human touch in delivering exceptional service quality. Our goal is to offer a holistic customer experience, ensuring satisfaction throughout their banking journey with us.

### OUR APPROACH

We seek to differentiate ourselves from other financial institutions by constantly enhancing our customer experience. To understand our customers, we frequently engage and interact with them and improve customer satisfaction through implementing effective measures to resolve the issues faced. Our aim is to transition our customer interactions from the transactional mindset towards more personalised and mutually beneficial relationships.

As part of excellent customer experience, we are guided by robust policies and measures that ensure honest and transparent information for our customers. We uphold ethical marketing practices to protect our customers' best interests and fulfil our commitment to putting customers first. We have an ethical obligation to

disclose fair and transparent information to ensure that our customers make well-informed decisions. This will help to protect our customers' financial interests and maintain their trust and confidence in our ability to serve them. We ensure that our marketing activities comply with all the necessary regulatory rules, which protect customers against financial exploitation or misselling risks.

In order to ensure consistent communication across the organisation, our branding strategy comprising branding, communications and marketing activities is governed by our brand governance. This protects our brand from unethical use apart from ensuring that all marketing communications are synergistic, relevant, purposeful and socially responsible.

### OUR INITIATIVES

#### THE "NEW NORM" OF CUSTOMER EXPERIENCE (CX)

- **Digital Experience:** Initially developed to assist our customers in navigating the restricted movement control during the COVID-19 pandemic, our improved user interface and experience on our mobile and digital platforms and enhanced access to self-service machines have enabled the continuity of remote banking.
- **Voice of Customers (VOC):** During the post-pandemic, our key initiative was to identify and embed as many customer surveys as possible at critical touch points to collate in-depth feedback. This is to enable us to review and further enhance our customer service and experience in the fastest, most convenient and frictionless way.

- **Robotic Process:** Continuously improving on the automation processes to on-board new and existing customers by leveraging AmOnline, Robotic Process Application and other digital channels.

#### Enhancing CX

- **Customer Surveys:** Conducted surveys to identify gaps and key improvement areas to enhance digital banking experience.
- **Branch QR Code Feedback:** Implemented an initiative where all our branches nationwide would have their unique QR codes, whereby, by scanning the code, customers were able to easily drop their compliments and feedback based on their experience at the respective branches.

## CUSTOMER SATISFACTION

### OUR INITIATIVES

- **CX Workshops:** Internal workshops were organised to develop strategies and action plans based on the findings of the surveys, which covered processes, procedures, service excellence and customer pain points.
- **Customer Feedback:** The Amazing CX and Overall Customer Compliments campaign was launched across the various distribution channels which garnered 6,742 feedback and compliments registered.

### Rewards Recognition

- The following awards were organised to reward and appreciate employees who provided outstanding customer service:
  - **STAR Awards** – Enabled internal employees to recognise their colleagues, staff and/ or supervisors as an Engaged Employee, Shining Star or CX Excellence
  - **Audit and Compliance Excellence (ACE) Awards** – Recognised branches which achieved strong audit and compliance ratings, and individual staff at branches and HQ who exhibited fast, proactive initiatives going beyond to prevent losses for us and our customers



### OUR PROGRESS

**Achieved first ranking** in the Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers.

**433% increase** in total customer compliments received, from **6,029 compliments in 2022** and 1,393 compliments in 2021.

**548%** increase in compliments for branches, from 5,298 compliments in FY2022 compared to 967 compliments in 2021.

**6,742** feedback and compliments received from the Amazing CX and Overall Customer Compliments campaign.

**19 employees** were awarded the **ACE Awards** for outstanding behaviour in support of our compliance culture.

**29 branches** recognised with strong audit or compliance ratings from the Group Internal Audit Department and Group Compliance Monitoring and Testing Unit.

Over **82% of retail banking transactions** performed via AmOnline.

**24,000 retail SME customers** with access to AmAccessBiz.

### Overall Customer Satisfaction

	FY2021	FY2022	FY2023
NPS	14	19	<b>20</b>
NPS rankings amongst industry competitors for AmBank customers only	1	1	<b>1</b>
Customer Satisfaction Score (CSAT) (%)	74	79	<b>78</b>
Percentage of CSAT improvement from the previous year (%)	2	5	<b>(1)</b>

## CUSTOMER SATISFACTION

### OUR PROGRESS

#### Customer Complaints

	FY2021	FY2022	FY2023
Number of customer complaints	2,343	2,119	2,229
Customer Complaints (%)*	2	3	4

\* Based on Customer Relations Survey conducted by third party. FY2023, of those 4% who complained, 72% was resolved.

#### Marketing & Labelling

	FY2021	FY2022	FY2023
Products/ services covered and assessed for compliance (%)	80	36	78
Total number of products/ services	10	11	9
Number of products/ services covered and assessed for compliance	8	4	7
Number of incidents of non-compliance with regulations concerning products and services	0	1	0
Number of incidents of non-compliance with regulations concerning marketing communications	0	0	0

#### Business Customers Reached

	FY2021	FY2022	FY2023
Large Corporate	1,708	1,649	1,676
Mid Corporate	1,931	1,893	1,991
Financial Institution	305	305	298
Business Banking	10,111	12,286	13,224
SMEs	43,146	34,807	38,807
<b>Total</b>	<b>57,201</b>	<b>50,940</b>	<b>52,031</b>

### AWARDS

#### Industry CX Awards we won:



- o **The Digital Banker – Digital CX Awards 2023**
  - > Excellent in Next-Gen Customer Satisfaction – Southeast Asia
  - > Outstanding Digital CX – Mobile Banking
  - > Outstanding Digital CX – Payments



- o **The Asian Banker – Excellence in Retail Financial Services Awards – Malaysia Awards 2022**
  - > Best Productivity, Efficiency and Automation Initiative – Robotics Process Automation (RPA)

## MITIGATING ESG & CLIMATE RELATED RISKS

**ESG factors and climate change agenda are now among the most significant aspects that stakeholders look out for in an organisation. As the world moves towards a sustainable future for all, corporate organisations are expected to contribute to an equitable future and take immediate climate action to slow down global warming.**

In this instance, financial institutions are facing scrutiny from stakeholders such as shareholders, investors and regulators for their unique role as a key enabler to shift funds towards sustainable projects and investments. At AmBank, we have incorporated ESG considerations into our lending/ financing evaluation and investment and advisory practices to contribute to the global efforts of advancing sustainability.

### OUR APPROACH

We drive our sustainability agenda by integrating ESG and climate-related considerations through providing guidance to our lending/ financing services, and investment and advisory practices. We integrate ESG considerations into our strategy and decision-making processes.

As a member of the Value-Based Intermediation (VBI) Community of Practitioners, we remain guided by the principles of VBI and develop products and services that advocate entrepreneurship, community development and environmental well-being. This includes making reference to VBI-related tools, such as the financing and investment assessment framework, and sector guides.

Additionally, we reference international industry guidelines such as the International Finance Corporation of the World Bank for our Exclusion List, whereby the Group would not refinance or extend new/ additional loans/ financing to businesses that fall under our Exclusion List whilst existing exposures from such sectors would be grandfathered. Our credit risk grade is overlaid with ESG risk grade (ESG-RG), climate change classification and green classification for selected non-individual customers. We continue to enhance our capabilities in this area by remaining guided by BNM Climate Change and Principle based Taxonomy (CCPT), VBI Sectoral Guides and the recent BNM Climate Risk Management & Scenario Analysis (CRMSA) Policy Document.

Our investment and advisory practices incorporate ESG and climate considerations. AmFunds Management Bhd (AFM) and AmIslamic Funds Management Sdn Bhd (AIFM) are now signatories to the UN Principles of Responsible Investment (UNPRI). This move demonstrates AFM and AIFM's commitment to responsible investment and their aspiration to be part of a global community that drives the creation of a sustainable and resilient future for generations to come.

### ADDRESSING CLIMATE-RELATED MATTERS

As the negative effects of climate change continue to impact businesses and economies globally, it is imperative for corporate organisations to take immediate climate action and develop climate resilience by mitigating climate-related risk. In addition to integrating ESG considerations into our strategies, business and operations, we strengthened our climate journey by becoming an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We are aligning our climate action against the four pillars of the TCFD namely, Governance, Strategy, Risk Management and Metrics & Targets. Going forward, this will enable us to identify our climate-related financial risks and opportunities and allows our stakeholders to make informed decisions about our organisation and climate action. We aspire to continuously strengthen our climate-related disclosures to align with TCFD recommendations in the future.

#### Governance

The Board has oversight of AmBank's sustainability matters and in this financial year, we have started the roadmap for the implementation of BNM's Climate Risk Management and Scenario Analysis (CRMSA). This will further enhance Board oversight on sustainability matters including climate-related risks and opportunities. The Board has overall accountability and responsibility for driving the Group's sustainability agenda and embedding sustainability in the development of group-wide strategies. This includes mitigating potential ESG and having the responsibility to consider the strategy to build sustainability/ ESG capacity of the Group.

The Board is supported by the senior management and receives update at least twice a year on sustainability/ ESG and climate-related matters. To ensure accountability of our sustainability performance, the Group CEO and all direct reports to the Group CEO have been assigned sustainability-related KPIs since FY2021.

## MITIGATING ESG & CLIMATE RELATED RISKS

### OUR APPROACH

#### Board Diversity

As a forward-looking organisation, we always ensure that the members of the Board come from diverse backgrounds with various industry skills, knowledge and experiences to contribute towards the long-term growth of AmBank Group and to achieve our ESG priorities. The diversity of skills and experience of the Board is defined in the Board Charter, which is available in the Corporate Governance Report 2023.

#### Building Sustainability Capability and Training

We aim to educate and develop the understanding on sustainability/ ESG for AmBankers including climate-related risks and opportunities. Our sustainability/ ESG training programmes include focused sessions for the Board and Senior Management. In FY2023, we organised various training and awareness programmes to upskill our employees on sustainability, climate change and ESG-related issues and ensure the Board as well as Senior Management are abreast with the latest sustainability developments.

#### Sustainability and ESG Training for Employees

Training programmes tailored for employees included education on sustainability and GHG, to improve AmBankers' understanding of climate-related risks and opportunities that will be able to support AmBank's aspiration to support a low carbon economy. We conducted focused sessions for Risk Managers and Relationship Managers to increase the depth of their understanding on ESG risks and climate change classification based on BNM CCPT Guideline.

The learning goals were focused on sustainability awareness, climate risks as well as economic impact of climate change. To achieve this, we organised engaging sessions including case studies to demonstrate emerging opportunities and risks.

As part of continuous education of sustainability and ESG matters for employees we introduced the Kahoot! ESG Contest to immerse our employees through gamification. Over 100 questions on ESG-related issues were fielded throughout the contest period. By taking part in the contest, the participants benefitted from the knowledge gained as they learned together in a fun yet competitive way at the department and branch level.

Going forward, we are designing sustainability training modules that will be rolled out for onboarding and continuous learning programmes with various modes of presentation including via virtual channels.

For more information, refer to page 120 Governance Overview Statement in the AmBank Group's Integrated Annual Report 2023.

#### Strategy

AmBank Group has established strategies to mitigate ESG and climate-related risks. Our strategy includes developing internal controls and identifying the relevant departments within each line of defence in relation to ESG risk management. We adopt an Exclusion List, whereby the Group would not refinance or extend new/additional loans/ financing to customers who are under our Exclusion List. To ensure we operate our business responsibly, we are guided by the Group's ESG Risk Assessment Guideline to assign ESG-RG risk grades to selected non-individual customers prior to approving any loans/ financing.

We have taken various measures to identify our climate-related risks and opportunities. This includes engaging with industry experts, BNM and the relevant authorities, engaging with customers, conducting internal research, and aligning with global climate-related standards such as the Task Force on Climate-related Financial Disclosures (TCFD) framework.

While we acknowledge the threats of climate-related risks, we have also identified various opportunities to tap into the market of sustainable finance. We strive to provide innovative and relevant sustainable financing/ services and products to contribute to the nation's transition to a low-carbon future. For instance, we have a Green Financing guideline that sets out the criteria of green activities. This provides guidance to Relationship Managers and Credit Risk Officers to determine if a loan/ financing application falls under green financing. We also offer a wide range of sustainable products such as solar panels, electric vehicle (EV) rate for Auto Financing, Green Building Financing, Sustainable and Responsible Investment, Sukuk and Green Bond – Sustainable Series-Climate Tech Fund and Sustainable Series Health Fund.

Sustainability opportunities are deliberated by the Group Sustainability Council (GSC), which meets on a quarterly basis. Ad hoc meetings are held when urgent deliberations are required before escalating the subject matter to RMCs and Board members.

#### Risk Management

We are currently building capabilities to conduct climate-related scenario analysis and stress testing to better understand the impacts of climate change on our business operations. Our initiative is in line with the requirements of the BNM Climate Related Management and Scenario Analysis (CRMSA) policy document. The policy document sets out the principles and requirements on financial institutions' management of climate-related risks and opportunities. It aims to enhance the resilience of the financial sector against climate-related risks. We are also guided by the Group Risk Appetite Framework, which is reviewed on a biannual basis.

## MITIGATING ESG & CLIMATE RELATED RISKS

### OUR INITIATIVES

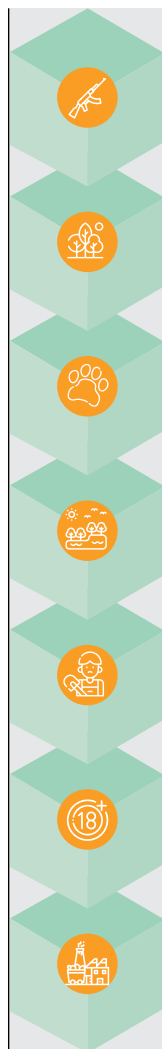
#### 1. Exclusion List

- Since 2022, we have ceased to refinance or provide new or additional loans/ financing to coal-fired power plants and businesses, where coal or coal-related activities contributes at least 20% of the business's total revenue or raw materials for its production. However, exemptions are allowed for the following situations:

- o Purposes for such loans/ financing are for capital expenditure (CAPEX) that precludes coal-related activities, investments or transactions;
- o Purposes for such loans/ financing are for contract-specific loans/ financing that is clearly identified to preclude coal-related activities, investments or transactions; or
- o Use of the loans/ financing can be controlled such that the loans/ financing would not be used for coal-related activities, investments, or transactions.

*Note: In supporting energy security for the nation, loans/ financing of coal-related activities, investments or transactions to national power/ energy entities is allowed provided that there are adequate mitigating factors and are limited to the refinancing of facilities for existing projects.*

- Ceased to knowingly engage in providing additional or new loans/ financing to customers or directly towards activities, investments or transactions that are deemed to be incongruent with AmBank Group's sustainable loans/ financing aspiration.
- Continued to honour existing contractual loans/ financing commitments, but no additional or new loans/ financing were provided.



#### Weapons, Firearms, Explosives

Manufacturing, distribution, or trade in weapons, firearms, explosives or any other related products or services including but not limited to parts, components, or ammunition; other than for a country's defense, security or strategic purposes.

#### Natural Habitat in Violation of PERHILITAN

Distribution, trade or any activity which would adversely affect the natural habitat of any endangered plant or animal species that is in violation of PERHILITAN guidelines, including the production of goods and services derived therefrom.

#### Wildlife in Violation of PERHILITAN

Best Practice also excludes providing financial services that facilitate trading in wildlife or wildlife products that are in violation of PERHILITAN guidelines.

#### National/ World/ UNESCO Heritage Sites

Activities or operations that could have an adverse impact on any National/ World/ UNESCO heritage sites.

#### Forced Labour Or Child Labour

Activities or operations which engage in harmful or exploitative forms of forced labour or child labour.

#### Sex-Related Products Or Services Or Adult Entertainment

Provision of sex-related products or services or adult entertainment. (e.g. prostitution, strip clubs, host and hostess clubs, pornography)

#### Coal<sup>2</sup>

- Coal-fired power plants
- Where coal or coal-related activities contribute 20% or more of the counterparty's total revenue
- Where coal or coal-related products constitute 20% or more of the counterparty's raw materials for its production

1. Weapons, firearms, explosives: countries include foreign countries, in which governments are considered acceptable as purchasers under Malaysian laws or regulations.
2. In relation to the granting of new/ additional loans/ financing to counterparties:
  - i. Financing is allowed provided that the purposes for such loans/ financing are for (i) CAPEX financing or (ii) contract-specific loans/ financing that is clearly identified to preclude coal-related activities, investments or transactions or (iii) the use of the financing is able to be controlled such that the loans/ financing would not be used for coal-related activities, investments or transactions
  - ii. Financing of coal-related activities, investments or transactions to national power/ energy entities is allowed with CACC approval and adequate mitigating factors but is limited to the refinancing of facilities for existing projects.

The Exclusion List is reviewed and deliberated at management committees and approved by the Board to ensure its relevance, in line with the Bank's aspiration as well as international guidance, such as the International Finance Corporation (IFC) of the World Bank.

## MITIGATING ESG & CLIMATE RELATED RISKS

### 2. ESG Risk Grade and Climate Change Classification

- Assessed ESG risks of selected non-individual customers based on the Group's ESG Risk Assessment (ESG-RA) Guideline. We would seek to understand the customers' plan to mitigate ESG risks should they are accorded high ESG-RG. This will further accelerate our sustainable financing practices and help our customers to transition to low ESG risk practices.
- Accord Climate Change Classification (CC-C) to selected loans/ financing in accordance with BNM CCPT issued on 30 April 2021.
- Enhanced the ESG-RG assessment to include CC-C considerations.
- Mandatory escalation of High ESG-RG transactions to the Credit and Commitments Committee (CACC).
- During the annual review of customers which are subjected to ESG-RA, we would continue to seek to understand the customers' plans to mitigate ESG risks.
- We will further enhance our ESG-RA process to evaluate the customers' ESG risks and to transition towards better ESG practices.

### 3. Green Products

- Provided preferential rates for green-certified properties, electric vehicles and solar panel financing
- Offered sustainable and responsible investments (SRI)/ ESG-linked funds, which are managed by AmInvest and focused on environmental and socially responsible investments
- We have developed our internal guidance on green financing with qualifying activities that meet the following objectives:
  - Minimise degradation of the environment; or
  - Zero or low GHG emission; or
  - Safe for use and promotes healthy and improved environment for inhabitants; or
  - Conserves the use of energy and natural resources; or
  - Promotes the use of renewable energy resources; or
  - Promotes climate change adaptation; or
  - Promotes transitional activities towards a low-carbon economy.

### 4. Collaboration with Property Partners on Green Financing Facilities

- Collaborated with Kerjaya Prospek Property Berhad by providing RM100 million green financing facility to fund the development of Courtyard by Marriot Hotel at Bloomsvale, an upcoming mixed development in Kuala Lumpur.
- Partnered with Sime Darby Property Berhad to launch a digital and green financing solution for homebuyers by offering homebuyers a new sustainable financing option for the purchase of Sime Darby Property homes. The facility consists of a holistic ownership ecosystem that includes a simplified loans/ financing application process.

📄 For more information, refer to page 70-71 in AmBank Group's Integrated Annual Report 2023.

### 5. Funds Management

- Continued assisting customers to raise funds which comply with SRI/ ESG principles:

#### POSITIVE CHANGE FUND

27 May 2021

Gains exposure to high quality global companies that address society's challenges that are poised to prosper in the long term, as they possess strong fundamentals for future growth

#### CLIMATE TECH FUND

28 September 2021

Invests in global companies with solutions that mitigate climate change risk and its effects or enable climate change adaptation

#### NUTRITION FUND

23 March 2022

Invests in Pictet-Nutrition (Target Fund), which invests in global companies that contribute to or benefit from nutrition value chain, especially the quality of nutrition, access to nutrition and sustainability of food production

#### SUSTAINABLE OUTCOMES GLOBAL EQUITY FUND

23 November 2022

Invests predominantly in Columbia Threadneedle (Lux) Sustainable Outcomes Global Equity

#### HEALTH FUND

28 June 2022

Invests in global healthcare companies such as digital diagnostics providers, physiotherapy services and health insurers, capitalising on health megatrends as well as innovators improving the standards of healthcare

#### AMBON ISLAM

3 January 2023

This fund was reintroduced in 2023 as a SRI fund and incorporates sustainability considerations in securities selection by investing in securities issued by companies that are well governed and with positive environmental and responsible investments to attract a new investor base

## MITIGATING ESG & CLIMATE RELATED RISKS

### OUR INITIATIVES

- Launch of GVL's ASEAN Green SRI Sukuk Murabahah:

AmBank assumed the joint lead manager role for Global Vision Logistics Sdn Bhd (GVL)'s RM1.5 billion ASEAN Green SRI Sukuk Murabahah programme, which was launched in March 2023. The proceeds of the programme will fund the development of the Shah Alam International Logistics Hub (SAILH), the first green-certified logistics hubs in the country and one of the largest in ASEAN. The first tranche comprising RM620 million unrated Islamic medium-term notes target to be issued in July 2023, with 25% to be subscribed by AmBank (M) Berhad. The logistics hub is expected to attain the local GreenRE silver rating and gain global recognition for the Excellence in Design for Greater Efficiencies (EDGE) Advanced and EDGE Zero Carbon

For more information, refer to page 71 in AmBank Group's Integrated Annual Report 2023.

### 6. Managing Climate-related matters

- Building capabilities to conduct climate-scenario analysis and stress testing, which includes tools for portfolio profiling.
- Enhanced the Group's Green Financing Guideline by incorporating principles of, among others, MyHijau and BNM's Climate Chance and Principle-based Taxonomy (CCPT).
- Developed comprehensive ESG and climate risk training for sustainability capacity building and awareness for the Board and employees.
- Developed AmBank Group Responsible Investment Plan that is in line with our sustainability agenda.

### 7. Industry Capacity Building

AmBank participates actively in industry stakeholder engagement activities to contribute to ESG and sustainability development within the industry.

- AmBank Islamic's CEO is the Chairman of the Financial Industry Collective Outreach (FINCO) Steering Committee and a member of the VBI Community of Practitioners. He was also the 1<sup>st</sup> Chairman for the VBI Sectoral Guide Working Group to develop sectoral guidelines for palm oil, renewable energy and energy efficiency.
- AmBank Islamic is a member of the VBI Community of Practitioners, whereby its personnel are members of VBI Sectoral Guide Working Group to develop sectoral guidelines for palm oil, construction & infrastructure and transportation & storage under Cohort 1, 2 and 3 respectively.
- AmBank Islamic CEO was appointed as the Co-Chairman of the Sub-Committee on Risk Management of the BNM and SC-led Joint Committee on Climate Change (JC3).
- Held a knowledge sharing session with the Malaysian Institute of Certified Public Accountants (MICPA) on 17 May 2022 as part of MICPA's Sustainable Finance Series. AmBank Islamic CEO shared insights of Islamic Finance vis-à-vis sustainability and how organisations can embark on their journey towards a positive future to approximately 130 professional accountants.

### 8. Greening Value Chain (GVC) Programme to incentivise and assist SMEs

As part of our commitment to tracking our Scope 3 emissions, we have signed a MOU with Pantas Software Sdn Bhd (Pantas) for GVC Programme to incentivise and assist SMEs in implementing impactful, long-term change to green their operations. AmBank is Pantas official banking partner for the GVC programme and will be providing relevant sustainability-linked financing products to SMEs. The partnership aims to provide innovative financing solutions to SMEs that strengthen climate resilience, reduce greenhouse gas emissions and contribute to a more sustainable future. We may leverage BNM Low Carbon Transition Facility (LCTF) to assist SMEs to transition towards low carbon practices.



## MITIGATING ESG & CLIMATE RELATED RISKS

### OUR PROGRESS

Maintained  
**“AA” rating**  
for MSCI ESG

Disbursed  
**RM1.94 billion**  
of green loans/ financing

**RM14.7 billion**  
of loans/ financing disbursed were assessed  
as Low ESG Risk Grade

**56%**  
approved and accepted loans/ financing categorised  
as C1 (climate supporting) under Climate Change  
Classification.

**RM6.5 billion**  
of SRI Sukuk arranged by AmInvestment Bank

### AWARDS

#### The Edge ESG Awards 2022



- o **AmInvestment’s Sustainable Series Fund awarded 4 gold awards and 2 silver awards under Best Impact Fund Category**
- o **Sustainable Series – Climate Tech Fund won**  
Best Impact in Climate Action (Gold)  
Best Impact in Healthy Ecosystem (Gold)  
Best Impact in Resource Security (Gold)
- o **Sustainable Series – Positive Change Fund won**  
Best Impact in Basic Needs (Gold)  
Best Impact in Human Development (Silver)  
Best Impact in Resource Security (Silver)

#### Asian Private Banker Awards 2022



- **Best Thematic Provider for AmInvestment’s Health Fund, a partnership with Pictet Asset Management**

## FINANCIAL INCLUSION

**Promoting financial inclusion is crucial for building an inclusive and equitable society. As a trusted financial institution, we recognise our responsibility to provide accessible financial services to all communities. By fostering financial inclusion, we contribute to the resilience and strength of our economy.**

We support the underserved and small businesses by providing access to financial services and literacy, both of which are essential in uplifting the socioeconomic status of the underbanked. We aim to bridge the gap between economic opportunity and outcome through financial inclusion, which is recognised as a key pillar of socio-economic development. By serving the small and medium enterprises (SMEs), we can contribute to the creation of job opportunities while improving our long-term growth, as we continue to tap into the underbanked market.

### OUR APPROACH

Being in the financial industry allows us the unique ability to empower change. As such, we are proactively promoting financial inclusion and shared prosperity. We assist the underserved segment by offering loans/ financing and capacity building to SMEs. This is also manifested by inter alia a dedicated unit – Retail SME – to drive the penetration of micro finance.

We offer capacity-building for businesses through various initiatives to allow them to build business networks and improve their competitiveness through upskilling. Our initiatives include the AmBank BizCLUB, AmBank BizCONFERENCE and AmBank BizRACE. Our services also enable businesses to have access to alternative funding sources such as government grants and the road to capital markets, where we provide consultation and advice on gaining access to capital market funds.

Beyond that, we offer financial access to vulnerable communities, especially those from the B40 income segment. Our products also include offering loans/ financing for affordable homes.

### OUR INITIATIVES

#### SME Sector – Loans/ Financing and Other Banking Products/ Services

- Continued providing loans/ financing to SMEs as part of our commitment to promoting financial inclusion.
- Supported government SME schemes such as Credit Guarantee Corporation (CGC) and Skim Jaminan Pembiayaan Perniagaan Berhad (SJPP).
- Signed a two-year strategic partnership with Persatuan Usahawan Maju Malaysia (PUMM) as the exclusive banking partner for PUMM. The partnership aims for AmBank to strengthen the financial awareness of more than 3,000 of PUMM's members from various business sectors such as construction, information technology, logistics, F&B and advertising. It will also enable PUMM members to easily gain more access to financing and AmBank's various products that will optimise their business.
- Embracing digital technologies to reach out to our customers by expanding access to financial services. We have enhanced our digital presence to drive financial inclusion to meet the needs of customer segments, particularly the SMEs.
  - o Implemented an integrated digitalisation in the Supply Chain Finance (SCF) for SMEs which enabled our market expansion to cover micro-SMEs and SMEs together with supply chains to better support their trade activities and cash flow
  - o Became the first bank in Malaysia to allow a fully end-to-end digital onboarding of new SME customers
  - o Online banking solution that helps manage their debt burden
  - o AmAccess Biz, a banking on-the-go digital platform for SMEs businesses cash management solutions such as cross-border remittance and customised approval workflow
- Entering Phase 3 of SME Deposits Cash Rewards Campaign, offering SMEs cash rewards of up to RM320,000 when using their AmBank's Business Account for their daily transactions.

## FINANCIAL INCLUSION

### OUR INITIATIVES

- Offered consultation and advice in obtaining funds through initial public offering (IPO), bonds, sukuk and other capital market instruments.
- Continued collaborating with CGC to offer financing facilities of up to RM1 million for the SPG Revival Scheme/ -i. This facility, guaranteed 70% by CGC and approved within a day, aims to provide working capital to SMEs recovering from the COVID-19 pandemic. SMEs can access financing without collateral, as AmBank covers the CGC guarantee fee. Additionally, we extended RM400 million in financing facilities through the SME Portfolio Guarantee Scheme under our Retail SME channel by 31 March 2023.
- Collaborated with Sabah Development Bank Berhad to offer financing as part of the Sabah SME Guarantee Scheme. A total loan amounting to RM380,000 has been distributed to help SMEs in Sabah that were affected by the pandemic to navigate through the challenges.

#### SME Sector – Capacity Building

- Organised events through the AmBank BizCLUB to enable SMEs and private business owners to engage directly with business leaders and trainers on topics relevant to their businesses such as leadership, business health, employee readiness and business culture.
- Launched the AmBank BizRACE 4.0 programme to enable customers to grow in key areas of IR 4.0 and Digitalisation. Collaborated with various government agencies and other organisations to provide the participating SMEs with development sessions, one-to-one consultations and grant application guidance.
- AmBank BizHUB SME, a cloud-based platform and an integrated online marketplace for small and micro-businesses to digitalise their business, gain competitive advantage through an additional sales channel, increase productivity and efficiency, as well as enabling cost optimisation through improved visibility of their business spend, ultimately resulting with revenue growth and profitability.
- Promoted consistent learning for SMEs via seminars, forums and events which are backed by BNM, AIBIM and SME Corporation:
  - Collaborated with Capital Markets Malaysia (part of Securities Commission Malaysia) to provide online briefing to SMEs on the topic of ESG
  - Conducted the “Road to IPO/ Capital Markets” initiative to educate and guide our SME clients of the process of becoming a publicly listed company. We guide our clients with regards to the surrounding benefits of embarking and tapping on the capital markets, provide them with insights on the potential risks and regulatory requirements

#### SME Sector – Digital and Ecosystem Partnership

- Aided SME customers through our AmAccess Biz which enables them to manage daily banking activities with features such as Payroll & Statutory Body payments, FPX, DuitNow, JomPAY and foreign telegraphic transfers. Customers are given digital tokens to view and authorise their banking transactions via their registered mobile phones.
- Unveiled the new AmBank Business Cards for SMEs which are the AmBank Visa Infinite Business and Visa Platinum Business Card, in partnership with Visa which offer a wide array of value-added benefits suitable for SMEs to manage daily expenses more effectively.
- Partnered with Lazada to provide solutions and additional facilities to the micro-SMEs sector by offering up to RM 2 million of financing to local entrepreneurs and Lazada Malaysia’s vendors to expand and sustain their businesses online.
- Collaborated with Maxis for the SME-in-a-Box (SMEIB) product, offering SMEs a bundled proposition with exclusive financial and digital solutions. In addition, the collaboration also introduced mTAP, a secure contactless payment solution where mobile devices are used as a payment acceptance terminal to process debit and credit card transactions via PayNet.
- Adopted the Mobile Application Terminal (MAT) which facilitates off-site car financing applications by improving the application process from the four-day turnaround time to within a day.

#### Affordable Housing

- Continued facilitating government affordable home financing schemes such as Perumahan Rakyat 1Malaysia – Skim Pembayaran Fleksibel (PRIMA SPEF), Skim Rumah Pertamaku (SRP) and BNM Affordable Homes Schemes 1 & 2.



## FINANCIAL INCLUSION

### OUR PROGRESS

**Almost RM27 billion** of loans/ financing to SMEs.

More than **300 SMEs** participated in the IR4.0, Digitalisation and Halal Quest.

More than **RM19 million** worth of grants for AmBank BizRACE participants approved by MIDA.

**8,217 SMEs** and entrepreneurs participated in BizCONFERENCE.

**155 participants** in Capital Market Malaysia's programme.

**536 businesses** signed up for AmBank BizHUB since its launch.

**RM1.4 billion** disbursed under the affordable home financing schemes with 5,916 homes purchased in FY2023.

**RM1.21 billion** of auto-financing for B40 segment.

**RM12.8 million** distributed to **532 customers** under SME Portfolio Guarantee in collaboration with CGC.

#### Empowering SMEs

	FY2021	FY2022	FY2023
Total loans/ financing to the SME sector (RM bil)	22.8	24.9	<b>26.7</b>
Percentage of Group's total loan portfolio made up of SMEs	20.2	20.8	<b>20.5</b>
Number of SMEs and entrepreneurs upskilled via AmBizClub	7,138	11,230	<b>12,180</b>
Total number of SMEs and Entrepreneurs participated in BizConference	1,318	5,382	<b>8,217</b>
Total number of SMEs participated in AmBank BizHub	N/A	346	<b>536</b>
Total number of participants in programme with Capital Market Malaysia	N/A	N/A	<b>155</b>

#### Other initiatives for community benefits

	FY2023
<b>Affordable housing loans/ financing schemes (such as PR1MA SPEF; Skim Rumah Pertamaku)</b>	
Total disbursement amount of loans/ financing (RM mil)	<b>1,400*</b>
Total number of affordable homes purchased	<b>5,916*</b>
<b>Auto financing for B40 communities</b>	
Total disbursement amount (RM mil)	<b>1,211</b>

\* Total cumulative disbursement since FY2020 for affordable homes: RM4.6 billion with 21,752 affordable homes purchased.

### AWARDS

**Awarded the Best SME Bank by numerous organisations for commitment in supporting the growth and development of SMEs in Malaysia:**



- **The Asset Triple A Islamic Finance Awards 2022:** Best Islamic SME Bank Malaysia (for the second consecutive year)



- **Global Business Review Magazine Awards 2022:** Best Islamic SME Bank Malaysia



- **Global Islamic Finance Awards 2022:** Best Islamic Bank for SME Banking

## RESPONSIBLE CONSUMPTION

**Many businesses and stakeholders globally are already experiencing the impacts of the climate emergency. The increasing concern over environmental issues has urged business organisations and financial institutions to play a role in mitigating these problems.**

It is imperative to adopt responsible consumption and proactive environmental measures as they are essential to the sustainability of our growth and shareholder returns. With a holistic approach towards responsible management of our consumption of resources, we can create positive long-term value to preserve people and the planet.

### OUR APPROACH

At AmBank Group, we acknowledge the scientific consensus on climate change and other environmental issues. To this end, we are committed to minimising our business's impact on the environment by actively identifying and implementing measures to reduce our environmental footprint with responsible consumption practices and policies. Our environmental practices remain guided by AmBank Group's Environmental Policy, which ensures our full compliance with environmental laws and regulations.

In May 2022, we were the first Malaysian financial institution to be awarded the Energy Management Gold Standard (EMGS) Certification. Menara AmBank was awarded a 1-star rating which requires seven aspects to be assessed, namely Management, Organisation, Process, Information, Financial, Corporate Responsibility and Achieving. Going forward, AmBank is aiming for a 2-star rating. We have also increased our digitalisation efforts to reduce paper consumption by realigning our business processes and centralising various job functions. This will not only accelerate efficiency but also lessen our use of paper.

On 16 March 2023, we participated in the nation's inaugural carbon credit auction on the Bursa Carbon Exchange (BCX) and successfully bid for carbon credit, rendering AmBank Islamic the first Islamic bank in Malaysia to successfully bid for carbon credit. As the world's first Shariah-compliant carbon exchange, the BCX allows trading of standardised contracts with underlying carbon credits from climate friendly projects and solutions to offset our carbon emissions and subsequently meet our long-term strategies and targets to achieve Net Zero Carbon.



**First Malaysian financial institution to be awarded the Energy Management Gold Standard (EMGS) Certification**



**Participated in the nation's inaugural carbon credit auction on the Bursa Carbon Exchange (BCX)**

## RESPONSIBLE CONSUMPTION

### OUR APPROACH

#### Key Principles of AmBank Group's Environmental Policy

##### 1 Principle 1

We are committed to meeting all our environmental compliance obligations such as relevant environmental legislations, regulations and standards to which the Group subscribes.

##### 2 Principle 2

We are committed to the protection of the environment including the prevention of pollution.

##### 3 Principle 3

We aspire to continuously improve our environmental performance in ways that are commercially viable and valued by our management and stakeholders.

##### 4 Principle 4

We will practise responsible and green procurement to the extent possible.

##### 5 Principle 5

As part of our sustainable financing aspiration, we shall strive to reduce adverse environmental and social impact resulting from our lending, financing and investment activities.

##### 6 Principle 6

Environmental protection is the responsibility of all our employees.

We strive to implement initiatives that not only reduce our overall carbon footprint, but also mitigate the risks associated with climate change. The following covers the scope of our greenhouse (GHG) initiatives:

We are committed to implementing initiatives that reduce the Group's overall carbon footprint and contribute toward addressing the risks associated with climate change. The scope of our greenhouse (GHG) initiative covers:



#### Scope 1

Direct emissions from the fuel consumption of company-owned vehicles



#### Scope 2

Indirect emissions from electricity consumption



#### Scope 3

Indirect emissions from employee travel

We closely monitor our carbon reduction progress on a year-to-year basis and target to reduce carbon emissions by 24% against baseline FY2019. Our Group Energy Policy is the cornerstone for effective energy management throughout our buildings and assets. It underpins our commitment to responsible energy management and sustainable development. The Energy Management Practice Guide was issued in November 2021 to provide directions on effective management of the Group's energy consumption, in line with the Group Energy Policy.

**RESPONSIBLE CONSUMPTION**

## Key Principles of AmBank Group's Energy Policy

**1 Principle 1**

We are committed to promoting energy efficiency management continuously.

**2 Principle 2**

We are committed to improving cost effectiveness continuously.

**3 Principle 3**

We are committed to improving environmental preservation and conservation.

**4 Principle 4**

We encourage innovation through the usage of Green Technology and Renewable Energy whenever possible.

**5 Principle 5**

We aspire to continuously improve energy management while maintaining a safe working area.

**6 Principle 6**

We ensure that the energy management carried out by the Group is in accordance with the Group Environmental Policy, Group Environmental Resource Management Practice Guide and Group Sustainability Framework.

**7 Principle 7**

We ensure the compliance of energy management carried out by the Group with the Efficient Management of Electrical Energy Regulations 2008 [P.U.(A)444] as regulated by the Energy Commission of Malaysia and other relevant regulations and laws enacted in Malaysia.

**8 Principle 8**

We ensure that any equipment required for any of AmBank Group's buildings complies with the AmBank Group Procurement policy and Supplier Code of Conduct.

**9 Principle 9**

We ensure that energy management related data is filed, analysed and updated continuously in order to achieve the objectives and targets set for the energy management programme carried out by AmBank Group.

**10 Principle 10**

We are committed to carrying out an energy-management related programme within AmBank Group to cultivate an energy-management culture continuously.

**11 Principle 11**

We are committed to provide the necessary resources to carry out any of AmBank Group's Energy Management Programme.

In addition to producing clean energy from our solar panels at the Damansara Fairway 3 (DF3) building, we have also subscribed to green and renewable energy sources for our electricity consumption across our operations in Peninsular Malaysia and Sarawak. This enables us to balance our carbon emissions as an important element in our long-term strategies and objectives of achieving Net Zero Carbon.

## RESPONSIBLE CONSUMPTION

### OUR INITIATIVES

AmBank Group executed various initiatives to responsibly manage its consumption of carbon emissions, waste and plastics while advocating environmental awareness amongst its employees.

#### Scope 1: Direct Emissions From Fuel Consumption

- Reduced the total number of vehicles belonging to AmBank Group from 27 to 24.
- To reduce our carbon footprint, we aim to convert more of our fleet vehicles to hybrid vehicles. To date, three of our 24 vehicles are hybrid vehicles.

#### Scope 2: Indirect Emissions From Electricity Consumption

- Implemented the Energy Management Practice Guide to ensure our energy consumption is aligned with the Group Energy Policy.
- Energy Management Forum meetings were held to oversee the energy management in AmBank Group including energy consumption and performance as well as management of measures and initiatives. Chaired by the Group Chief Financial Officer (GCFO), EMF drives top-performing energy management systems and energy conservation measures across the Group. EMF shall be held quarterly or at least twice annually. All the conventional lights in our head office buildings and branches have been replaced with energy-efficient LED lights.
- Our DF3 building is installed with solar panels, which generate renewable energy, offsetting our carbon emissions.
- Continued to subscribe to TNB's Green Electricity Tariff (GET) to offset our carbon footprint as well as maintaining our Renewable Energy Certificate (REC) with Sarawak Energy in Sarawak.
- Ensured all new air-conditioners in our branches and buildings have 3- or 4-star energy efficiency label.
- On 25 March 2023, we participated in the Global Earth Hour Campaign in addition to observing Earth Hour monthly since April 2022 to advocate climate action. Lights were switched off in the following AmBank buildings:
  - o Bangunan AmBank Group, Jalan Raja Chulan
  - o Menara AmBank, Jalan Yap Kwan Seng
  - o Wisma AmFirst
  - o Damansara Fairway 3 (DF3)
  - o Bangunan AmBank Group, Kuching

#### Scope 3: Indirect Emissions From Employee Travel

- We continue to provide outsourced shuttle services for employees commuting between Wisma AmFirst and Glenmarie LRT station and DF3 to Kelana Jaya LRT station.
- We also engaged travel agents to track carbon emissions generated from airline bookings made for business-related travel using the International Civil Aviation Organisation's Carbon Emissions Calculator.

#### Optimising Our Management Of Waste

- Continued to monitor the top 20 printing users at head offices and branches to manage printing and reduce paper consumption. The amplification of digitalisation together with the decreasing usage of paper necessitates a realignment of our business and work processes.
- Promoted the use of passbook-less transactions among customers, whenever possible. However, customers without access to AmOnline are encouraged to maintain their passbooks. We also encouraged clients to utilise e-statements and email communications to reduce paper usage. Additionally, AmBank also implemented digital letterhead and signatures as part of its paperless initiative.
- Encouraged employees to practise waste segregation by implementing recycling facilities in Menara AmBank, Bangunan AmBank Group, Wisma AmFirst and DF3.
- Engaged a licensed third-party paper recycling vendor to shred documents securely.
- Continuation of no single-use plastics at three of AmBank's head offices, namely Menara AmBank, Bangunan AmBank Group and Wisma AmFirst.
- Conducted Paper-Free Week Challenge to encourage paperless culture. The winners have reduced a total of 45,345 sheets from their paper consumption. This reduction is equivalent to saving 5.4 trees from being destroyed.

#### Raising Environmental Awareness

- Employees and stakeholders were updated on our environmental performance through various channels such as via email, internal portal, branches' television, Menara AmBank's digital board and ATM screens.
- A Virtual Energy Corner was created in our internal portal to raise employees' awareness of the Group's energy management initiatives and achievements.
- An Environmental and Energy Corner is also available at Menara AmBank's Foodcourt located at Level 12 to raise employees' awareness on environmental sustainability including waste and energy management.
- Organised webinars for employees to increase awareness on energy consumption, climate change, waste management through topics such as:
  - How To Reduce Single-Use Plastic Consumption
  - Climate Change – What to Focus?
  - Basic Carbon Calculation
  - Great Minds Recycle E-Waste
  - Are You Recycling Correctly?
  - Upcycling DIY Workshop – Fruit Enzyme Cleaner

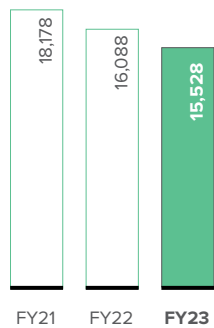


## RESPONSIBLE CONSUMPTION

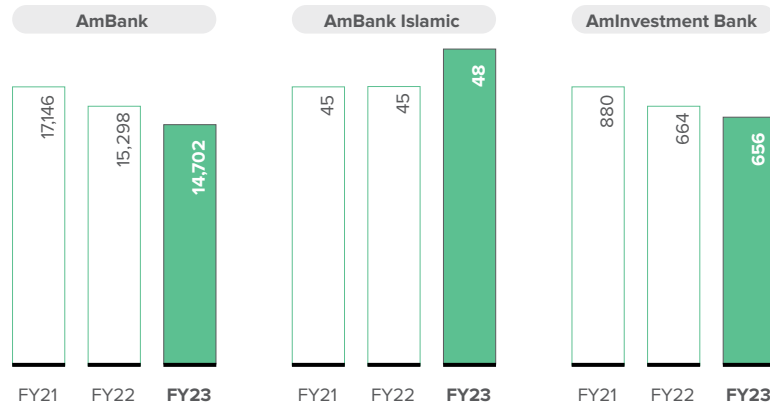
## OUR PROGRESS

## Overall GHG Emissions

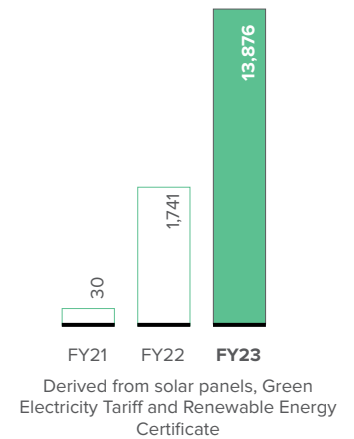
- FY2023's carbon emission reduction against baseline FY2019\* was 30%, which exceeded our reduction target of 24%. With carbon offset derived from solar power, Green Electricity Tariff (GET) and Renewable Energy Certificate (REC), we further reduced our carbon emissions to 93% against the baseline.

Total GHG Emissions  
(tCO<sub>2</sub>e)\*\*

\*Baseline FY2019 = 22,184

Total GHG Emissions by Entity  
(tCO<sub>2</sub>e)

## Carbon Offset

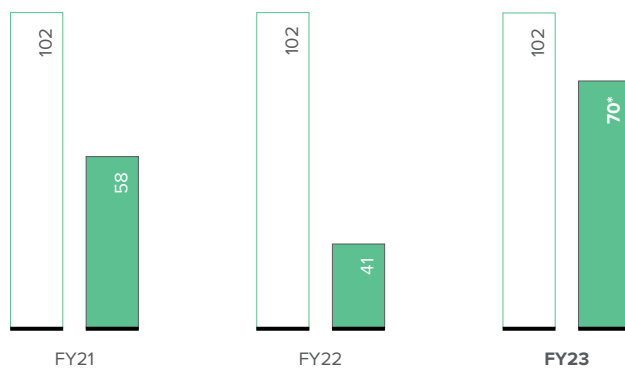


Note:

The Electricity Carbon Emission Factor is obtained from Grid Emission Factor (GEF) in Malaysia, 2017-2019.

\*\* The total GHG emissions include GHG emissions for AmFunds Management, AmIslamic Funds Management and AmGeneral.

## Scope 1: Direct Emissions From Fuel Consumption

GHG Emissions from Petrol Consumption  
(tCO<sub>2</sub>e)Petrol Consumption Per Year  
(Litres)

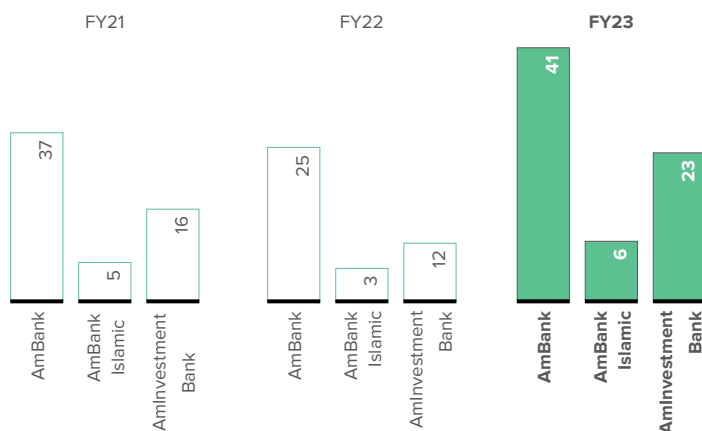
\* The increase in FY23 is due to resumption of office operations post MCO.

□ Target    ■ Actual

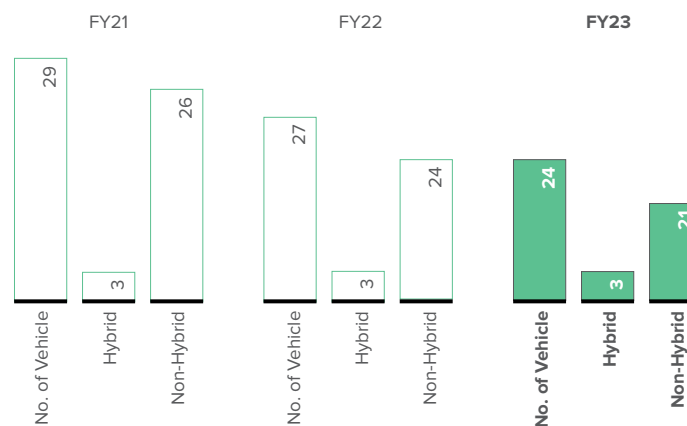
## RESPONSIBLE CONSUMPTION

### OUR PROGRESS

Scope 1 GHG Emissions by Entity (tCO<sub>2</sub>e)



No. of Vehicles/ Vehicle Composition



### SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

- **5%** reduction in carbon emissions.
- **0.084 mtCO<sub>2</sub>e** utilised per square meter of office space.
- **79,113 kWh** saved through LED lighting initiative.
- **81,850 kWh** energy generated from solar panels from April 2022 to March 2023, offsetting about **63.84 mtCO<sub>2</sub>e** of carbon emissions for FY2023.
- **17,062,750 kWh (93%) of Green Electricity** from TNB consumed throughout AmBank Group's operations in Peninsular Malaysia, bringing about a carbon offset of **13,308.95 mtCO<sub>2</sub>e** of carbon emissions for FY2023.
- **2,267,789 kWh (100%) of energy consumption** from operations in Sarawak was provided by a hydroelectricity source, reducing **503.45 mtCO<sub>2</sub>e** of carbon.

Scope 2 GHG Emissions (tCO <sub>2</sub> e)	FY2021 (Restated)	FY2022 (Restated)	FY2023
AmBank	17,088	15,244	<b>14,463</b>
AmBank Islamic	40	37	<b>34</b>
AmInvestment	863	652	<b>623</b>
AmFund Management	97	76	<b>73</b>
AmIslamic Funds Management	6	4	<b>3</b>
<b>Total</b>	<b>18,094</b>	<b>16,013</b>	<b>15,196</b>

Note:  
Suruhanjaya Tenaga (Energy Commission) just published revised Grid Emission Factors from 2017 - 2019. Hence, we have to restate our Scope 2 emissions based on this revision.

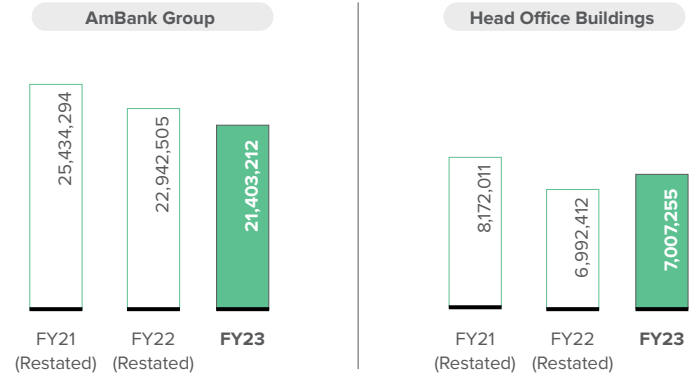
Region	Previous Emission Factors (MGTC's 2017 CDM Electricity Baseline For Malaysia)	New Emission Factors (as published by Energy Commission)
Peninsular Malaysia	0.585	0.780
Sabah	0.525	0.527
Sarawak	0.330	0.222

## RESPONSIBLE CONSUMPTION

Actual vs. Target Scope 2 GHG Emissions (tCO<sub>2</sub>e)

□ Target    ■ Actual

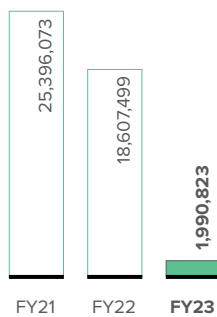
## Total Electricity Consumption (kWh)



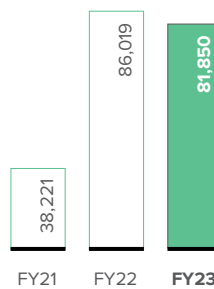
Total Electricity Consumption (RM' 000)	FY2021	FY2022	FY2023
AmBank	10,963	9,858	10,115
AmBank Islamic	26	24	24
AmInvestment	601	438	464
AmFund Management	62	52	56
AmIslamic Funds Management	4	2	3
<b>Total</b>	<b>11,656</b>	<b>10,374</b>	<b>10,662</b>

## Total Electricity Consumption (kWh)

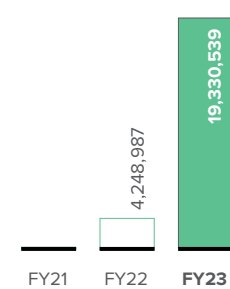
## Electricity consumed from external provider



## Electricity generated from renewable source



## Electricity purchased from renewable source



## RESPONSIBLE CONSUMPTION

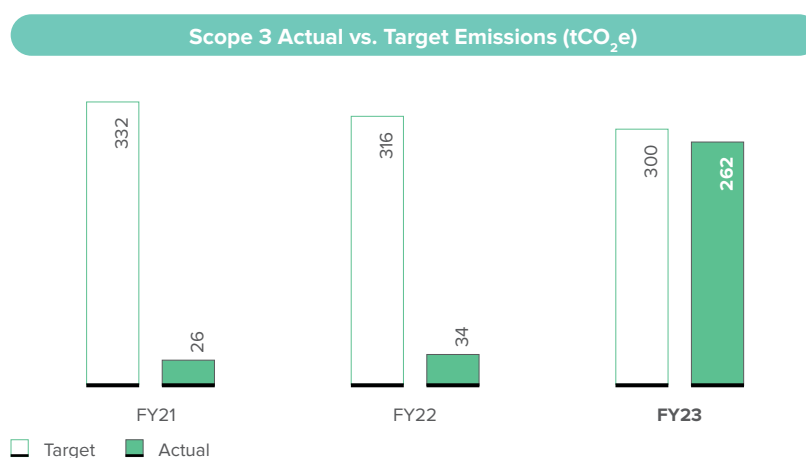
### OUR PROGRESS

Head Office Buildings	(kWh)			(kWh/FTE)		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	1,550,028	1,364,965	<b>1,467,915</b>	815	627	<b>682</b>
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	1,428,555	973,749	<b>894,772</b>	822	568	<b>611</b>
Menara MBF, Jalan Sultan Ismail (MBF)	229,675	-	-	994	-	-
Plaza See Hoy Chan, Jalan Raja Chulan (PSC)	35,200	-	-	1,006	-	-
Damansara Fairway 3 (DF3)	4,267,976	3,912,713	<b>3,902,277</b>	26,675	22,358	<b>20,115</b>
Wisma AmFirst, Kelana Jaya (WAF)	514,841	534,305	<b>623,597</b>	528	541	<b>489</b>
Wisma AmBank, Jalan Pudu (WAB)*	145,737	206,680	<b>118,694</b>	-	-	-
<b>Total</b>	<b>8,172,012</b>	<b>6,992,412</b>	<b>7,007,255</b>	<b>884</b>	<b>1,383</b>	<b>1,379</b>

\* Data for WAB was between Apr 2022 - Jan 2023 as we disposed this building in Jan 2023.

### SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL

- In FY2023, there was a **38%** reduction in Scope 3 emissions against FY2019. However, there was a 670% rise in FY2023 Scope 3 emissions compared to FY2022, mainly due to the lifting of travel restrictions post COVID-19's Movement Control Order (MCO). Nonetheless, the numbers were still below AmBank Group's targets.
- Reduced **97,782.90 km** of single passenger car trips with shuttle service, saving a net of 59,949.10 km of distance travelled by individual vehicles (approximately **7.58 tCO<sub>2</sub>e** saved through shuttle service). There was an increase in shuttle trips due to more staff working from the office.



### RESPONSIBLE WATER MANAGEMENT

Conserving water is vital to the longevity of our planet. We strive to reduce our water consumption by installing self-closing taps at Menara AmBank and Bangunan AmBank Group. Currently, we track our water consumption by monitoring our monthly payment of water bills. In FY2023, our water consumption for all branches and main buildings\* was 73.6 megalitres.

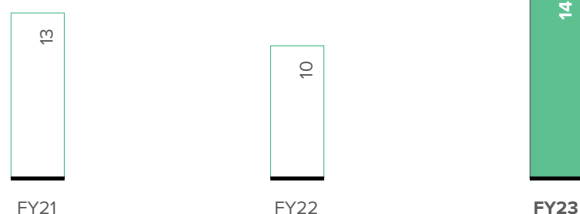
\* The main buildings exclude Menara AmBank, Wisma AmFirst and Bangunan AmBank Group. No water bill received from building owner, only fixed service charges hence the water usage cannot be quantified in this FY2023.

## RESPONSIBLE CONSUMPTION

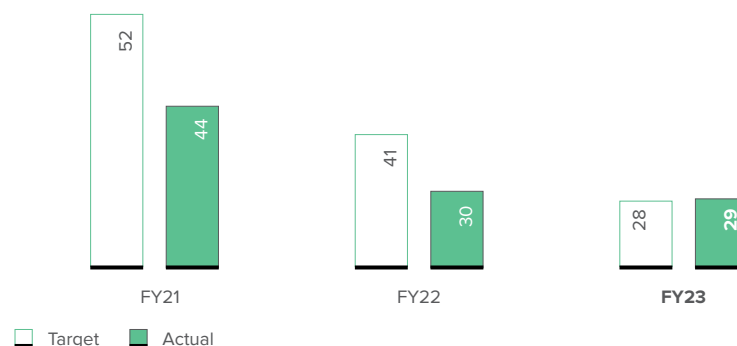
### RESPONSIBLE WASTE MANAGEMENT

- AmBank is in the process of developing its EMS (ISO14001: 2015) for Menara AmBank. For instance, an awareness programme for waste management has been initiated especially on scheduled waste management.
- 41%** increase in the use of savings passbooks, as customers who did not have access to online services are still required to use saving passbooks. We will continue to push customers to opt for paperless transactions.
- 1%** reduction in A3 and A4 paper consumption.
- RM4,756.85** in recovery value of paper waste recycled by our third-party recycling vendor. We will increase our efforts to reduce our consumption of paper across our operations.
- Accumulated **4.215** tonnes of recyclable waste from our Recycling Bins in Menara AmBank, Bangunan AmBank Group and Wisma AmFirst in FY2023, to be recycled by our third-party recycling vendors.

#### No. of Saving Passbook ('000)



#### A3 & A4 Paper Consumption (no. of sheets - mil)



#### Paper Waste Collected

Breakdown of Paper Waste Collected (tonnes)	FY2021	FY2022	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	5	4	5
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	7	4	7
Damansara Fairway 3 (DF3)	0	0	0
Wisma AmFirst, Kelana Jaya (WAF)	0	1	2
Other (Record Management Service Provider)	60	39	61
<b>Total</b>	<b>72</b>	<b>48</b>	<b>75</b>

#### Types of Waste Recycled

Recycled Waste (tonnes) by Type	FY2021	FY2022	FY2023
Plastic	0.015	0.020	0.302
Paper	1.977	2.041	1.801
Cardboard	1.348	1.674	2.031
Can	0.052	0.043	0.081
Metal	0.066	0.010	0
<b>Total</b>	<b>3.593</b>	<b>3.968</b>	<b>4.215</b>

**RESPONSIBLE CONSUMPTION**



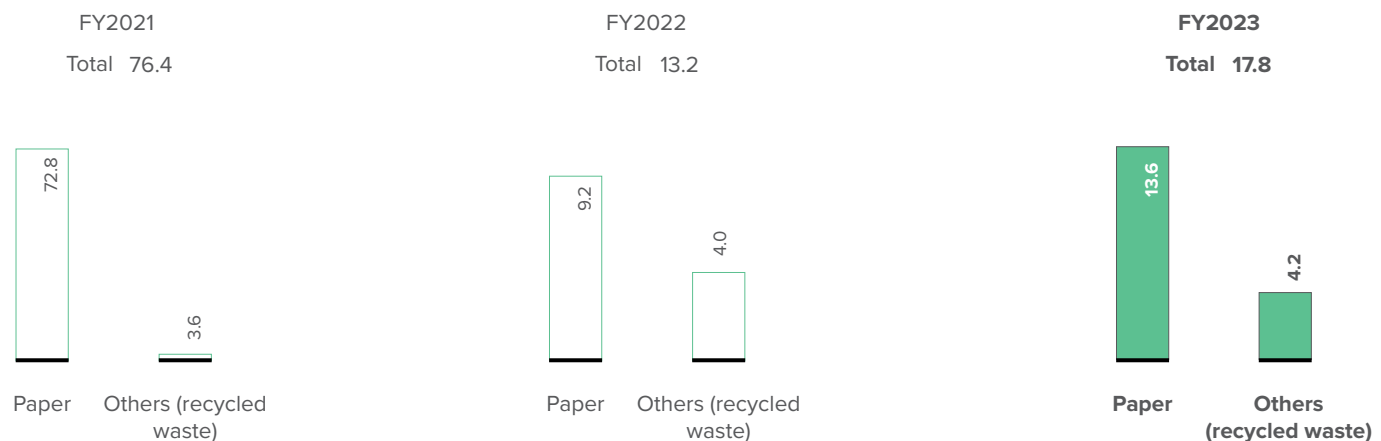
Dato’ Sulaiman Mohd Tahir, Group Chief Executive Officer of AmBank Group and Datuk Seri Mahadi Bin Che Ngah, Mayor of Kuala Lumpur standing next to the enhanced Recycling Reverse Vending Machine (RRVM) at the Kuala Lumpur City Hall (Menara DBKL 1). As part of its sustainability journey, AmBank Group introduced the Trash-to-Cash online reward system via DuitNow QR Scan which is embedded in this RRVM. For every can, drink box and plastic bottle recycled, RRVM will reward the user 5 cents per item which can be claimed by displaying their DuitNow QR code via AmOnline or preferred banking application.

**OUR PROGRESS**

**Types of Waste Generated**

We have implemented several practices such as waste segregation to promote recycling. We also promote Zero Waste lifestyle among AmBankers to reduce domestic waste. All our domestic waste is managed by the local councils at the designated landfills.

**Waste Diverted from Disposal (tonnes)**



**ENVIRONMENTAL ACHIEVEMENTS**

- Zero environmental non-compliance

## RESPONSIBLE PROCUREMENT

### Having a balanced and responsible procurement system ensures that AmBank’s goods and services are procured without harming the environment and society.

This will not only benefit our business in the long term, but will build trust among our stakeholders and safeguards the integrity of the Group. As such, it is imperative for us to incorporate environmental and social considerations into our procurement practices.

#### OUR APPROACH

We prioritise sustainable and responsible procurement practices to ensure that our products and services are sourced from ethical and environmentally friendly suppliers who manage their resources responsibly. Integrating ESG practices in our supply chain will enable us to cultivate positive impacts for all stakeholders across the value chain.

Our procurement procedure remains guided by AmBank Group’s Sourcing Policy and Supplier Code of Conduct, which advocate responsible and inclusive supply

chain practices. We have also put in place AmBank Group’s Responsible Sourcing and Green Procurement for Supplier’s Onboarding Programme, which includes a set of questions to assess new suppliers’ sustainability practices and principles. Additionally, due diligence reviews and risk impact assessments are conducted on new suppliers as part of our selection criteria to further embed responsible procurement practices into our supply chain.



#### Business Integrity

Suppliers to adopt a policy governing anti-bribery, extortion, corruption, fraud, money laundering and misconduct.



#### Safety and Social Performance

Suppliers to have a written Safety Policy in place which complies with industry, national and international standards that ensure all forms of employment are free of forced labour, bonded labour, slavery, human trafficking and child labour.



#### Environmental Sustainability

Suppliers to promote the use of sustainable products (e.g. recyclables, reusable, non-toxic) and practices in the delivery of products and services.



#### Product Performance Testing

Suppliers to adhere to AmBank Group’s required performance and technical specifications.



#### Resource Efficiency and Waste Reduction

Suppliers to take back the products supplied for reuse or recycling, where applicable.



#### Energy Efficiency

Suppliers to employ energy-saving features to their products and services during use or standby; where applicable.



#### Environmentally Hazardous Substance Management

Suppliers to use licensed waste collectors for the collection and disposal of scheduled and hazardous wastes generated from their activities.

## RESPONSIBLE PROCUREMENT

### OUR INITIATIVES

#### Local Vendors

- Onboarded 20 local vendors who were certified by the Malaysian Global Innovation & Creativity Centre (MaGIC) to encourage business units to procure products/ services from local vendors and support Malaysian entrepreneurs, thus embracing sustainability and responsible procurement. We personally engaged some of the supplier advocating and supporting this small businesses.

#### Supplier Selection Process and Onboarding

- Continued to implement the e-Procurement system for self-registration of suppliers. Prior to being selected, our suppliers are assessed against a set of criteria based on the Supplier Code of Conduct & Anti-Bribery and Corrupt Practices, Business Integrity and Governance, Safety and Social Performance and Environmental Sustainability. The tabulated assessment score shows whether a supplier qualifies to be registered. Suppliers who marginally fail are reassessed or referred for exemption on a special case basis or disqualified.
- Required all new suppliers to sign the AmBank Integrity Pledge through our supplier onboarding Supplier Lifecycle and Performance process. The end-to-end process involves pre-qualification of suppliers, which requires potential suppliers to pass modular questionnaires on Business Integrity & Governance, Environmental Sustainability and Safety & Social Performance.
- We continue to conduct ESG awareness and guidance for suppliers.
- Implemented the use of e-Ariba to reduce paper consumption for Purchase Orders and invoicing.
- Archived softcopy contracts in Group Procurement's centralised system to reduce hardcopy archiving. Suppliers and stakeholders were also encouraged to use e-stamping at Inland Revenue Board to reduce the issuance of cheques.

#### Socio-Economic Contributions

- Provided business opportunities to support suppliers, contributing 89.6% of total procurement spending to local businesses.

#### Green Sourcing & Procurement

We continued to encourage our suppliers to adopt green practices whenever possible. Internally, we took the following measures to reduce our environmental footprint:

- Continued to encourage stakeholders to use energy saving LED light bulbs and equipment.
- Sourced stationery made with eco-friendly materials to reduce our reliance on plastic-based stationery. Introduced piped-in water dispensers and reduced and/ or eliminated the use of 5-gallon plastic bottles RO drinking water across all AmBank offices.
- Cut paper consumption by encouraging staff to utilise double-sided printing as well as using the e-Letterhead and e-Memo throughout our offices. We have also reduced the size of our printed festive packets.
- In the purchasing of IT products, we only procured tier-one brand hardware servers, laptops and desktops which are more eco-friendly as they are asbestos-free, with batteries that come with disposal guidelines and packaging materials that contain no more than 0.01% hazardous substances such as mercury, lead, cadmium and hexavalent chromium.
- Our data centres only acquire products that are compliant to the Restriction of Hazardous Substances (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the European Waste Electrical and Electronic Equipment Directive (WEEE).

### OUR PROGRESS

All of our new vendors underwent screening and were found to be 100% compliant in the pre-qualification ESG questionnaires.

Breakdown of Suppliers	FY2021	FY2022	FY2023
Total no. of local suppliers	1,129	1,866	<b>1,136</b>
Total no. of international suppliers	96	102	<b>98</b>
<b>Total</b>	<b>1,225</b>	<b>1,968</b>	<b>1,234</b>
Local suppliers with active contracts (%)	89	89	<b>92</b>

Economic Contribution to Suppliers (RM mil)/ (%)	FY2021	FY2022	FY2023
Local suppliers	449.3 (83.3%)	1,069.6 (91.3%)	<b>656 (89.6%)</b>
International suppliers	89.8 (16.7%)	101.4 (8.7%)	<b>76 (10.4%)</b>
<b>Total</b>	<b>539</b>	<b>1,171</b>	<b>732</b>

New Suppliers Screened with Environmental and Social Criteria	FY2021	FY2022	FY2023
Total no. of new suppliers	40	119	<b>68</b>



# COMMUNITY EMPOWERMENT

## Giving back to the community is vital for the development of a sustainable community to ensure no one is left behind.

At AmBank, we always give back to society to empower the communities through corporate social responsibility (CSR) programmes that are designed to generate long-term positive impacts. This enables us to build trust with the communities, advance our sustainability agenda and enhance our corporate legitimacy. Additionally, our CSR programmes allow our employees to engage with the communities in which we operate and contribute to society’s sustainable growth.

### OUR APPROACH

We focus on common development issues faced by communities such as education funds and food aid. We reach out to the local communities in which we operate and non-governmental organisations (NGOs) to identify and meet their needs. As such, we engage regularly with the communities and develop and implement programmes that will leave long-lasting positive impacts. We execute our CSR programmes through AmKasih Programme, which aims to improve social mobility and the livelihood of all communities across all levels of society.

We are committed to giving back to society through investing a reasonable and equitable portion of our profits in CSR programmes and making Zakat contributions under AmBank Islamic to support underprivileged communities. Additionally, we promote financial literacy embedded with sustainability elements to improve the communities’ financial, credit and debt management knowledge, enabling them to make informed decisions and avoid financial pitfalls.

#### 1 Principle 1 – Alignment

All CSR initiatives are to be aligned with AmBank Group’s sustainability agenda which embeds environmental and social concerns.

#### 2 Principle 2 – Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on our community. To this end, we will set and publish the targets of our key CSR-related initiatives.

#### 3 Principle 3 – Community

We will work responsibly with our community to promote shared prosperity for current and future generations.

#### 4 Principle 4 – Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to create the desired impact of our CSR initiatives.

#### 5 Principle 5 – Governance & Culture

We will implement our CSR initiatives through effective governance and a culture of creating a positive impact to our community.

#### 6 Principle 6 – Transparency & Accountability

We will periodically review the implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contributions to our community.

**AmBank’s Principles in Developing Impactful CSR Programmes**

## COMMUNITY EMPOWERMENT

### OUR INITIATIVES

#### AmCare

The Group believes that positive impact creation is not limited to organisational level but also involves individual contributions. With that in mind, we launched AmCare to serve as an avenue for employees to volunteer in CSR activities. The platform amplifies the importance of sustainability and encourages AmBankers to actively engage with the local communities in areas where we operate. Our employees are entitled to three days of paid leave per annum for charitable work and/ or sustainability projects. This new initiative will encourage AmBankers to make positive impact to people and planet by volunteering to invest their time and energy for the greater good.

#### Financial Literacy and Life Aspiration

- FINCO – Donated RM187,500 to provide underprivileged children and youth with educational tools and other life goals guidance. We also sponsored nine additional schools under the Adoption Programme assigned by BNM. We contributed decommissioned computers and tables with internet data subscription to be used by participating schools under the programme. As a result of our active participation as a member, we were presented with two awards by FINCO in 2022.
- FINCO Good SENS – Participated as a panel judge in The Dragon's Den Competition. Participants of the competition consisting of primary school students aged between 10 and 12 years old were tasked to pitch their social enterprise ideas. We contributed RM157,950 for the competition, which benefitted 360 students.
- FINCO Career Insights Career Fair – AmBank participated in the event aimed to improve students' understanding of career opportunities, the skills and behaviours valued by employers and pathways in order to secure high value employment. The event was held in nine states nationwide, namely Pulau Pinang, Melaka, Perak, Johor, Putrajaya, Pahang, Kuala Lumpur, Kedah and Perlis. Our involvement included opening consultation booth and financial literacy talk and we were able to reach out to 9,412 visitors.
- FINCO Aspire Workshop – AmBank participated in various programmes including the Who Am I Workshop, Interview Workshop, My Aspiration Workshop and Budgeting Workshop. The programme benefitted 201 secondary school students from FINCO schools.
- FINCO CEO Volunteering Month 2022 – Our Group Senior Management supported the FINCO programme by volunteering as speakers, benefitting 116 secondary school students under the FINCO Life Aspiration and Financial Literacy Pillar. In some of the sessions, AmBank Group was represented by Group CEO, Dato' Sulaiman Mohd Tahir and AmBank Islamic CEO/ Group Sustainability Champion, Eghwan Mokhzanee.
- FINCO Storytelling Sessions – AmBank participated in storytelling sessions on 24 Nov 2022 held at Sekolah Kebangsaan (SK) Alam Damai and SK Seri Setapak Kuala Lumpur on 1 Dec 2022. The session benefitted 59 students.
- Talk on Financial & Investment Literacy Programme – Collaborated with Bursa Malaysia to deliver a talk on Financial & Investment Literacy Programme to 100 students from the International Islamic University Malaysia (IIUM), under Bursa's Sens-Ability Programme.
- Malaysian Finance Expert Convention (MFEC) 2022 – AmInvestment Bank sponsored RM2,000 for MFEC 2022, which was organised by University Malaya Finance Association. Participating as speakers at the convention, AmInvestment Bank also held a knowledge-sharing session with 580 students on Ultimate Stock Picking Strategies Workshop conducted on 3 April 2022.

#### English Literacy Programmes



- AmBank Group Storytelling Session – In support of FINCO's Strategic Pillar of English Proficiency, AmBank organised English Storytelling sessions in charity homes and our adopted schools including Pertubuhan Rahoma Darul Fakir, SK Bukit Rokan Utara from Negeri Sembilan, SK Taman Sri Muda from Shah Alam and SK Batu Arang from Rawang. The sessions impacted 210 beneficiaries.
- AmBank Literacy Programme in collaboration with MYReaders – Partnered with MYReaders to develop children's reading skill through one-on-one sessions. The six-month programme aims to enhance the English language proficiency among primary school students through a literacy toolkit with a tested and proven syllabus structure. Twenty students from Pertubuhan Rahoma Darul Fakir Malaysia took part in the programme, which included reading sessions with AmBank volunteers through Google Meet. AmBank invested RM14,900 into this initiative.
- AmBank and Big Bad Wolf (BBW) Community Based Library – Supported the Big Bad Wolf Charity event by sponsoring the purchase of books for flood affected

## COMMUNITY EMPOWERMENT

families and book inventories in existing schools as well as community centres. We also assisted BBW to set up 10 stations in selected schools or 'tabika' nationwide. AmBank contributed RM35,000 for the programme, which promotes reading and English literacy and impacted 5,643 beneficiaries.

- Community Outreach and Welfare The Lost Food Project (TLFP) – Continued to partner with TLFP to reduce food wastage and be part of the solution in eliminating hunger among the B40 community. We sponsored RM39,600 for the rental of the warehouse for 12 months.
- Pusat Kebajikan Masyarakat Kuching – Contributed financial assistance of RM20,000 via the Pusat Kebajikan Masyarakat Kuching to rebuild homes for fire victims and for the hardcore poor in Santubong, Sarawak.
- AmBank AmKasih Ramadhan Raya CSR Programme 2022 – Assisted 1,100 beneficiaries of asnaf families from Amanah Ikhtiar Malaysia and asnaf students from AmBank adopted schools through the provision of food aid.
- Japan Matsuri Festival, Tawau – Sponsored RM5,000 for the event, which seeks to create public awareness on the 100-year old Japanese heritage and other historical assets in Tawau, Sabah.

### Sponsorship

- Malaysian Zoological Society – Renewed our Camel Sponsorship from 2021 towards the upkeep of three Dromedary Camels at Zoo Negara. We donated RM50,000 for the initiative.

### Awareness and Knowledge-Sharing

- Sustainability Talk Series – Conducted a series of talks on sustainability to around 200 students as part of a collaboration with the International Islamic University Malaysia (IIUM). The Sustainability Talk Series served as a platform to provide a holistic understanding for students and to motivate them to integrate sustainability into the students' overall studies. Crafted for students to enhance their understanding of sustainability, the event also aimed to raise awareness on environmental challenges and critical thinking among the students. Among the topics of discussion were ESG in investments, financial literacy, ethics and climate change to transition future generations to a more sustainable society.
  - a) Why ESG – Tracy Chen, AmInvestment Bank's CEO spoke on "Why ESG", the importance of ESG factors for companies and the importance of sustainable business growth to long-term sustainability
  - b) Financial Literacy – Shazman Shahid, AmBank's Head of Group Communications and Marketing shared the statistics on financial literacy in Malaysia and stressed on the importance of personal financial management
  - c) Next Generation Ethics – Faradina Ghouse, AmBank's Group Chief Compliance Officer, highlighted to students on how ethics and business can lead to success and alternatively, and how unethical practices can negatively affect individuals and organisations. The session was conducted with the intention of instilling responsibility in creating a better world

d) Climate Change + Banks – Datin Zameema Ariff, AmBank's Head of Group Sustainability, enlightened students on how banks play a part in sustainability by highlighting the bank's role in advising and providing responsible financial advice to consumers

- University in Action Symposium - Collaborated with IIUM to hold the symposium, which showcased 173 community engagement projects that were designed and presented by the 3,420 IIUM students. The community projects were developed to encourage students to learn and create positive impacts to the community, providing them with first-hand experience to better balance their lifestyle with the well-being of the environment. AmBank's Head of Group Sustainability, Datin Zameema Ariff was one of the panel jury members for the presented projects.
- Engaging with the business community on sustainability – Participated in several initiatives organised by various establishments to share knowledge and raise awareness on sustainability among the business community:
  - o Green Webinar themed Sustainability Financing: A Journey to Sustainable Green Economy organised by Malaysian Green Technology and Climate Change Corporation (MGTC) on 21 October 2022 - presented by AmBank Group's Head of Sustainability, Datin Zameema Ariff
  - o Global Conference 2022: Enterprise Risk Management: Rise of the Green Machines organised by the Institute of Enterprise Risk Practitioners on 27 October 2022 - AmBank Islamic CEO/ Group Sustainability Champion, Eghwan Mokhzanee, bridged the gap between business practices and sustainability by presenting "Leveraging the Relationship between ESG and Business Risks"
  - o Greening Value Chain (GVC) Programme on 7 March 2023 – AmBank Islamic CEO/ Group Sustainability Champion, Eghwan Mokhzanee, shared knowledge on Climate Products and Services for SMEs
  - o Knowledge sharing sessions – we organised customised sessions for our customers and other stakeholders upon request to provide valuable insights and information, empowering them to understand and implement sustainable solutions in their own endeavours



## COMMUNITY EMPOWERMENT

### OUR INITIATIVES

#### Zakat Contributions

In order to better serve the community, we recalibrated our Zakat distribution strategy to expand our scope from providing sustenance to capacity-building and funding for micro businesses. This is in line with the purpose of generating long-lasting positive impacts that will empower the communities. The recalibration has enabled us to benefit asnaf groups, traders and entrepreneurs, students and charitable organisations.

AmBank Group allocated RM1,747,040 of business Zakat:

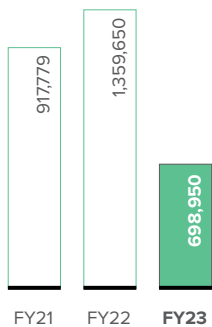
- o RM498,000 paid to state zakat collection centres, which aided various asnaf groups and improved their socio-economic status
- o RM1,249,040 allocated to eligible recipients:
  - a) Education assistance e.g assistance to university students and underprivileged students
  - b) Economic empowerment e.g second participation of iTEKAD programme by AmBank Islamic and assistance for micro entrepreneurs
  - c) Charity association for Islamic development programmes and cash assistance for charity homes

#### AmBank Group's first participation in iTEKAD Programme

- iTEKAD is a collaboration between AmBank Islamic, Teraju Ekonomi Asnaf (TERAS) under Majlis Agama Islam Selangor (MAIS) and Majlis Agama Islamic Negeri Sembilan (MAINS).
- Launched on 21 March 2023 and comprises three components:
  - i) Seed Capital – RM200,000 (Business Zakat of RM100,000 and a matching grant of RM100,000 from the Ministry of Finance (MOF)/ BNM)
  - ii) Microfinancing – RM100,000
  - iii) Capacity Building – RM80,000 (Business Zakat)
- This maiden initiative aims to support asnaf microentrepreneurs through the generation of sustainable income, to boost their business and digital capacity.

### OUR PROGRESS

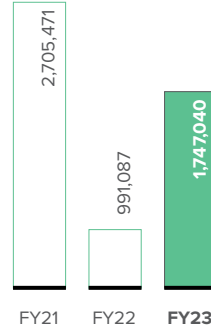
Total Investments (RM)\*



Total People Reached



Zakat Contributions (RM)



### AWARDS

#### FINCO Volunteer Awards 2022



- o Overall Financial Institution with the Most Volunteers (Banking)
- o Most Engaging Volunteer

\* Our investments were channelled into various community empowerment initiatives including our Financial Literacy and Life Aspiration with FINCO and English Literacy Programmes. We have made bigger impact this year by reaching out to 21,943 people.  
 \*\* The data for FY2022 has been restated due to an error made in the reporting year.

## DIGITAL TRANSFORMATION & DATA SECURITY

### The financial services industry has been fundamentally transformed by digital technologies, and this trend will continue to influence how we operate and serve our customers.

By adopting intelligent digital solutions, financial institutions can offer a more seamless and accessible customer experience, while achieving cost and operational efficiency. Digital transformation enables us to monitor customer behaviour more closely, leading to more engaging and personalised service. While digital banking was vital during the pandemic, it continues to play an important role in enabling access to banking services amid the endemic phase. By capitalising on this digital wave, we can gain a competitive edge to better serve future customers.

Given the high demand of digital banking by customers, it is imperative that we establish comprehensive cybersecurity measures to safeguard their data. Data breaches pose a significant risk to both business continuity as well as customers' finances and privacy. Recovering from breaches of data privacy and information can be a prolonged, stressful and costly process for all parties involved. As such, protecting our operations and customers from cyber threats and mitigating cyber risk will enable us to build trust with stakeholders and retain customer loyalty.

#### OUR APPROACH

Digitalisation has impacted the financial services industry in myriad ways. To this end, we recognise the importance of being proactive in adopting these technologies to position ourselves as a data-driven organisation. As part of this effort, we are strengthening our data capabilities to enhance customer convenience and facilitate more precise decision-making.

Our strategy for Digital Transformation focuses on enhancing customer value while simultaneously achieving efficiency and reducing cost. We invest in smart solutions to serve various customer segments, including retail and SME customers as well as larger corporations and institutions.

We strive to enhance our customer outreach by adopting a digital approach rather than relying on conventional banking methods. This involves generating additional revenue streams by offering more digital functionality and new digital solutions through various channels. Our fundamental strategy for achieving our Digital Transformation objectives consists of two primary components:



1

**Driving usage and penetration of existing digital channels through new initiatives**



2

**Leveraging strategic partnerships in the marketplace**

We embrace digital technologies to reach out to our customers through widening their access to our financial services. We have also enhanced our digital presence to drive financial inclusion to meet the needs of customers, particularly the SMEs.

In 2023, we executed several initiatives to accelerate our digital transformation. We leveraged on strategic partnerships to generate long-term positive value for our customers. These collaborations include working with Local Municipal Councils, partnering with industry players such as BonusLink, as well as initiating e-wallet partnerships with Merchantrade Asia and Axiata Boost. We also offered a fully digital eKYC (Electronic Know Your Customer) to expedite account opening via AmOnline and AmAccess Biz to support local SMEs, integrated AmOnline with Lembaga Tabung Haji and linked Amanah Saham Nasional Berhad (ASNB) to AmOnline to facilitate account checking and transactions. Eligible customers may also apply for financing to invest in Amanah Saham Bumiputera (ASB) via AmOnline.

## DIGITAL TRANSFORMATION & DATA SECURITY

### OUR APPROACH

#### Digital Support for Employees

Apart from providing digital solutions to our customers, we have also increased efforts to digitally support our employees and drive effectiveness through process automation.

Since 2022, we deployed 27 robots to automate our customer due diligence process as well as credit underwriting in order to reduce Turnaround time (TAT) and improve overall customer experience. These robots have thus far processed over 7,000 applications.

As a result of greater process automation, more than 120 non-revenue employees (i.e., support personnel) were reskilled and reassigned to other critical tasks over the past 3 years.

#### Data Protection

As we move forward in our digital initiatives, we continuously monitor our cybersecurity to protect the data of our business and stakeholders from potential attacks or breaches. We strive to reduce the risk of cyberthreats by conducting enhanced and continuous security monitoring via SOC 2.0. This entails evaluating AmBank's preparedness to respond to cyberattacks and data breaches by carrying out periodic Cyber Drills. Internally, we have in place a Risk Posture Dashboard based on established quantitative Risk Control Metrics (RCM), which encompasses three overarching categories; Cyber Security, Data Protection and Identity & Access Management (IAM).

In the year under review, there were zero recorded cyberattack incidents and breaches to our cybersecurity system. Moving forward, we will continue to strengthen the resilience of our cybersecurity and improve our Cyber Security Maturity level.

### OUR INITIATIVES

#### Digital Transformation

To serve the underserved segments and create comprehensive value propositions for our valued customers, we established strategic partnerships with stakeholders across various industries. Our partnerships and initiatives included:

- Collaborating with Local Municipal Councils to support petty traders through collection solutions such as mTAP that can be utilised to process debit and credit card transactions.
- Initiating two e-wallet partnerships:
  - Merchantrade Asia: A hybrid e-wallet venture, Merchantrade's customers are given a larger capacity e-wallet along with the additional benefits of their Current Account-i. This hybrid e-wallet is the first of its kind and boasts the largest wallet size of RM50,000
  - Axiata Boost: Offers digital solutions to support retail merchants and underserved micro SME (e.g. night market vendors, food and beverage outlets). Boost has been onboarded as the Retail Payments Platform (RPP) for Non-Bank Direct Participants (NBP) with PayNet and AmBank as its RPP RENTAS Sponsor Settlement Bank
- Enabling homegrown fintech companies to provide fully digitised eKYC tool through the Bank's infrastructure. AmBank Group launched customised Application Programming Interfaces (API) utilising DuitNow from Payments Network Malaysia Sdn Bhd (PayNet) to facilitate Rakuten Trade, the pioneer in Malaysia's online equity brokerage, to enable seamless onboarding and acquisition of new customers.
- Expanded AmOnline capabilities by seamlessly integrating it to:
  - BonusLink, Malaysia's largest loyalty company

- Tabung Haji, Malaysia's Muslim pilgrimage fund and,
- Amanah Saham Nasional Berhad (ASNB), Malaysia's state-owned wealth management corporation owned by Permodalan Nasional Berhad (PNB)
- Apply for financing to invest in Amanah Saham Bumiputera (ASB)
- Continued to improve the AmOnline app and website to enhance user interface and to boost customer experience.

#### Cyber Security

We continued to safeguard customers' data and privacy through robust cyber security measures to mitigate cyber-attacks and cyber risks. The following measures were implemented to strengthen our cybersecurity:

- 1 Integrating enhanced visibility, orchestration, automation and intelligence**
- 2 Developing the ability to identify threats with the use of forensic tools**
- 3 Enhancing our capacity to recognise security threats from multiple sources and respond with minimal human intervention**
- 4 Employing tools that offer effective automated protection with the ability to enhance anomaly detection and predictive analytics**

**DIGITAL TRANSFORMATION & DATA SECURITY****OUR PROGRESS****AmOnline**

	FY2021	FY2022	FY2023
Registered users	1,235,458	1,401,867	<b>1,565,513</b>
Registered users (%) of rise	28	13	<b>12</b>
Average no. of online transactions (Monthly)	761	87	<b>89</b>
Percentage of online transactions (%)	82	83	<b>82</b>
Percentage of online card activation (%)	63	65	<b>84</b>
Reduction in activation via call centres (%)	16	52	<b>43</b>
Percentage of credit card limit increase application via AmOnline (%)	63	82	<b>84</b>
Successful online enquiries	255	739	<b>1,503</b>

**AmAccess Biz**

	FY2021	FY2022	FY2023
No. of total registered companies	11,161	27,235	<b>39,029</b>
No. of total registered companies using the platform	11,149	20,525	<b>26,364</b>
Volume of monthly transactions	16,689	142,987	<b>368,439</b>
Value of transactions (RM mil)	351	1,635	<b>4,214</b>
Total transactions from digital tokens (%)	76	68	<b>68</b>
Total deposits supported by AmAccess Biz (RM mil)	1,357	4,052	<b>6,969</b>
No. of cyber threats handled	0	0	<b>0</b>
Cases of data loss/ online breaches reported	0	0	<b>0</b>
Any fines/ penalties related to cybersecurity (RM)	0	0	<b>0</b>

**AWARDS**

- o **Digital CX Awards 2022 from The Digital Banker** - Winner for outstanding Digital CX - Mobile Banking (SME)



- o **Asian Banking & Finance Awards 2022** - "Analytics Initiative of the Year – Malaysia"



- o **Malaysian e-Payments Excellence Awards (MEEA) 2022** - Leadership in DuitNow Innovation



- o **Malaysia Technology Excellence Awards 2022** - Data Analytics "Lazy Money" model



- o **The Asian Banker Awards 2022** - "Best Digital Account Opening/ Onboarding Initiative"



- o **Asian Banking & Finance Awards 2022** - "Digital Business Banking Initiative – Malaysia"



- o **The Asian Banker Awards 2022** - "Best Productivity, Efficiency and Automation Initiative" for Robotics Process Automation

## EMPLOYEE WELL-BEING & DEVELOPMENT

**The well-being and development of our employees is an important part in our value creation journey, as they play a fundamental role in our business’s long-term growth. As a responsible employer, we strive to prioritise the physical and mental health of our employees, in addition to providing a safe and conducive work environment.**

We understand that our employees constantly face new challenges and uncertainties in their professional growth in today’s competitive and evolving business landscape. As such, we continuously provide learning and development opportunities to equip our employees with the necessary skills and knowledge. This will help to improve job satisfaction, which leads to employee loyalty and talent retention. Further to that, we promote a diverse and inclusive workplace culture to foster a sense of security, motivation and acceptance among employees. A diverse workforce of various backgrounds enables us to benefit from unique and fresh perspectives which in turn, enhances innovation and business performance.

### OUR APPROACH

We are committed to investing in our people by providing training and development programmes that impart future-ready competencies and skillsets. Our aim is to create career opportunities for our people through relevant and targeted personal development initiatives. Our training and development strategy covers on-the-job coaching, career growth, regular performance evaluations and career advancement opportunities.

AmBank Group has in place a Code of Conduct which advocates workplace diversity and non-discrimination, ensuring a fair and respectful workplace. In this context, we extend employment to individuals from the underprivileged group. AmBank’s Code of Conduct also upholds the community and is developed to

generate positive social impact. This includes making sustainability integral to the Group’s financial and investing activities, leading by example in our outreach initiatives to society, to connect with them through contributions, grants and volunteering activities as well as optimising our management of resources and waste.

Additionally, our talent management approach cultivates a diverse and inclusive workplace. Our employee recruitment, retention, compensation and development practices are free from any form of discrimination based on age, gender, disabilities, ethnicity, religious beliefs and socio-economic background. This includes taking appropriate measures to close the gender gap in executive and key positions.

#### We strive to be





## EMPLOYEE WELL-BEING & DEVELOPMENT

The safety, health and well-being of our employees are important to us and as such, we invest significantly in these areas, prioritising occupational safety and health (OSH). Through a “Prevention is Better Than Cure” approach, we have established OSH measures to mitigate potential safety risks. We regularly conduct safety and health initiatives to promote employee well-being to enhance our performance and increase our competitive edge. Our OSH committees consist of competent individuals with the knowledge to identify and address potential OSH risks. In addition to setting targets and developing strategic and operational safety and health plans, we conduct OSH inspection audits at all sites in our premises across Malaysia. AmBank Group’s OSH Management is aligned with the ISO 45001:2018 (2018-2024). All our employees, workers, activities and workplaces are covered by the Group’s OSH Management System.

To identify employees’ key concerns, we regularly engage with them through various channels to respond to any issues that may affect their job satisfaction, performance and mental well-being. Our efforts to create a conducive and safe workplace are aligned with our aspiration to become an Employer of Choice.

### OUR INITIATIVES

#### Talent Management

- In 2023, AmBank provided various programmes to elevate the skills and competencies of its employees:



#### Role-based Programmes

- Leadership & Development (L&D)
- AmBank Group Academy - 5 Learning Pathways/ academies developed
- Asian Institute of Chartered Bankers (AICB) Certification
- Chartered professionals in Islamic Finance – provided industry professional qualifications to raise leaders in Islamic Finance
- The Institute of Chartered Accountants in England & Wales (ICAEW)
- Cambridge Executive Programme
- Cass Business School
- Edinburgh Business School Programme
- Bologna Business School Programme
- Frankfurt School of Finance and Management (Frankfurt Germany Programme)



#### Leadership & Talent Development Programmes

- BATMAN (Being a Talent Manager for Assistant Managers and Managers)
- ELP (Emerging Leaders Programme for Senior Managers and Vice Presidents)
- LEAP – AmBank’s Group Senior Vice Presidents and Executive Vice Presidents participated in this holistic and accelerated development programme conducted in collaboration with INSEAD



#### AmBank Digital Academy

- By 31 March 2023, a total 3,037 staff were onboarded for training in a collaboration with 10 learning partners to execute digital competency programmes for employees
- Programmes that were launched included cybersecurity, self-paced online learning programme, data analytics, tech talk, and also data integration, data quality and data governance. We ensured that all employees received training on data security, privacy-related risks and procedures as well as ethical standards. All employees and new graduate employees were provided training with an exclusive course on these topics.
- AmBank partnered with the Asian Banking School (ABS) and AICB to develop and conduct joint training programmes for employees.
- Developed comprehensive ESG training for sustainability capacity building and awareness across all levels to ensure the success of the Group Sustainability Agenda. As at December 2022\*, a total of 3,129 participated in the programme.

\* Note: Data is based on calendar year (CY) to align with AmBank’s Staff Training Expenditure (STE) report to BNM.

## EMPLOYEE WELL-BEING & DEVELOPMENT

### OUR INITIATIVES

#### Promoting Work-Life Balance

We organised various efforts to increase engagement with our employees as well as initiatives to promote their overall well-being and health:

- The 'I Am Sihat' Health & Wellness (H&W) Month Campaign ran from 13 February to 5 March 2023 across three AmBank Corporate buildings (BAG, MAB, WAF). The campaign was organised with the objective of raising awareness on the importance of a healthy lifestyle to all AmBank Group employees.
- We partnered with The Gallup Organisation to conduct an Engagement Survey, utilising Gallup's Q12 Employee Engagement Index to evaluate our employee engagement efforts and its correlation to business outcomes.
- We implemented the Hybrid Working Arrangement Guideline, effective 1 November 2022 to enable employees the flexibility of working from home.
- Further, employees are given the option for staggered working hours (8.00am to 5.00pm or 10.00am to 7.00pm) to improve well-being and work-life balance.
- AmBank also formed Kelab AmBank Group (KAG), a recreational club to provide employees with opportunities for social, sports and recreational activities along with amenities for club members.

We provide a range of market-competitive employee benefits encompassing perks and prerequisite reimbursements, leave benefits, preferential staff rates, insurance coverage and medical benefits. In FY2023, we enhanced some of the benefits to support the work-life balance of employees.

#### i Leave

- Maternity Leave – increased from 90 to 98 days, with the opportunity to further extend up to three months.
- Paternity Leave – seven consecutive days leave.
- Sick Leave – allows application without medical certificate up to three days per calendar year.
- AmCare – allows up to three days of paid leave per year for employees to participate in charity work and/ or sustainability projects.

For more info on AmCare, refer to Community Empowerment on page 58.

#### ii Medical Benefits

- Medical coverage for employees' unemployed children up to 23 years old from 21 years old previously.
- Provision of medical coverage of up to RM1,500 per family per annum for disabled children above 23 years old who are not gainfully employed.
- Maternity benefit provided for delivery charges with the reimbursement of RM1,000 and RM1,500 for normal and caesarean deliveries respectively.

#### iii Working Hours

- Female employees are entitled to leave work one hour earlier when in 28<sup>th</sup> week of pregnancy and above.
- Virtual health talks were conducted by health professionals via Virtual Wellness Webinars, to provide support to employees. These talks covered topics such as Healthy Aging, Keep Your Eyes Healthy, Ancient Healing Therapy, Hypertension and Coronary Artery Disease and Lifestyle Disease & Nutrition, among many others. Over 3,000 employees participated in these webinars.
- We organised Fireside Chat Series to connect our employees with decision-makers and leaders from across industries to provide fresh perspectives and thought-provoking discussions on global issues and create a platform for the employees to network, interact and connect. During the reporting year, two sessions were conducted:

- **28 October 2022 –**  
Guest Speaker: Datuk Nicol Ann David, Former World Squash Champion



- **10 February 2023 –**  
Guest Speaker: Mr Ahman Zulqarnain Onn, President & Group CEO of Permodalan Nasional Berhad

- We initiated a virtual recognition via 'eThankYou' to enable employees to send notes of gratitude to colleagues.
- AmBank employees at the lobbies of head offices were given tokens of appreciation every month through our 'Freebie FriYay' initiative.

## EMPLOYEE WELL-BEING & DEVELOPMENT

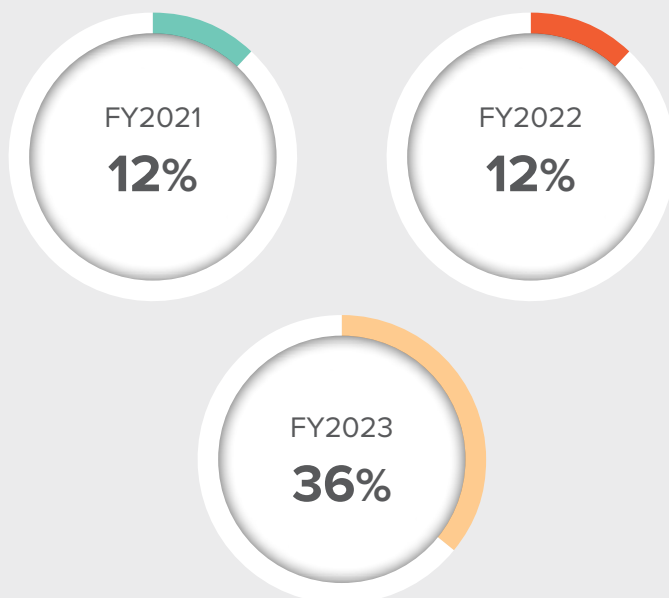
### Collective Bargaining

To maintain industrial harmony, we engage in dialogues with workers' unions. We remain committed to supporting our employees' right to freedom of association and collective bargaining, which is in the best interest of union members. The unions we engage with include:

- Kesatuan Pekerja-Pekerja AmBank (M) Berhad (KEPPA)
- Sabah Banking Employees' Union (SBEU)
- Sarawak Bank Employees' Union (SBEU)
- Kesatuan Eksekutif AmBank (M) Berhad (Semenanjung)

In FY2023, 2,865 of our employees are covered by collective bargaining agreements or are represented by a trade union. These enable negotiations between one or more employees or employees' organisations and one or more workers' organisations to determine working conditions and terms of employment for employees and workers.

#### Percentage of Employees Covered by Collective Bargaining Agreements



Note: The increase in FY2023 is due to the signing of collective agreement with Kesatuan Eksekutif AmBank (M) Berhad (Semenanjung) in August 2022.

### Inclusive Workplace

- We strive to create employment opportunities for individuals from diverse age groups, without work experience and different educational backgrounds into the workforce by implementing youth employment initiatives, apprenticeships and graduate placements. Our efforts are aimed at developing young minds for leadership, cultivating their talents in innovation and sales, and giving them an overview of the banking industry.
- In 2023, we provided the following programmes:

#### ➤ AmGraduate Programme

An 18-month intensive programme that aims to develop young outstanding graduates by accelerating their education and capabilities at entry level to take on future leadership roles within the Group.

#### ➤ AmDigital Graduates Programme

A 12-month graduate programme to raise digital talents and drive digital innovation and transformation for AmBank.

#### ➤ AmApprentice Programme

A 12-month graduate programme designed to cultivate a strong sales pipeline. This programme grooms participants to become the future top-performing Relationship Managers and Sales Leaders within AmBank.

#### ➤ Structured Internship Programme

Provides an opportunity for students who are keen to learn about the banking industry, the business and operations.

### Safe and Healthy Workplace

- AmBank Group believes that safe and healthy employees are productive employees who lead more rewarding lives, both inside and outside the office. We believe that the safety, health and welfare of all our employees are vital to our business.
- All members of our OSH committees are equipped with the competencies and knowledge to identify potential OSH risks and implement controls to minimise the occurrence of OSH incidents.
- In addition to setting measurable targets, and safety and health plans, we conduct OSH inspection audits, which involve annual site inspections at AmBank Group premises across Malaysia.

## EMPLOYEE WELL-BEING & DEVELOPMENT

### OUR INITIATIVES

**OSH Training:** Invested approximately RM80,000 in the following OSH-related training programmes:

#### OSH-Related Training Programmes

##### ➤ **Basic Fire Fighting & Emergency Response Plan & Preparedness Virtual Training**

- **Aim:** Trains employees in handling various emergencies, understanding procedures and executing measures during disasters
- **Date:** 22-23 September 2022
- **Attendees:** 65

##### ➤ **OSH Committee Roles & Responsibility Virtual Training**

- **Aim:** Increases understanding of OSH legal requirements
- **Date:** 22-23 August 2022
- **Attendees:** 47

##### ➤ **Basic Occupational First Aid, CPR & AED Physical Training**

- **Aim:** Enables employees to qualify as first-aiders
- **Date:** 23 June 2022 & 17-18 January 2023
- **Attendees:** 76

##### ➤ **Safe Handling of Motorcycle Riding as part of the Commuting Safety Support Programme (CSSP) in collaboration with SOCSO**

- **Aim:** Increases employees' awareness on safe riding behaviour and practices to reduce motorcycle accidents
- **Date:** 27-28 July 2022 & 19 January 2023
- **Attendees:** 80

##### ➤ **Contractor Safety Management & PTW Virtual Training**

- **Aim:** Enables employees to understand the legal responsibilities of the relevant parties and develop the ability to assess contractors
- **Date:** 18-19 October 2022
- **Attendees:** 26

##### ➤ **Safe Handling of Chemicals Virtual Training**

- **Aim:** Increases understanding of the requirements related to safe chemical handling to prevent workplace accidents
- **Date:** 21 November 2022
- **Attendees:** 50

##### ➤ **Hazard Identification, Risk Assessment and Determining Controls (HIRADC) Virtual Training**

- **Aim:** Enables employees to identify hazards, analyse and assess the associated risks and apply suitable control measures
- **Date:** 19-20 December 2022
- **Attendees:** 17

##### ➤ **Musculoskeletal Disorder (MSD) & Ergonomic Awareness Virtual Training**

- **Aim:** Improves awareness and knowledge on ergonomics to prevent MSD in the workplace
- **Date:** 20 July 2022
- **Attendees:** 38

##### ➤ **OSH Coordinator Physical Training**

- **Aim:** Increases understanding and awareness of occupational safety and health at sites
- **Date:** 13, 14 & 16 February 2023
- **Attendees:** 29

Eight of AmBank branches were audited by DOSH and graded "A", a testament to our continuous efforts towards health and safety in our operations.

No	Branch	Region	Date of Audit	Grade	% (score)
1	Sitiawan	Perak	18/4/2022	A	95.59
2	Sg Bakap	Penang	20/4/2022	A	95.15
3	Tampoi	Johor South	25/4/2022	A	97.20
4	Kemaman	East Coast	27/4/2022	A	98.75
5	Kuala Terengganu	East Coast	12/5/2022	A	100.00
6	Ayer Tawar	Perak	17/5/2022	A	93.00
7	Labuan	Sabah	22/2/2022	A	91.26
8	Ipoh GreenTown	Perak	24/2/2023	A	91.40

## EMPLOYEE WELL-BEING & DEVELOPMENT

### Group-wide OSH Communication:

- Published and disseminated OSH Bulletins in the AmBank Group OSH Portal for employees on AmBank's internal intranet AmBank Connected.
- Carried out the biannual 'OSH Feedback Solicitation' initiative to obtain OSH-related feedback from employees.
- Performed OSH-related incident investigations, building inspections and briefing updates monthly in all departments and divisions as well as in Group Committee meetings.
- Uploaded the Group OSH Manual, Standard Operating Procedures and Newly Revised Group OSH Policy in the OSH Portal for all employees to access.
- Conducted scheduled OSH Training, campaigns, talks and projects.
- Continued to manage the dedicated COVID-19 microsite in AmBank Connected.

### OSH Collaboration Projects and Special Events:

- AmBank's FY2023 Health & Wellness Month Programme was organised to raise awareness on OSH and to inculcate wellness practices throughout the Group. The programme was held at three AmBank corporate buildings:

- **Bangunan AmBank Group (BAG) from 13 to 18 February 2023**
- **Menara AmBank Berhad (MAB) from 20 to 25 February 2023**
- **Wisma AmFirst (WAF) Kelana Jaya from 27 February to 4 March 2023**

### Capability Development

- Invested RM19,754,522 in the training and development of employees from all categories

### Total Employee Training Expenditure by Workforce Category (RM' 000)

	CY2020	CY2021	CY2022
Top Management/ Senior Management	163.2	287.4	683.2
Mid-Management	6,037.4	5,449.1	7,954.9
Professional/ Specialist	7,234.0	10,740.9	10,241.1
Non-Executive	791.7	1,251.9	875.3
<b>Total</b>	<b>14,226.3</b>	<b>17,729.3</b>	<b>19,754.5</b>

Note: This data is reported according to calendar year (CY) to align with the Staff Training Expenditure (STE) report that was submitted to BNM.

- Various activities were conducted such as Health & Wellness booths from various government and private agencies, health checks, wellness talks, blood donation, fitness activities, fitness challenge and many others.
- Organised a team-building event at Sunway Lagoon on 8 March 2023 to encourage teamwork within the OSH team.

### OSH Personnel Competency:

- AmBank received a renewal of the SHO Competency from DOSH for three years from 2019 to 2022 and from 2023 to 2026.



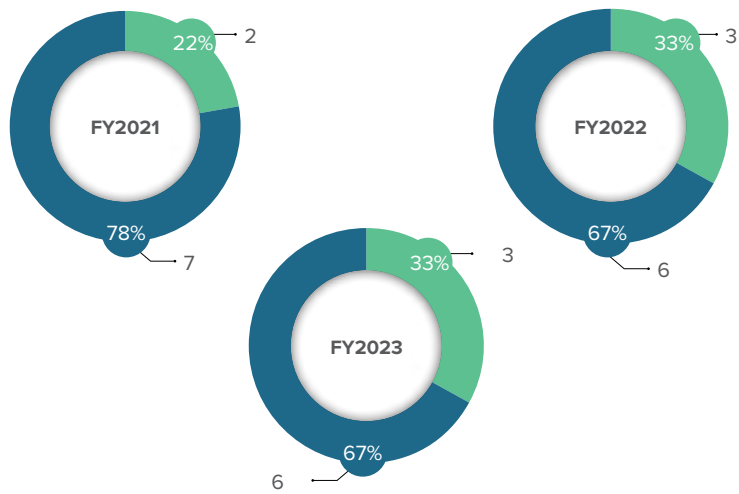
EMPLOYEE WELL-BEING & DEVELOPMENT

OUR PROGRESS

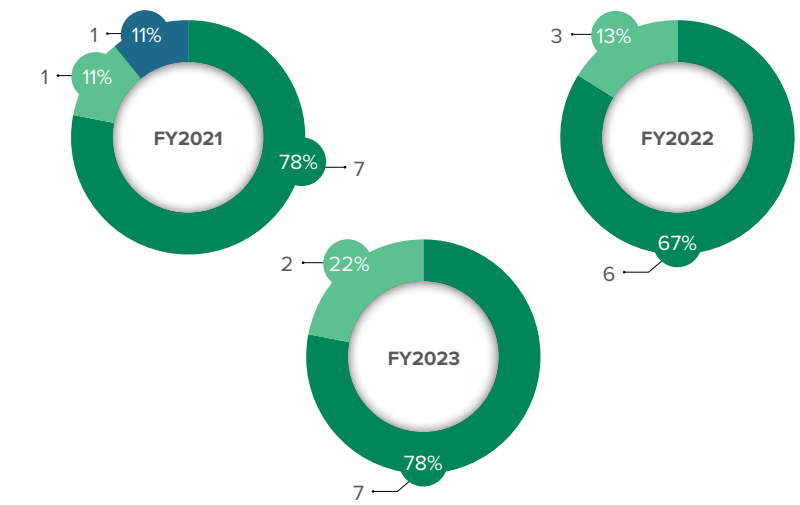
Diversity

Members of the Board by Gender and by Age Group (No. & %)

Gender



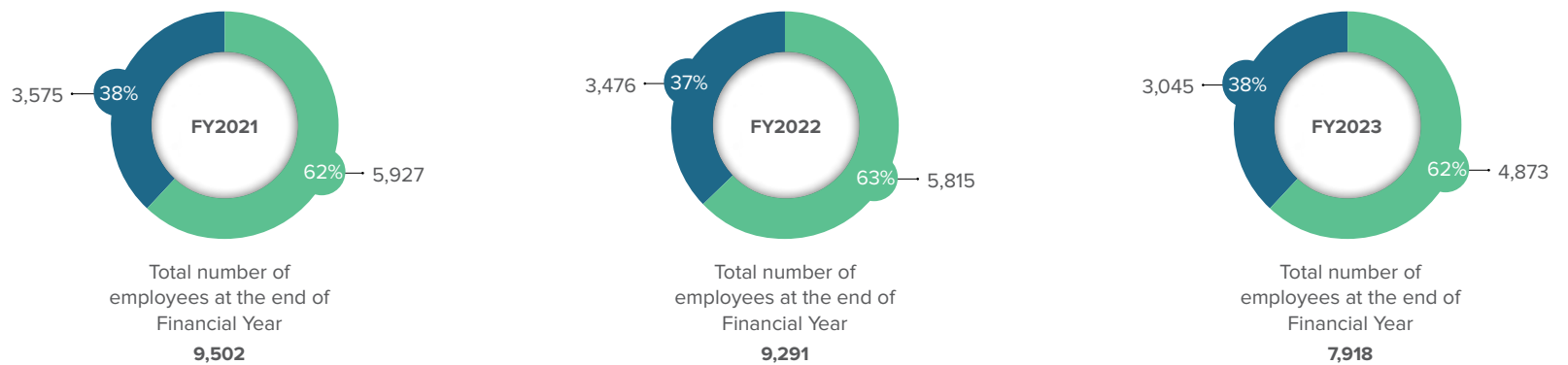
Age



Male Female

Below 50 years old 50 - 60 years old Over 60 years old

Employees by Gender (No. & %)



Number of male employees Number of female employees

Note: All FY2023 data excludes AmGeneral Insurance.

## EMPLOYEE WELL-BEING & DEVELOPMENT

Fixed term or temporary employees

**FY2023**

0.4% Male

0.2% Female



Permanent employees

**FY2023**

38.1% Male

61.3% Female



### Employees by Working Level by Gender (%)

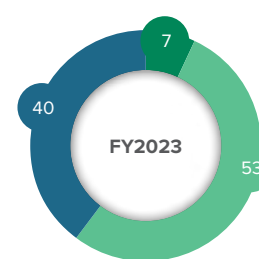
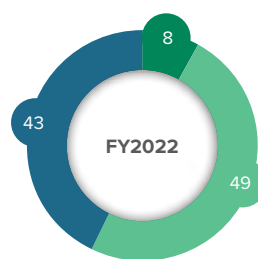
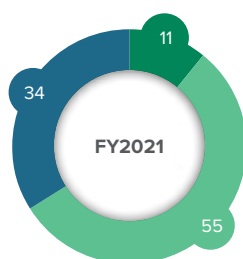
	FY2021	FY2022	FY2023
<b>Male</b>			
Top Management/ Senior Management	59	53	56
Mid-Management	51	51	51
Professional/ Specialist	35	35	37
Non-Executive	32	32	30
<b>Total (%)</b>	37.6	37.4	38.5
<b>Female</b>			
Top Management/ Senior Management	41	47	44
Mid-Management	49	49	49
Professional/ Specialist	65	65	63
Non-Executive	68	68	70
<b>Total (%)</b>	62.6	62.6	61.5

Note: Data is based on headcount and excludes AmGeneral Insurance for FY2023.

### New Employee Hires

	FY2021	FY2022	FY2023
Total number of new hires (headcount)	854	1,158	1,351
Overall new hire rate (%)	9.0	12.5	17.1

### New Hires by Age Group (%)



< 30 years

30 - 45 years

> 45 years

## EMPLOYEE WELL-BEING & DEVELOPMENT

### OUR PROGRESS

#### Employee Turnover Rate (%)

Workforce Category/ Year	Voluntary		Involuntary	
	FY2022	FY2023	FY2022	FY2023
Top Management/ Senior Management	5.7	14.7	0.0	0.0
Mid Management	14.0	13.0	0.3	0.1
Profesional/ Specialist (Executive)	16.8	21.2	0.4	0.7
Non-executive	2.7	2.3	0.5	0.2
<b>Total (%)</b>	14.3	17.0	0.4	0.5

### SAFE AND HEALTHY WORKPLACE

- Through the successful implementation of our OSH Management Plan, we have achieved zero **Lost Time Injury Frequency Rate (LTIFR)** and **Lost Time Injury Incident Rate (LTIIR)** in CY2022.
- We conducted nine **OSH training programmes** during the year where **428 AmBankers** received training on OSH-related skills. We will continue to ensure that more AmBankers are equipped with these skills.

#### • FY2023 Branch Inspection Audit at AmBank Group selected branches

No	Branch	Region	Date of Audit	Rating
1	Sg Siput	Perak	27/12/2022	Good
2	Menglembu	Perak	28/12/2022	Good
3	Kampar	Perak	29/12/2022	Good
4	Tanjong Malim	Perak	30/12/2022	Good
5	Bukit Indah	Johor South	09/01/2023	Good
6	Skudai	Johor South	10/01/2023	Good
7	Setia Tropika	Johor South	11/01/2023	Good
8	Melaka Raya	MNS	13/03/2023	Good
9	Jalan Munshi Abdullah	MNS	14/03/2023	Good
10	Bandar Utama Cheng	MNS	15/03/2023	Good
11	Ayer Keroh	MNS	16/03/2023	Good
12	Datuk Lee Fong Yee	MNS	17/03/2023	Good

#### • OSH Incidents/ Data:

Work-Related Injuries (Employees)	CY2020	CY2021	CY2022
Total number of Accidents	8	3	0
Accidents with Fatality	0	0	0
Accidents with Lost Workdays	8	3	0
Total Lost Workdays Due to Incidents	360	220	0
Accident without Lost Workdays	0	0	0
Fatality Rate	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0.32	0.12	0
Lost Time Injury Incident Rate (LTIIR)	0.79	0.30	0
Total Employee (TE)	10,110	9,926	9,736
Manpower Worked (8x26xTE)	25,235,144	24,775,296	24,301,056

Note: This data reported according to calendar year (CY) to align with the authority reporting requirements.



## ANTI-MONEY LAUNDERING & ANTI-CORRUPTION

### Upholding the highest standards of ethics and integrity is essential in establishing and maintaining stakeholder trust.

Strong business ethics and integrity enable us to protect the best interests of our stakeholders. This will prevent and avoid unethical activities including money laundering, insider trading and other corrupt practices which can impede the socio-economic progress of the country and disrupt our mission to build a sustainable future. Lack of integrity and ethical practices may expose our business to legal and reputational risks and disrupt our daily operations.

#### OUR APPROACH

We are committed to continuously enhance and strengthen our corporate governance. Our policies and procedures promote conscientious, transparent, equitable and ethical practices throughout the organisation. With a holistic, top-to-bottom approach to good governance, every action taken upholds stakeholders' interests and fortifies financial stability. Our corporate governance framework adheres to the primary principles of the Malaysian Code on Corporate Governance, which affirms that we operate with uncompromising levels of integrity. This helps to maintain the trust we have built with our customers, shareholders and other key stakeholder groups.

We go beyond regulatory requirements to uphold good governance in all that we do. Group Compliance has oversight of our policies, guidelines and principles which encourage openness and accountability while ensuring that our business is safeguarded from illegal and unethical practices.

All our employees and suppliers are expected to comply with the following policies:

- **Code of Conduct:** Reflects our commitment to upholding, maintaining and demonstrating a high level of integrity, professionalism and ethical conduct. It sets out the guidelines for general workplace behaviour and guides employees in maintaining good conduct in business activities and when engaging with external stakeholders including the community, regulators and business partners. Our Code of Conduct also consists of Code of Ethics, which sets out our values, ethical principles and ethical standards.

#### Key principles of AmBank Group's Code of Ethics



##### Compliant

Comply with all relevant laws and regulations

Manage conflict of Interest with honesty and integrity

##### Responsible



##### Ethical

Practice honesty and integrity in everything we do

Ensure completeness and accuracy for financial records

##### Accurate



##### Trustworthy

Protect the confidentiality and sensitivity of information

Treat each other and our community with respect

##### Equitable



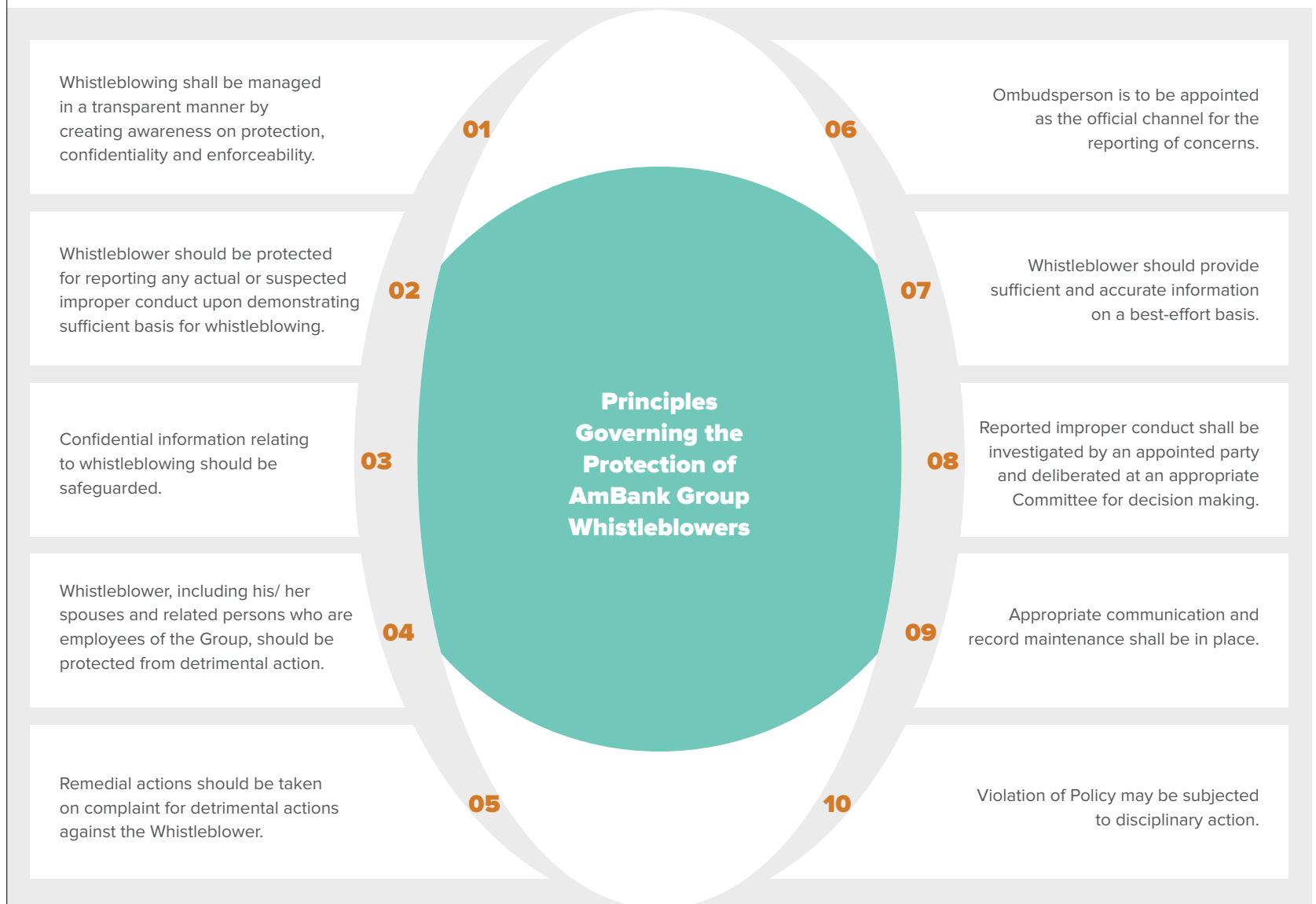
**ANTI-MONEY LAUNDERING & ANTI-CORRUPTION**

**OUR APPROACH**

- **Whistleblower Protection Policy (WPP):** Promotes a culture of integrity, openness and accountability.

We encourage our internal and external stakeholders to report any misconduct such as dishonesty, fraud, corruption, bribery or illegal practices, abuse of power, or conflict of interest involving the Group. The WPP provides a safe and reliable channel for stakeholders, including customers, suppliers and employees to raise grievances and report all forms of unethical conduct without fear of repercussions.

The internal Whistleblower Reporting channels include Management Ombudsperson and Board Ombudsperson avenues. The external Whistleblower Reporting channels include Regulator and Law Enforcement Agency Channels.



## ANTI-MONEY LAUNDERING & ANTI-CORRUPTION

### OUR APPROACH

#### Whistleblowing Reporting Process

##### Concerns raised via:

- a) Whistleblower to Ombudsperson
- b) Review by Compliance and Internal Audit

##### Assessment of concerns raised:

Ombudsperson reviews the concerns and determines if it warrants investigation

##### Investigation to be set up:

- a) Conducted by Internal Audit, Group Compliance or external party
- b) Timeline for completion - up to three months

##### Disciplinary action:

Disciplinary action will be taken against the wrongdoer according to the disciplinary matrix, including suspension pending an investigation by LEA

##### Reporting to LEA and Domestic Inquiry (DI):

- a) Case to be reported to LEA upon decision by the Board
- b) Disciplinary Committee to conduct a DI

##### Submission of investigation report:

- a) Submission to Audit and Examination Committee (AEC) and Board for deliberation
- b) AEC/ Board guided by the provision of law and decides if the case should be reported to relevant Law Enforcement Agencies (LEA)

### OUR INITIATIVES

#### 1. Strong Compliance Culture

- The Compliance Culture Programme is a continuous undertaking, driven through continuous education and awareness initiatives to embed a culture of adherence and conduct across the Group.
- Embedding Compliance DNA and conduct in the businesses has been done through Tone from the Top and various other initiatives, reminding all of the Group's stance on zero tolerance for bribery and corruption, in line with the requirements for Adequate Procedures to address Section 17A of the Malaysian Anti-Corruption Commission Act 2009.
- Continue to enhance the skills and capabilities of the in-business control function and Compliance talent pools. Group Compliance has continued to upgrade bench strength through the hiring of talent with Anti-Money Laundering (AML), Market Surveillance and Regulatory Compliance experience and upskilling staff through certifications in AML and regulatory compliance.

#### 2. Anti-Money Laundering (AML) and Anti-Bribery and Corrupt Practices (ABCP)

- Group Compliance is engaged in the Group's sustainability objectives in the areas of AML and Anti-Bribery and Corruption driven through continuous education and awareness initiatives, an important component of the Task Force on Climate-related Financial Disclosures (TCFD) pillars of governance and risk management.

- Developed and implemented for the commercial banks a Know-Your-Customer (KYC) system that integrates sanctions and name screening, AML risk rating and KYC customer profiling and maintenance.
- Re-commenced AML Transaction Monitoring threshold optimisation exercise to allow for more effective application of thresholds and enhanced data analytics on transactional data for focused fraud and AML risk identification. This review is in line with the Group's Continuous Improvement Program for AML. A similar exercise has commenced for Market Surveillance covering the Stockbroking and Futures businesses.
- Continue to build synergies between Compliance, Operational Risk and Internal Audit, and endeavoured to effectively conduct reviews to identify risk exposures and coordinate with the business to implement risk mitigation solutions.
- Increased collaboration with enforcement agencies to act against financial crime. AmBank is a member of the working group in setting up the National Scam Response Centre (a joint effort between the anti-financial crime centre, police, BNM, Malaysian Communications and Multimedia Commission, financial institutions, and telecommunications companies). Contributed and participated in the development, testing and the rollout of the Industry Fraud Portal in combating fraud, scam, and mule cases, that will ultimately allow for faster coordination and response to any fraud, scam, or mule situations by the banking industry, especially assisting the authorities to recover proceeds.

**ANTI-MONEY LAUNDERING & ANTI-CORRUPTION**

**OUR PROGRESS**

**100%**

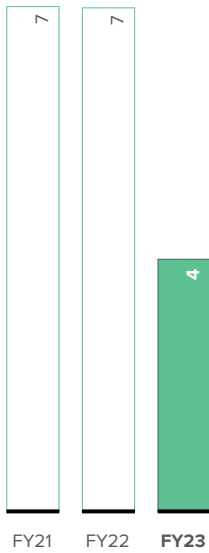
of the Members of the Board received information on the Group's anti-corruption policies and procedures

**100%**

employees received communication and training on the Group's anti-corruption policies and procedures

**Good Governance**

**No. of complaints and grievances received through whistleblowing channel**



**Zero**

incidents of corruption

**Communication and Training**

Communication and Training on Anti-Corruption Policies and Procedures, by Employee Category	Top Management/ Senior Management	Mid-Management	Professional/ Specialist	Non-Executive	Total
Number of employees that AmBank Group's anti-corruption policies and procedures have been communicated to	28	1,327	4,812	1,011	7,178
Percentage of employees that AmBank Group's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%
Number of employees that have received training on anti-corruption	28	1,327	4,812	1,011	7,178
Percentage of employees that have received training on anti-corruption	0%	18%	67%	14%	100%

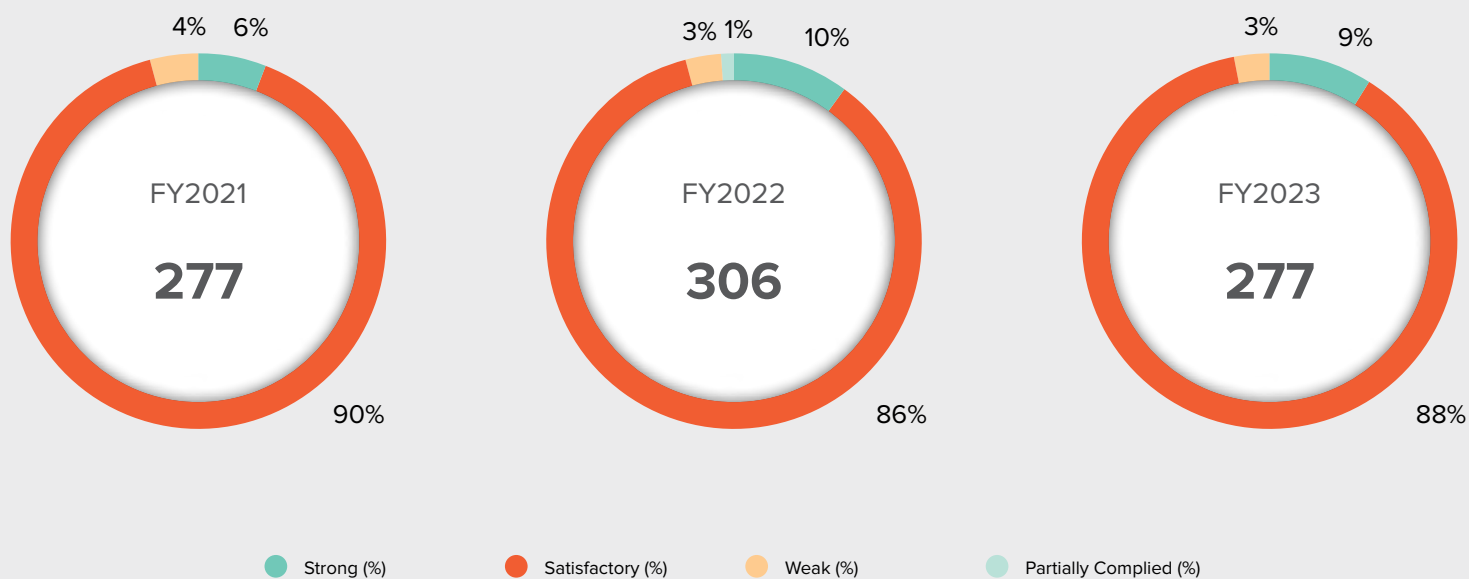
*Note: No significant risks related to corruption identified and mitigative controls have been put in place based on the ABCP risk assessment conducted.*

## ANTI-MONEY LAUNDERING & ANTI-CORRUPTION

### OUR PROGRESS

#### Audits & Internal Controls

#### No. of Internal Audit Reviews Conducted and Ratings (%)



#### Governance and Ethics

	FY2021	FY2022	FY2023
No. of complaints and grievances reported through the whistleblowing channel	7	7	4
Scoring for Governance-related disclosures in MSCI	5.5/ 10.0	7.1/ 10.0	6.4/ 10.0
Scoring for Governance-related disclosures in FTSE4Good	4.3/ 5.5	4.3/ 5.0	4.3/ 5.0
Number of misconduct/ malpractice reports received/ resolved	187	113	131

## SUSTAINABILITY PERFORMANCE DATA

### CUSTOMER SATISFACTION

#### Overall Customer Satisfaction

	FY2021	FY2022	FY2023
NPS	14	19	<b>20</b>
NPS rankings amongst industry competitors for AmBank customers only	1	1	<b>1</b>
Customer Satisfaction Score (CSAT) (%)	74	79	<b>78</b>
Percentage of CSAT improvement from the previous year (%)	2	5	<b>(1)</b>

#### Customer Complaints

	FY2021	FY2022	FY2023
Number of customer complaints	2,343	2,119	<b>2,229</b>
Customer Complaints (%)*	2	3	<b>4</b>

\* Based on Customer Relations Survey conducted by third party. FY2023, of those 4% who complained, 72% was resolved.

#### Marketing & Labelling

	FY2021	FY2022	FY2023
Products/ services covered and assessed for compliance (%)	80	36	<b>78</b>
Total number of products/ services	10	11	<b>9</b>
Number of products/ services covered and assessed for compliance	8	4	<b>7</b>
Number of incidents of non-compliance with regulations concerning products and services	0	1	<b>0</b>
Number of incidents of non-compliance with regulations concerning marketing communications	0	0	<b>0</b>

#### Business Customers Reached

	FY2021	FY2022	FY2023
Large Corporate	1,708	1,649	<b>1,676</b>
Mid Corporate	1,931	1,893	<b>1,991</b>
Financial Institution	305	305	<b>298</b>
Business Banking	10,111	12,286	<b>13,224</b>
SMEs	43,146	34,807	<b>38,807</b>
<b>Total</b>	<b>57,201</b>	<b>50,940</b>	<b>55,996</b>

## SUSTAINABILITY PERFORMANCE DATA

### FINANCIAL INCLUSION

#### Empowering SMEs

	FY2021	FY2022	FY2023
Total loans/ financing to the SME sector (RM bil)	22.8	24.9	26.7
Percentage of Group's total loan portfolio made up of SMEs	20.2	20.8	20.5
Numbers of SMEs and entrepreneurs upskilled via AmBizClub	7,138	11,230	12,180
Total numbers of SMEs and Entrepreneurs participated in BizConference	1,318	5,382	8,217
Total number of SMEs participated in AmBank BizHub	N/A	346	536
Total number of participants in programme with Capital Market Malaysia	N/A	N/A	155

#### Other initiatives for Community Benefits

	FY2023
<b>Affordable housing loans/ financing schemes (such as PR1MA SPEF; Skim Rumah Pertamaku)</b>	
Total disbursement amount of loans/ financing (RM mil)	1,400*
Total number of affordable homes purchased	5,916*
<b>Auto financing for B40 communities</b>	
Total disbursement amount (RM mil)	1,211

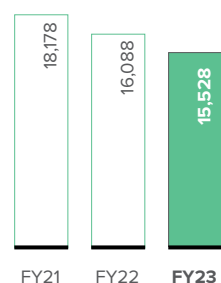
\* Total cumulative disbursement since FY2020 for affordable homes: RM4.6 billion with 21,752 affordable homes purchased.

### RESPONSIBLE CONSUMPTION

#### Overall GHG Emissions

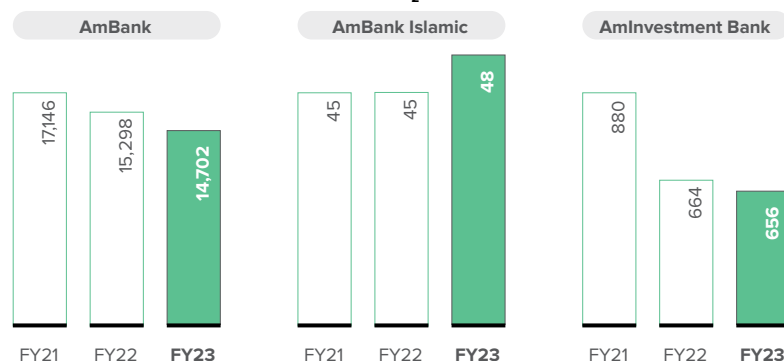
FY2023's carbon emission reduction against baseline FY2019\* was 30%, which exceeded our reduction target of 24%. With carbon offset derived from solar power, Green Electricity Tariff (GET) and Renewable Energy Certificate (REC), we further reduced our carbon emissions to 93% against the baseline.

#### Total GHG Emissions (tCO<sub>2</sub>e)\*\*

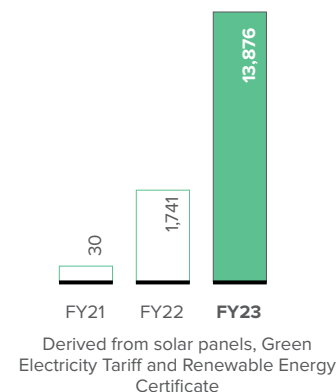


\*Baseline FY2019 = 22,184

#### Total GHG Emissions by Entity (tCO<sub>2</sub>e)



#### Carbon Offset



Note:

The Electricity Carbon Emission Factor is obtained from Grid Emission Factor (GEF) in Malaysia, 2017-2019.

\*\* The total GHG emissions include GHG emissions for AmFunds Management, AmIslamic Funds Management and AmGeneral.

## SUSTAINABILITY PERFORMANCE DATA

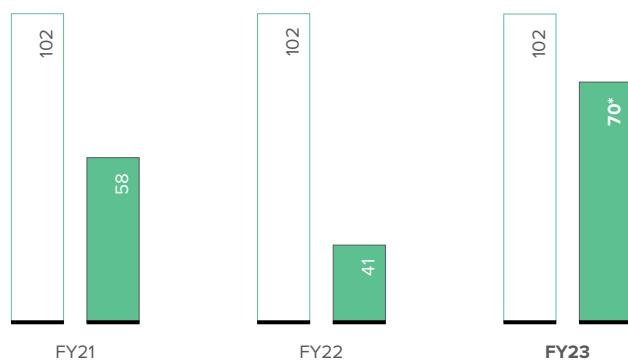
### GHG Emissions

Total Emission for Head Office Buildings (tCO <sub>2</sub> e)	FY2021 (Restated)	FY2022 (Restated)	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	1,209	1,065	<b>1,147</b>
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	1,114	760	<b>703</b>
Menara MBF, Jalan Sultan Ismail (MBF)	179	-	-
Plaza See Hoy Chan, Jalan Raja Chulan (PSC)	27	-	-
Damansara Fairway 3 (DF3)	3,329	3,052	<b>3,044</b>
Wisma AmFirst, Kelana Jaya (WAF)	402	449	<b>486</b>
Wisma AmBank, Jalan Pudu (WAB)*	114	161	<b>99</b>
<b>Total</b>	<b>6,374</b>	<b>5,487</b>	<b>5,479</b>

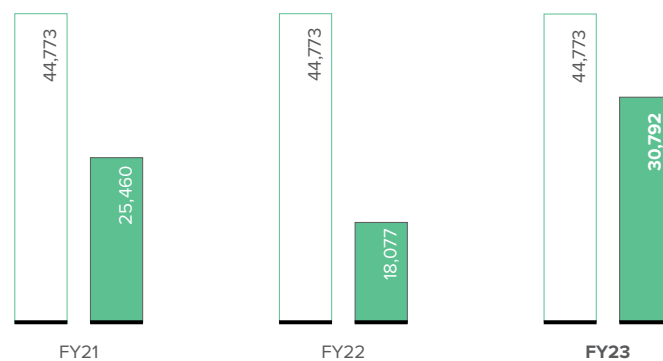
\* Data for WAB was between Apr 2022 - Jan 2023 as we disposed this building in Jan 2023.

### Scope 1: Direct Emissions From Fuel Consumption

**GHG Emissions from Petrol Consumption (tCO<sub>2</sub>e)**



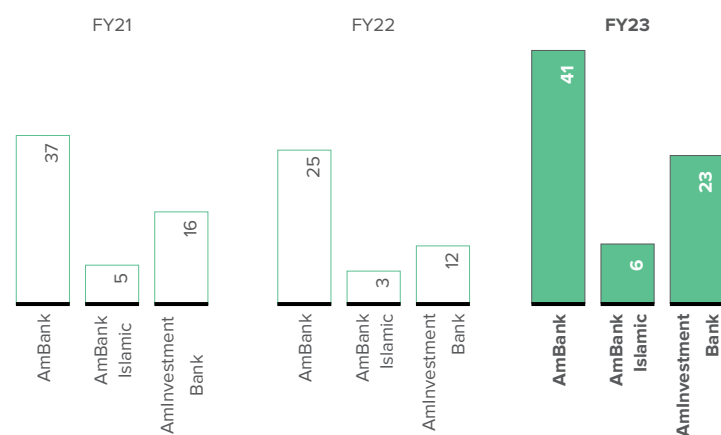
**Petrol Consumption Per Year (Litres)**



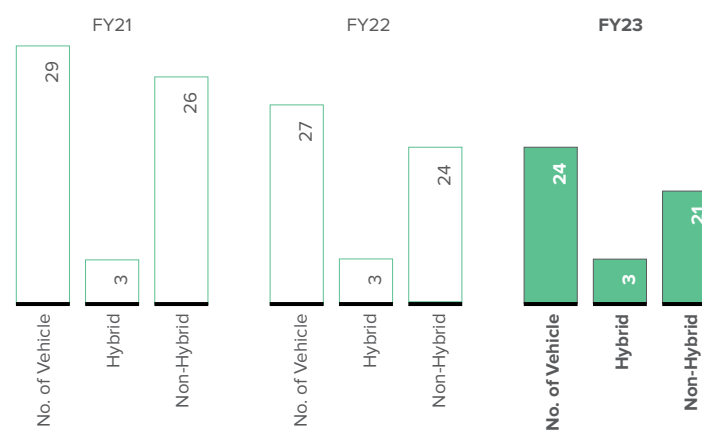
\* The increase in FY23 is due to resumption of office operations post MCO.

Target Actual

**Scope 1 GHG Emissions by Entity (tCO<sub>2</sub>e)**



**No. of Vehicles/ Vehicle Composition**

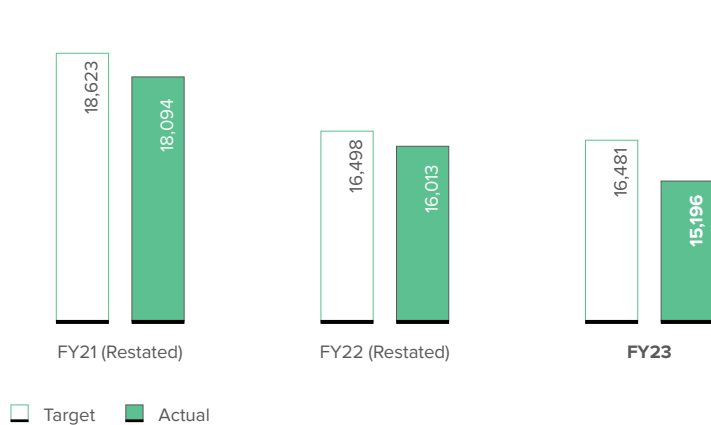
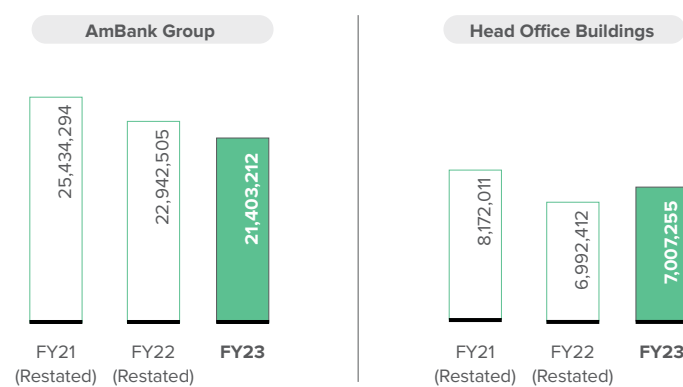




**SUSTAINABILITY PERFORMANCE DATA****Scope 2: Indirect Emissions from Electricity Consumption**

Scope 2 GHG Emissions (tCO <sub>2</sub> e)	FY2021 (Restated)	FY2022 (Restated)	FY2023
AmBank	17,088	15,244	<b>14,463</b>
AmBank Islamic	40	37	<b>34</b>
AmInvestment	863	652	<b>623</b>
AmFund Management	97	76	<b>73</b>
AmIslamic Funds Management	6	4	<b>3</b>
<b>Total</b>	<b>18,094</b>	<b>16,013</b>	<b>15,196</b>

Note: Suruhanjaya Tenaga (Energy Commission) published in Q1 2023 revised Grid Emission Factors from 2017 - 2019. Hence, we have restated our Scope 2 emissions based on this revision.

**Actual vs. Target Scope 2 GHG Emissions (tCO<sub>2</sub>e)****Total Electricity Consumption (kWh)**

□ Target    ■ Actual

Total Electricity Consumption (RM' 000)	FY2021	FY2022	FY2023
AmBank	10,963	9,858	<b>10,115</b>
AmBank Islamic	26	24	<b>24</b>
AmInvestment	601	438	<b>464</b>
AmFund Management	62	52	<b>56</b>
AmIslamic Funds Management	4	2	<b>3</b>
<b>Total</b>	<b>11,656</b>	<b>10,374</b>	<b>10,662</b>

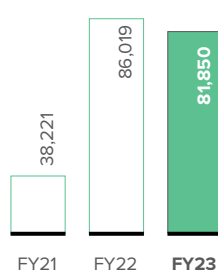
## SUSTAINABILITY PERFORMANCE DATA

### Total Electricity Consumption (kWh)

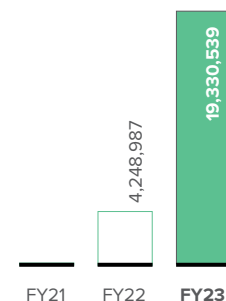
Electricity consumed from external provider



Electricity generated from renewable source



Electricity purchased from renewable source



Head Office Buildings	(kWh)			(kWh/FTE)		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	1,550,028	1,364,965	<b>1,467,915</b>	815	627	<b>682</b>
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	1,428,555	973,749	<b>894,772</b>	822	568	<b>611</b>
Menara MBF, Jalan Sultan Ismail (MBF)	229,675	-	-	994	-	-
Plaza See Hoy Chan, Jalan Raja Chulan (PSC)	35,200	-	-	1,006	-	-
Damansara Fairway 3 (DF3)	4,267,975	3,912,713	<b>3,902,277</b>	26,675	22,358	<b>20,115</b>
Wisma AmFirst, Kelana Jaya (WAF)	514,841	534,305	<b>623,597</b>	528	541	<b>489</b>
Wisma AmBank, Jalan Pudu (WAB)*	145,737	206,680	<b>118,694</b>	-	-	-
<b>Total</b>	<b>8,172,011</b>	<b>6,992,412</b>	<b>7,007,255</b>	<b>884</b>	<b>1,383</b>	<b>1,379</b>

\* Data for WAB was between Apr 2022 - Jan 2023 as we disposed this building in Jan 2023.

### Electricity Consumption

Head Office Buildings & Branches	FY2022			
	RM' 000	kWh	kWh/FTE	tCO <sub>2</sub> e (Restated)
Main Buildings	3,176	6,992	1,383	<b>5,454</b>
Branches	7,198	15,950	8,184	<b>10,559</b>
<b>Total</b>	<b>10,374</b>	<b>22,942</b>	<b>3,276</b>	<b>16,013</b>

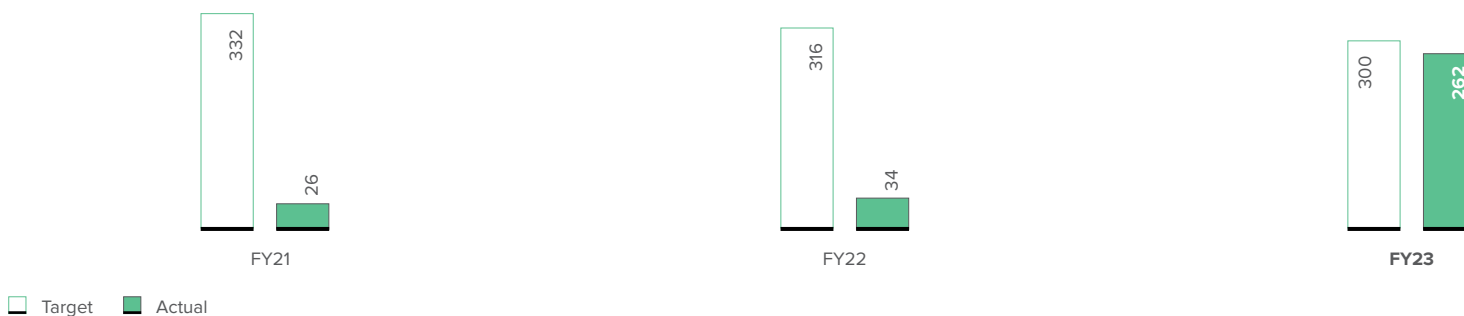
Head Office Buildings & Branches	FY2023			
	RM' 000	kWh	kWh/FTE	tCO <sub>2</sub> e
Main Buildings	3,537	7,025	1,379	<b>5,466</b>
Branches	7,007	14,396	6,680	<b>9,730</b>
<b>Total</b>	<b>10,662</b>	<b>21,403</b>	<b>2,972</b>	<b>15,196</b>

## SUSTAINABILITY PERFORMANCE DATA

Head Office Buildings (RM' 000)	FY2021 (Restated)	FY2022 (Restated)	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	782	677	774
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	709	477	491
Menara MBF, Jalan Sultan Ismail (MBF)	127	-	-
Plaza See Hoy Chan, Jalan Raja Chulan (PSC)	17	-	-
Damansara Fairway 3 (DF3)	1,697	1,656	1,835
Wisma AmFirst, Kelana Jaya (WAF)	260	164	344
Wisma AmBank, Jalan Pudu (WAB)*	73	101	76
<b>Total</b>	<b>3,665</b>	<b>3,075</b>	<b>3,519</b>

\* Data for WAB was between Apr 2022 - Jan 2023 as we disposed this building in Jan 2023.

### Scope 3 Actual vs. Target Emissions (tCO<sub>2</sub>e)



### Responsible Water Management

In FY2023, our water consumption for all branches and main buildings\* was 73.6 megalitres.

\* The main buildings exclude Menara AmBank, Wisma AmFirst and Bangunan AmBank Group. No water bill received from building owner, only fixed service charges hence the water usage cannot be quantified in FY2023.

### Responsible Waste Management

#### No. of Savings Passbook (\*000)



#### A3 & A4 Paper Consumption (no. of sheets - mil)



## SUSTAINABILITY PERFORMANCE DATA

## Paper Waste Collected

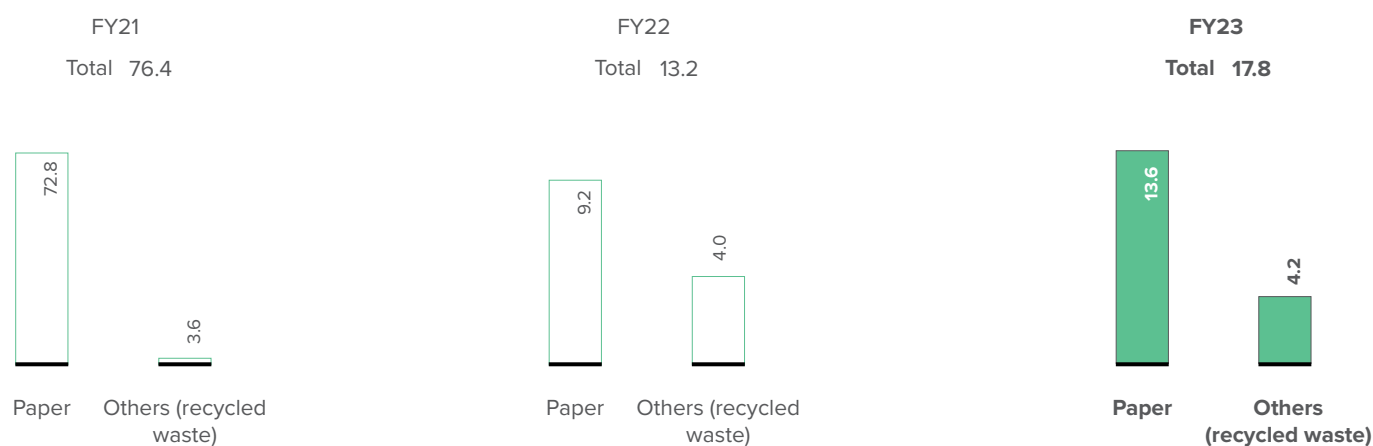
Breakdown of Paper Waste Collected (tonnes)	FY2021	FY2022	FY2023
Menara AmBank, Jalan Yap Kwan Seng (MAB)	5	4	5
Bangunan AmBank Group, Jalan Raja Chulan (BAG)	7	4	7
Damansara Fairway 3 (DF3)	0	0	0
Wisma AmFirst, Kelana Jaya (WAF)	0	1	2
Other (Record Management Service Provider)	60	39	61
<b>Total</b>	<b>72</b>	<b>48</b>	<b>75</b>

## Types of Waste Recycled

Recycled Waste by Type (tonnes)	FY2021	FY2022	FY2023
Plastic	0.150	0.200	0.302
Paper	1.977	2.041	1.801
Cardboard	1.348	1.674	2.031
Can	0.052	0.043	0.081
Metal	0.066	0.010	0
<b>Total</b>	<b>3.593</b>	<b>3.968</b>	<b>4.215</b>

## Types of Waste Generated

## Waste Diverted from Disposal (tonnes)



**SUSTAINABILITY PERFORMANCE DATA****RESPONSIBLE PROCUREMENT**

All of our new vendors underwent screening and were found to be 100% compliant in the pre-qualification ESG questionnaires.

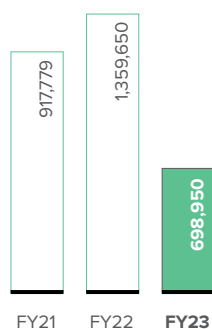
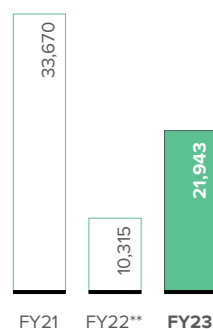
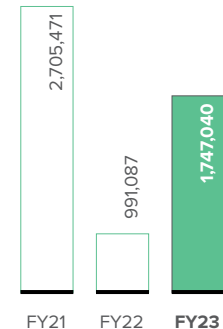
Breakdown of Suppliers	FY2021	FY2022	FY2023
Total no. of local suppliers	1,129	1,866	1,136
Total no. of international suppliers	96	102	98
<b>Total</b>	<b>1,225</b>	<b>1,968</b>	<b>1,234</b>
Local suppliers with active contracts (%)	89	89	92

Economic Contribution to Suppliers (RM mil)/ (%)	FY2021	FY2022	FY2023
Local suppliers	449.3 (83.3%)	1,069.6 (91.3%)	656 (89.6%)
International suppliers	89.8 (16.7%)	101.4 (8.7%)	76 (10.4%)
<b>Total</b>	<b>539</b>	<b>1,171</b>	<b>732</b>

New Suppliers Screened with Environmental and Social Criteria	FY2021	FY2022	FY2023
Total no. of new suppliers	40	119	68

**COMMUNITY EMPOWERMENT****Zakat Contributions****Total Investments (RM)\*****Total People Reached****Zakat Contributions (RM)**

\* Our investments were channelled into various community empowerment initiatives including our Financial Literacy and Life Aspiration with FINCO and English Literacy Programmes. We have made bigger impact this year by reaching out to 21, 943 people.

\*\* The data for FY2022 has been restated due to an error made in the reporting year.

## SUSTAINABILITY PERFORMANCE DATA

### DIGITAL TRANSFORMATION & DATA SECURITY

#### AmOnline

	FY2021	FY2022	FY2023
Registered users	1,235,458	1,401,867	<b>1,565,513</b>
Registered users (%) of rise	28	13	<b>12</b>
Average no. of online transactions (Monthly)	761	87	<b>89</b>
Percentage of online transactions (%)	82	83	<b>82</b>
Percentage of online card activation (%)	63	65	<b>84</b>
Reduction in activation via call centres (%)	16	52	<b>43</b>
Percentage of credit card limit increase application via AmOnline (%)	63	82	<b>84</b>
Successful online enquiries	255	739	<b>1,503</b>

#### AmAccess Biz

	FY2021	FY2022	FY2023
No. of total registered companies	11,161	27,235	<b>39,029</b>
No. of total registered companies using the platform	11,149	20,525	<b>26,364</b>
Volume of monthly transactions	16,689	142,987	<b>368,439</b>
Value of transactions (RM mil)	351	1,635	<b>4,214</b>
Total transactions from digital tokens (%)	76	68	<b>68</b>
Total deposits supported by AmAccess Biz (RM mil)	1,357	4,052	<b>6,969</b>
No. of cyber threats handled	0	0	<b>0</b>
Cases of data loss/ online breaches reported	0	0	<b>0</b>
Any fines/ penalties related to cybersecurity (RM)	0	0	<b>0</b>

### EMPLOYEE WELL-BEING & DEVELOPMENT

Eight of AmBank branches were audited by DOSH and graded "A", a testament to our continuous efforts towards health and safety in our operations.

No	Branch	Region	Date of Audit	Grade	% (score)
1	Sitiawan	Perak	18/4/2022	A	95.59
2	Sg Bakap	Penang	20/4/2022	A	95.15
3	Tampoi	Johor South	25/4/2022	A	97.20
4	Kemaman	East Coast	27/4/2022	A	98.75
5	Kuala Terengganu	East Coast	12/5/2022	A	100.00
6	Ayer Tawar	Perak	17/5/2022	A	93.00
7	Labuan	Sabah	22/2/2022	A	91.26
8	Ipoh GreenTown	Perak	24/2/2023	A	91.40

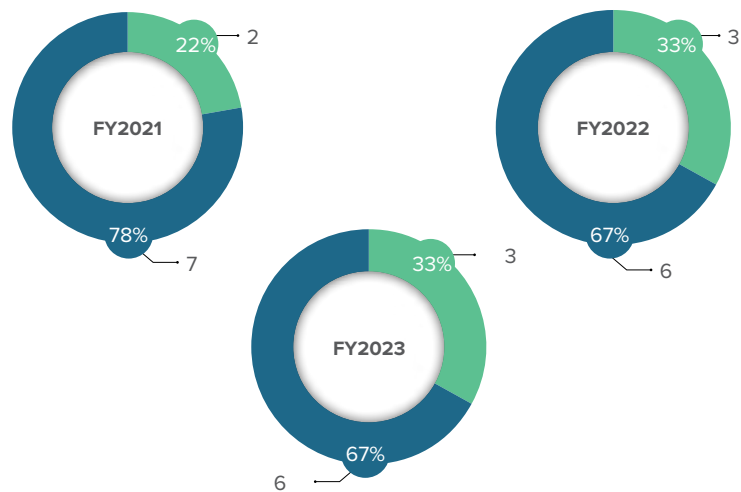
**SUSTAINABILITY PERFORMANCE DATA****Total Employee Training Expenditure by Workforce Category (RM' 000)**

	CY2020	CY2021	CY2022
Top Management/ Senior Management	163.2	287.4	683.2
Mid-Management	6,037.4	5,449.1	7,954.9
Professional/ Specialist	7,234.0	10,740.9	10,241.1
Non-Executive	791.7	1,251.9	875.3
<b>Total</b>	<b>14,226.3</b>	<b>17,729.3</b>	<b>19,754.5</b>

Note: This data is reported according to calendar year (CY) to align with the Staff Training Expenditure (STE) report that was submitted to BNM.

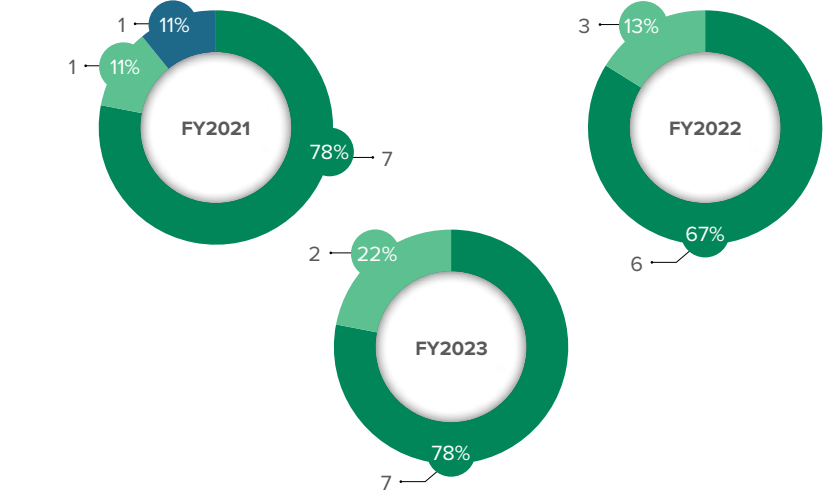
**Members of the Board by Gender and by Age Group (No. & %)**

## Gender



Male Female

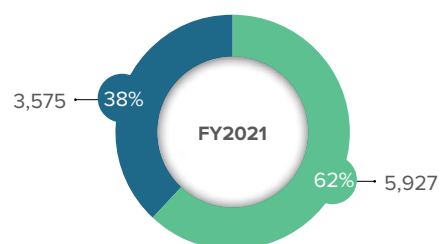
## Age



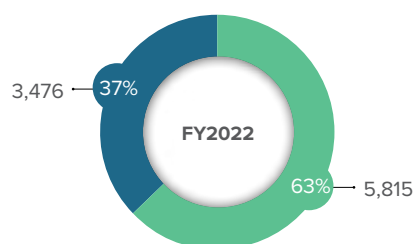
Below 50 years old 50 - 60 years old Over 60 years old

## SUSTAINABILITY PERFORMANCE DATA

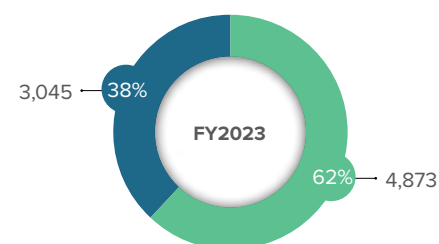
### Employees by Gender (No. & %)



Total number of employees at the end of Financial Year  
**9,502**



Total number of employees at the end of Financial Year  
**9,291**



Total number of employees at the end of Financial Year  
**7,918**

■ Number of male employees ■ Number of female employees

Fixed term or temporary employees

**FY2023**

0.4% Male

0.2% Female



Permanent employees

**FY2023**

38.1% Male

61.3% Female



### Employees by Working Level by Gender (%)

	FY2021	FY2022	FY2023
<b>Male</b>			
Top Management/ Senior Management	59	53	<b>56</b>
Mid-Management	51	51	<b>51</b>
Professional/ Specialist	35	35	<b>37</b>
Non-Executive	32	32	<b>30</b>
<b>Total (%)</b>	<b>37.6</b>	<b>37.4</b>	<b>38.5</b>
<b>Female</b>			
Top Management/ Senior Management	41	47	<b>44</b>
Mid-Management	49	49	<b>49</b>
Professional/ Specialist	65	65	<b>63</b>
Non-Executive	68	68	<b>70</b>
<b>Total (%)</b>	<b>62.4</b>	<b>62.6</b>	<b>61.5</b>

Note: Data is based on headcount and excludes AmGeneral Insurance for FY2023.

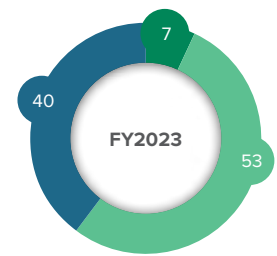
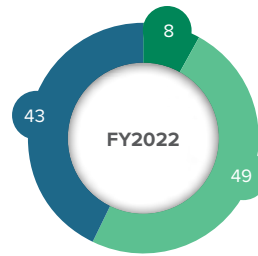
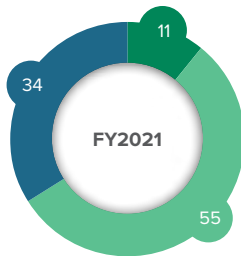
### New Employee Hires

	FY2021	FY2022	FY2023
Total number of new hires (headcount)	854	1,158	<b>1,351</b>
Overall new hire rate (%)	9.0	12.5	<b>17.1</b>



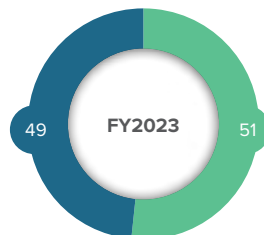
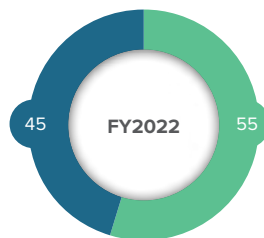
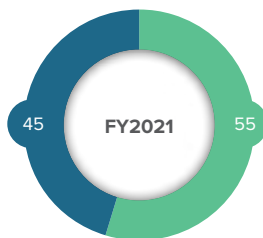
## SUSTAINABILITY PERFORMANCE DATA

### New Hires by Age Group (%)



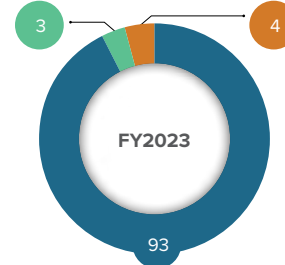
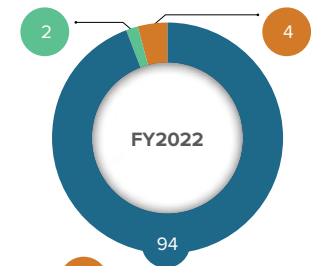
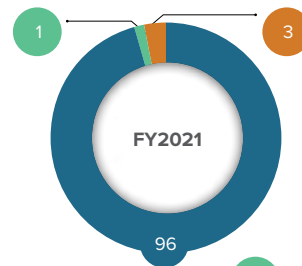
■ < 30 years    ■ 30 - 45 years    ■ > 45 years

### New hires by gender (%)



■ Male    ■ Female

### New hires by region (%)



■ Peninsular    ■ Sabah    ■ Sarawak

### Employee Turnover Rate (%)

Workforce Category/ Year	Voluntary		Involuntary	
	FY2022	FY2023	FY2022	FY2023
Top Management/ Senior Management	5.7	14.7	0.0	0.0
Mid Management	14.0	13.0	0.3	0.1
Professional/ Specialist	16.8	21.2	0.4	0.7
Non-executive	2.7	2.3	0.5	0.2
<b>Total (%)</b>	14.3	17.0	0.4	0.5

## SUSTAINABILITY PERFORMANCE DATA

### • FY2023 Branch Inspection Audit at AmBank Group selected branches

No	Branch	Region	Date of Audit	Rating
1	Sg Siput	Perak	27/12/2022	Good
2	Menglembu	Perak	28/12/2022	Good
3	Kampar	Perak	29/12/2022	Good
4	Tanjong Malim	Perak	30/12/2022	Good
5	Bukit Indah	Johor South	09/01/2023	Good
6	Skudai	Johor South	10/01/2023	Good
7	Setia Tropika	Johor South	11/01/2023	Good
8	Melaka Raya	MNS	13/03/2023	Good
9	Jalan Munshi Abdullah	MNS	14/03/2023	Good
10	Bandar Utama Cheng	MNS	15/03/2023	Good
11	Ayer Keroh	MNS	16/03/2023	Good
12	Datuk Lee Fong Yee	MNS	17/03/2023	Good

### • OSH Incidents/ Data:

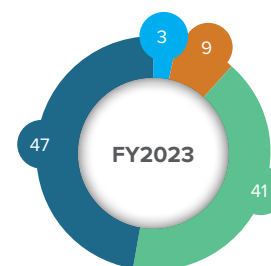
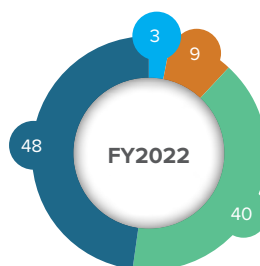
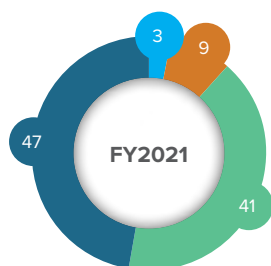
Work-Related Injuries (Employees)	CY2020	CY2021	CY2022
Total number of Accidents	8	3	0
Accidents with Fatality	0	0	0
Accidents with Lost Workdays	8	3	0
Total Lost Workdays Due to Incidents	360	220	0
Accident without Lost Workdays	0	0	0
Fatality Rate	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0.32	0.12	0
Lost Time Injury Incident Rate (LTIRR)	0.79	0.30	0
Total Employee (TE)	10,110	9,926	9,736
Manpower Worked (8x26xTE)	25,235,144	24,775,296	24,301,056

Note: This data reported according to calendar year (CY) to align with the authority reporting requirements.

### Employees by Working Level by Age (%)

	FY2021	FY2022	FY2023
<b>Under 30 years old</b>			
Top Management/ Senior Management	0	0	0
Mid Management	0.3	0.2	0.3
Professional/ Specialist	92.0	94.0	96.4
Non-Executive	7.7	5.8	3.3
<b>Total (%)</b>	<b>15.3</b>	<b>14.4</b>	<b>13.9</b>
<b>30-50 years old</b>			
Top Management/ Senior Management	0.1	0.2	0.2
Mid Management	16.8	17.1	19.2
Professional/ Specialist	66.7	66.6	65.0
Non-Executive	16.4	16.1	15.6
<b>Total (%)</b>	<b>70.2</b>	<b>69.3</b>	<b>69.0</b>
<b>Over 50 years old</b>			
Top Management/ Senior Management	1.6	1.6	1.5
Mid Management	30.8	30.0	31.0
Professional/ Specialist	56.1	56.5	52.9
Non-Executive	11.5	11.9	14.5
<b>Total (%)</b>	<b>14.5</b>	<b>16.3</b>	<b>17.1</b>

Note: Data is based on headcount and excludes AmGeneral Insurance for FY2023.

**SUSTAINABILITY PERFORMANCE DATA****Employees by Ethnicity (%)**

■ Malay ■ Chinese ■ Indian ■ Others

**Employees by Ethnicity by Gender (%)**

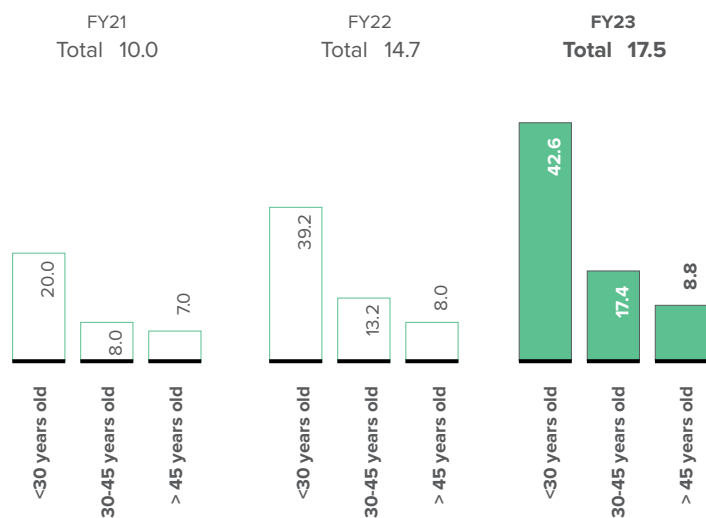
Year	FY2021		FY2022		FY2023	
	Male	Female	Male	Female	Male	Female
Malay	36.7	63.3	36.8	63.2	37.6	62.4
Chinese	38.0	62.0	37.4	62.5	38.9	61.1
Indian	41.6	58.4	41.4	58.5	41.3	58.7
Others	36.1	63.9	34.6	65.4	37.5	62.5
<b>Total (%)</b>	37.6	62.4	37.4	62.6	38.5	61.5

**Employees by Vulnerable Group by Gender (Headcount)**

Gender	Male			Female		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Blind	2	2	1	3	3	3
Deaf	0	0	0	1	1	0
Limb Loss	1	1	1	0	0	0
Walking with Limited Ability	0	0	0	1	1	0
Sight Problem	0	0	0	1	1	0
<b>Total</b>	3	3	2	6	6	3

## SUSTAINABILITY PERFORMANCE DATA

### Turnover by Age (%)



### Employee Turnover Rates by Gender (%)



### Turnover by Region (%)

Region/ Year	FY2021	FY2022	FY2023
Peninsular	10.0	15.0	17.5
Sabah	6.0	11.0	20.9
Sarawak	11.0	14.0	15.6
<b>Total (%)</b>	<b>10.0</b>	<b>15.0</b>	<b>17.5</b>

### Employee Retention (%)

High Performer Retention Rate	FY2021	FY2022	FY2023
Top Management/ Senior Management	82.0	97.1	91.2
Mid Management	95.0	94.6	94.1
Professional/ Specialist	97.0	94.9	95.4
Non-Executive	99.0	99.3	99.2
<b>Total (%)</b>	<b>97.0</b>	<b>95.5</b>	<b>95.7</b>

**SUSTAINABILITY PERFORMANCE DATA****Employee Taking Parental Leaves by Gender (%)**

	FY2021	FY2022	FY2023
Male	2.0	2.6	0.8
Female	4.0	4.0	2.9

**Employees Returning to Work After Parental Leave Ended by Gender (%)**

	FY2021	FY2022	FY2023
Male	92.0	93.3	100.0
Female	95.0	93.2	92.9

**Average Training Per Employee**

<b>Average Training per Employee (Hours)</b>	CY2020	CY2021	CY2022
Total number of training hours (mandatory and non-mandatory)	397,233	461,300	324,058
Average number of mandatory and non-mandatory training hours	47	54	38

**Average Training by Gender (Hours)****Male**

Top Management/ Senior Management	32	42	35
Mid Management	54	65	48
Professional/ Specialist	49	52	41
Non-Executive	33	36	20

**Average per male employee**

48 53 41

**Female**

Top Management/ Senior Management	40	47	46
Mid Management	56	73	46
Professional/ Specialist	46	54	38
Non-Executive	33	41	22

**Average per female employee**

37 54 37

Note: Data is based on calendar year (CY) to align with AmBank's Staff Training Expenditure (STE) report to BNM.

## SUSTAINABILITY PERFORMANCE DATA

### Employee Training by Learning Category and Employment Level

Total Employees Trained, by Learning Type	CY2020	CY2021	CY2022
<b>Leadership</b>			
Top Management/ Senior Management	0	1	5
Mid Management	2	13	421
Professional/ Specialist	1	7	465
Non-Executive	0	0	25
<b>Total</b>	3	21	916
<b>Soft Skill</b>			
Top Management/ Senior Management	0	1	32
Mid Management	3	9	1,185
Professional/ Specialist	6	9	2,901
Non-Executive	1	0	259
<b>Total</b>	10	19	4,377
<b>Technical</b>			
Top Management/ Senior Management	46	52	51
Mid Management	1,413	1,442	1,503
Professional/ Specialist	5,925	5,932	5,867
Non-Executive	1,105	1,078	1,039
<b>Total</b>	8,489	8,504	8,460

Note: Data is based on calendar year (CY) to align with AmBank's Staff Training Expenditure (STE) report to BNM.

### Leadership Development Programmes

	CY2020	CY2021	CY2022
No. of participating employees (attended programmes)	222	365	318
Total training hours completed	20,470	28,181	25,033
Average training hours	92	78	79
Average training days	12	10	10
Talent promoted (%)	15%	32%	35%

Note: Data is based on calendar year (CY) to align with AmBank's Staff Training Expenditure (STE) report to BNM.

**SUSTAINABILITY PERFORMANCE DATA****Mission Critical Positions (MCP) and Successor Development**

	CY2020	CY2021	CY2022
Total Mission Critical Positions (MCP)	12	12	21
Total successors	55	56	99
MCP : Successor ratio	1 MCP : 4.6	1 MCP : 4.7	1 MCP : 4.7
Key position with successors (%)	100%	100%	100%

**Employee Engagement & Well-being****➤ Employee Engagement Index:**

- **7,023** employees responded to the Survey in FY2023
- Achieved **86% Q12** engagement mean compared to 78% in FY2022

**Employee Satisfaction Survey**

Engagement Survey Index (EEI)	FY2021	FY2022	FY2023*
No. of employees who responded to the survey	8,602	8,086	7,023
Participation rate	93%	96%	98%
Engagement mean	77%	78%	86%
Engagement ratio (engaged: not engaged: actively disengaged)	30:60:10	35:57:8	58:37:5

Note: Data is based on headcount and excludes AmGeneral Insurance for FY2023.

**ANTI-MONEY LAUNDERING AND ANTI-CORRUPTION****Communication and Training**

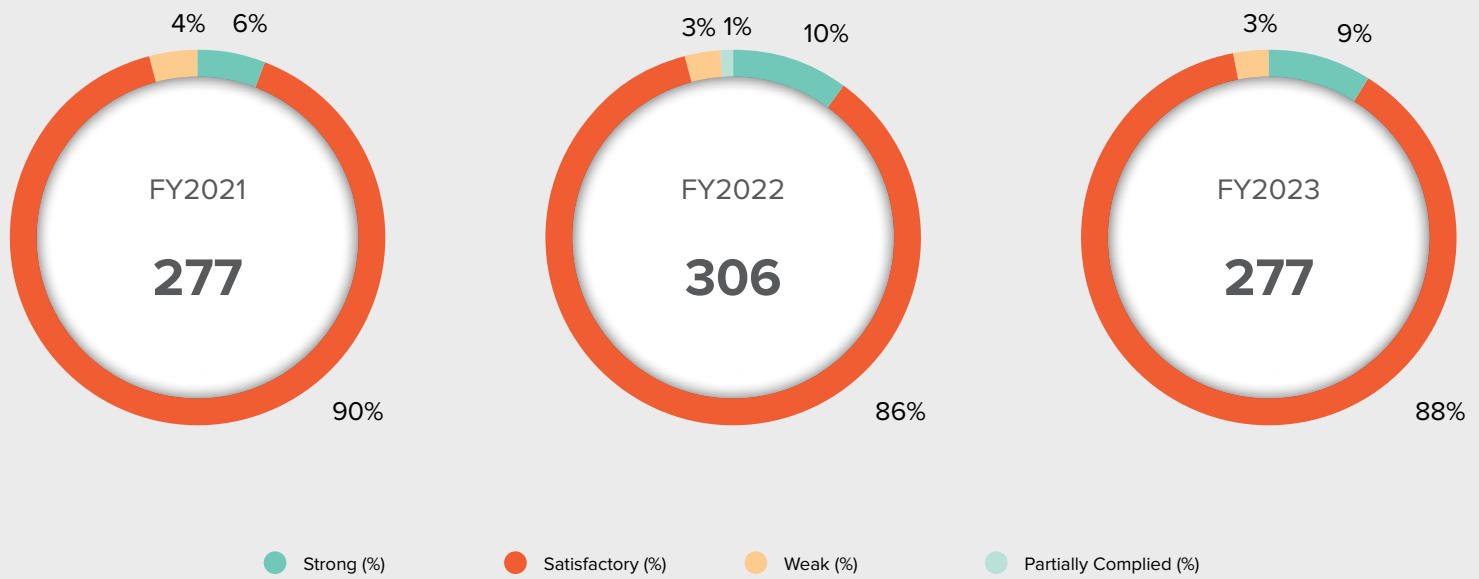
Communication and Training on Anti-Corruption Policies and Procedures, by Employee Category	Top Management/ Senior Management	Mid-Management	Professional/ Specialist	Non-Executive	Total
Number of employees that AmBank Group's anti-corruption policies and procedures have been communicated to	28	1,327	4,812	1,011	7,178
Percentage of employees that AmBank Group's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%
Number of employees that have received training on anti-corruption	28	1,327	4,812	1,011	7,178
Percentage of employees that have received training on anti-corruption	0%	18%	67%	14%	100%

Note: No significant risks related to corruption identified and mitigative controls have been put in place based on the ABCP risk assessment conducted.

**SUSTAINABILITY PERFORMANCE DATA**

Audits & Internal Controls

No. of Internal Audit Reviews Conducted and Ratings (%)



Governance and Ethics	FY2021	FY2022	FY2023
No. of complaints and grievances reported through the whistleblowing channel	7	7	4
Scoring for Governance-related disclosures in MSCI	5.5/ 10.0	7.1/ 10.0	6.4/ 10.0
Scoring for Governance-related disclosures in FTSE4Good	4.3/ 5.0	4.3/ 5.0	4.3/ 5.0
Number of misconduct/ malpractice reports received/ resolved	187	113	131



# STATEMENT OF INDEPENDENT ASSURANCE



## SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

### To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by AMMB Holdings Berhad (hereafter referred to as AmBank Group) to perform an independent verification and provide assurance of AmBank Group Sustainability Report 2023. The main objective of the verification process is to provide assurance to AmBank Group and its stakeholders on the accuracy and reliability of the information as presented in this report. The verification by SIRIM QAS International applied to selected sustainability performance information (subject matter) as listed below, within the assurance scope which is included in AmBank Group Sustainability Report 2023.

The management of AmBank Group was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this report is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of AmBank Group Sustainability Report and the Integrated Annual Report 2023.

The assurance engagement was designed to provide limited assurance in reference to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of AmBank Group Sustainability Report (limited to selected subject matter, from page 22 to 72 of the Sustainability Report) and its overall presentation against respective frameworks such as UN-SDGs, GRI Standard, TCFD and other relevant frameworks. The assurance process involves verification of selected subject matters as follows. Details provided in Appendix 1 of this statement.

Topic	Page no. in SR 2023
Sustainability Governance	22 – 31
Responsible Consumption	45 – 54
Responsible Procurement	55 – 56
Employee Well-Being and Development (including Occupational Safety & Health)	64 – 72

The verification was carried out by SIRIM QAS International between May and June 2023, with the following methodologies:

- Reviewing and verifying the traceability, transparency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data consistency as presented in the Sustainability Report includes a detailed assessment of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the statement to substantiate the veracity of the claims.

## STATEMENT OF INDEPENDENT ASSURANCE

### Enhancements in FY 2023

Limited to the selected subject matters reviewed in this external assurance exercise, AmBank Group keeps a strong drive in executing their ESG-related programs and achieving the set targets. It has been noted that apart from being certified to Energy Management Gold System, AmBank Group is now enhancing its management system practices to Environmental Management System as well.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in AmBank Group's Integrated Annual Report 2023.
- The corporate office at Menara Ambank, Jalan Yap Kwan Seng was visited as part of this assurance engagement. The verification process did not include physical inspections of any of AmBank Group's operations and assets; and,
- The verification team did not verify any contractor or third-party data.

### Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO 17021-1:2015 and ISO 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of AmBank Group relating to the accuracy of some of the information contained in the statement. In response to the raised findings, the Sustainability Report was subsequently reviewed and revised by AmBank Group. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in AmBank Group Sustainability Report 2023 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Sustainability Report provides a reasonable and balanced presentation of the sustainability performance of AMMB Holdings Berhad.

#### List of Assessors.

- |    |                            |   |             |
|----|----------------------------|---|-------------|
| 1) | Ms. Aernida Abdul Kadir    | : | Team Leader |
| 2) | Ms. Kamini Sooriamorthy    | : | Team Member |
| 3) | Ms. Suzalina Kamaralarifin | : | Team Member |

Statement Prepared by:



**AERNIDA BINTI ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 7 June 2023

Statement Approved by:



**MOHD HAMIM BIN IMAM MUSTAIN**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 9 June 2023

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (9 June 2023).

**STATEMENT OF INDEPENDENT ASSURANCE**

Appendix 1 The topic of subject matter and information covered in this assessment is tabulated below (limited to the content from page no. 22 – 72 of the Sustainability Report 2023):	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Sustainability Governance				
Responsible Consumption				
Responsible Procurement				
Employee Well-Being and Development (incl. Occupational Safety & Health)				

**Note 1:**

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (9 June 2023).

**Note 2:**

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

**Note 3:**

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

**HIGH** – Data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

**MEDIUM** – Data and information has been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifiers during the conduct of the assessment.

**LOW** – Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

**UNSUBSTANTIATED** – Data and information was not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

# GRI CONTENT INDEX

Statement of Use:

AMMB Holdings Berhad has reported the information cited in this GRI content index for the period of 1 April 2022 to 31 March 2023 (FY2023) with reference to the GRI Standards.

## GRI 1 Used: GRI 1: Foundation 2021

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number
<b>GRI 2: General Disclosures 2021</b>			
<b>The organisation and its reporting practices</b>			
2-1	Organisational details	Overview of AmBank Group AMMB Holdings Berhad is headquartered in Kuala Lumpur, Malaysia, with a market capitalisation of more than RM12 billion as at 31 March 2023	Pg. 10 - 15
2-2	Entities included in the organisation's sustainability reporting	Basis of This Report This Report covers information pertaining to our three main subsidiaries: AmBank (M) Berhad; AmBank Islamic Berhad; and AmInvestment Bank Berhad	Pg. 4-5
2-3	Reporting period, frequency and contact point	Basis of This Report This Report covers the financial year 1 April 2022 to 31 March 2023 (FY2023) unless otherwise specified and is reported annually. Contact Point: Sustainability Department at sustainability@ambankgroup.com	Pg. 4-5
2-4	Restatements of information	Some data from previous years have been restated according to updated methodologies and numbers	Pg. 50-51, 60, 80-83, 85
2-5	External assurance	Statement of Independent Assurance Selected indicators in this Report have been independently assured by SIRIM QAS International Sdn. Bhd.	Pg. 97-99
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	What We Do: Core Business Segments	Pg. 13-14
2-7	Employees	7,918 employees	Pg. 70, 88
2-8	Workers who are not employees	We engaged 1,234 suppliers in FY2023	Pg. 56, 85
<b>Governance</b>			
2-9	Governance structure and composition	Our robust governance structure sets out clear functions with specific roles and responsibilities to address our sustainability risks and opportunities	Pg. 22-23
2-10	Nomination and selection of the highest governance body	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 120-143)	-
2-11	Chair of the highest governance body	AMMB Holdings Berhad is chaired by Tan Sri Md Nor bin Md Yusof, who is an Independent Non-executive Chairman and a Member of the Board. Refer to page 122 in the Integrated Annual Report 2023	-
2-12	Role of the highest governance body in overseeing the management of impacts	The Board has overall accountability and responsibility of the Group's sustainability/ ESG agenda sustainability-related decision making, including climate-related matters	Pg. 22-23
2-13	Delegation of responsibility for managing impacts	The Board is supported by the Group Sustainability Council (GSC), which is chaired by the Group CEO, AmBank Islamic CEO, who is also the Group Sustainability Champion, is the Alternate Chairman of the GSC	Pg. 22-24

## GRI CONTENT INDEX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number
<b>Governance</b>			
2-14	Role of the highest governance in sustainability reporting	This Sustainability Report is approved by AMMB Holdings Berhad's Board of Directors	Pg. 22-23
2-15	Conflicts of interest	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 120-138)	-
2-16	Communication of critical concerns	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 120-133)	-
2-17	Collective knowledge of the highest governance body	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 134-143)	-
2-18	Evaluation of the performance of the highest governance body	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 134-143)	-
2-19	Remuneration policies	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 134-143)	-
2-20	Process to determine remuneration	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 134-143)	-
2-21	Annual total compensation ratio	Refer to Corporate Governance Overview Statement in the Integrated Annual Report 2023 (Pg. 134-143)	-
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Leadership Commitment	Pg. 6-9
2-23	Policy commitments	Key Sustainability Policies and Guidelines	Pg. 22-30, 36-37
2-24	Embedding policy commitments	Sustainability considerations are incorporated in the relevant policies and guidelines to drive sustainability in our organisation and ensure that they are embedded in our business decision making processes and strategies	Pg. 26-30
2-25	Processes to remediate negative impacts	We have in place the processes to remediate negative impacts including addressing grievances	Pg. 74-75
2-26	Mechanisms for seeking advice and raising concerns	We have in place a Whistleblowing Protection Policy and various grievance mechanisms to encourage stakeholders to report any corruption or malpractices without fear of repercussions	Pg. 74-75
2-27	Compliance with laws and regulations	Zero incidents of non-compliance with laws and regulations during the reporting period <ul style="list-style-type: none"> <li>Zero non-compliance of products and services</li> <li>Zero environmental non-compliance</li> </ul>	Pg. 35, 54
2-28	Membership associations	Associations & Memberships We engage actively in the relevant industry associations and memberships to foster knowledge sharing and collaborative discussions to adopt industry best practices	Pg. 31

## GRI CONTENT INDEX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	We engage regularly with key stakeholder groups via various internal and external platforms	Pg. 18
2-30	Collective bargaining agreements	Core Sustainability Matters: Material Topic – Employee Well-being & Development 36% of AmBank Group employees are covered by collective bargaining agreements	Pg. 67
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	We conduct a materiality assessment once every few years and review the material matters on an annual basis to ensure that our sustainability matters remain relevant to local and global trends	Pg. 19-21
3-2	List of material topics	We have identified nine sustainability matters that are material to our business and stakeholders	Pg. 19-21
<b>CORE SUSTAINABILITY MATTERS</b>			
<b>Customer Satisfaction</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Customer Satisfaction</b>	Pg. 33
416-1	Assessment of the health and safety impacts of product and service categories	78% of products/ services covered and assessed for compliance	Pg. 35, 78
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of non-compliance with regulations concerning product and services	Pg. 35, 78
417-3	Incidents of non-compliance concerning marketing communications	Zero incidents of non-compliance with regulations concerning marketing communications	Pg. 35, 78
<b>Mitigating ESG &amp; Climate Related Risks</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Mitigating ESG &amp; Climate Related Risks</b>	Pg. 36-37
Non-GRI Disclosure	Exclusion List	As of 2022, ceased to provide new/ additional loans/ financing or refinancing to coal-fired power plants and businesses where coal or coal-related activities contribute at least 20% of the business' total revenue or raw materials for its production unless critical for national energy security	Pg. 38
<b>Financial Inclusion</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Financial Inclusion</b>	Pg. 42
203-1	Infrastructure investments and services supported	Providing financial access and capacity building to the underbanked including SMEs and affordable home financing schemes	Pg. 42-43
203-2	Significant indirect economic impacts	Almost RM27 billion of loans/ financing to SMEs, RM1.4 billion* disbursed under the affordable home financing schemes with 5,916 homes purchased and RM1.21 billion of auto-financing for B40 segment	Pg. 44, 79
* Total cumulative disbursement since FY2020 for affordable homes: RM4.6 billion with 21,752 affordable homes purchased.			

## GRI CONTENT INDEX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number
<b>Responsible Consumption</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Responsible Consumption</b>	Pg. 45-47
302-1	Energy consumption within the organisation	21,403,212 kWh in total electricity consumption	Pg. 51-52, 81-83
305-1	Direct (Scope 1) GHG emissions	<b>Scope 1: Direct Emissions from Fuel Consumption</b> 70.0 tCO <sub>2</sub> e for Scope 1 emissions in FY2023	Pg. 48-50, 80
305-2	Energy indirect (Scope 2) GHG emissions	<b>Scope 2: Indirect Emissions from Electricity Consumption</b> 15,196 tCO <sub>2</sub> e for Scope 2 emissions in FY2023	Pg. 50-52, 81-82
305-3	Other indirect (Scope 3) GHG emissions	<b>Scope 3: Indirect Emissions from Employee Travel</b> 262 tCO <sub>2</sub> e for Scope 3 emissions in FY2023	Pg. 52, 83
305-5	Reduction of GHG emissions	30% reduction in total carbon emissions	Pg. 49, 79
306-1	Waste generation and significant waste-related impacts	Our waste is mostly from paper consumption	Pg. 48
306-2	Management of significant waste-related impacts	Monitoring paper consumption, promoting the use of passbook-less transactions, encouraging waste segregation and raising awareness on waste management	Pg. 48, 53
306-3	Waste generated	17.8 tonnes of waste diverted from disposal	Pg. 54, 83-84
<b>Responsible Procurement</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Responsible Consumption</b>	Pg. 55
204-1	Proportion of spending on local suppliers	RM656 million contributed to our local suppliers	Pg. 56, 85
308-1	New suppliers that were screened using environmental criteria	68 new suppliers were screened using environmental criteria	Pg. 56, 85
414-1	New suppliers that were screened using social criteria	68 suppliers were screened using social criteria	Pg. 56, 85
<b>Community Empowerment</b>			
3-3	Management of material topics	<b>Core Sustainability Matters: Community Empowerment</b>	Pg. 57
203-1	Infrastructure investments and services supported	Community programmes. 21,943 people reached	Pg. 58-60, 85
413-1	Operations with local community engagement, impact assessments, and development programs	Through AmKasih Programme, we engage with the local communities and contribute to their sustainable development	Pg. 58-60

## GRI CONTENT INDEX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number
<b>FOUNDATION SUSTAINABILITY MATTERS</b>			
<b>Digital Transformation &amp; Data Security</b>			
3-3	Management of material topics	<b>Foundation Sustainability Matters: Digital Transformation &amp; Data Security</b>	Pg. 61-62
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero cases of data loss/ online breaches reported	Pg. 63, 86
<b>Employee Well-being &amp; Development</b>			
3-3	Management of material topics	<b>Foundation Sustainability Matters: Employee Well-being &amp; Development</b>	Pg. 64-65
401-1	New employee hires and employee turnover	Employee turnover rate: Voluntary 17.0%, Involuntary 0.5%	Pg. 71-72, 89-92
401-3	Parental leave	Both male and female employees are provided with parental leave, with 0.8% and 2.9% utilising this benefit in 2023, respectively	Pg. 93
403-1	Occupational health and safety management system	AmBank Group's OSH Management is aligned with the ISO 45001:2018 (2018-2024). All our employees, workers, activities and workplaces are covered by the Group's OSH Management System, which was established by Banking Services at the Head Office and YKS Branch	Pg. 65
403-4	Worker participation, consultation, and communication on occupational health and safety	Group-wide OSH awareness and feedback are conducted through various activities and platforms	Pg. 69
403-5	Worker training on occupational health and safety	Invested approximately RM80,000 in various physical and virtual OSH training programmes for 428 AmBankers	Pg. 68, 72
403-9	Work-related injuries	0 Lost Time Injury Rate and Lost Time Injury Incident Rate	Pg. 72, 89
404-1	Average hours of training per year per employee	38 hours per year per employee; 41 hours for male and 37 hours for female	Pg. 93-95
404-2	Programmes for upgrading employee skills and transition assistance programmes	RM19.8 million were invested in the training and development of employees. The programmes included leadership & talent development and AmBank Digital Academy	Pg. 65, 69 & 93-95
405-1	Diversity of governance bodies and employees	44% of Top/ Senior Management positions were held by women, whilst 33% of the Board of Directors were female	Pg. 70-71, 87-88
<b>Anti-Money Laundering &amp; Anti-Corruption</b>			
3-3	Management of material topics	<b>Foundation Sustainability Matters: Anti-Money Laundering &amp; Anti-Corruption</b>	Pg. 73-75
205-1	Operations assessed for risks related to corruption	277 internal audits conducted, no significant risks have been noted	Pg. 76-77, 95-96
205-2	Communication and training about anti-corruption policies and procedures	100% of Members of the Board and employees received communication and training on the Group's anti-corruption policies and procedures	Pg. 76, 95
205-3	Confirmed incidents of corruption and actions taken	Zero incidents of corruption	Pg. 76







**AMMB Holdings Berhad**

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