

AmBank Group strengthens its commitment to ESG practices

AS THE WORLD sees a shift in the demographics of investors and customers, their demands that business enterprises adopt sustainability-related practices cannot be ignored any longer. Today, it is imperative for financial institutions to integrate sustainability into their business due to expectations for business enterprises to also serve environmental and social purposes.

Environmental and social issues have a significant impact on customers' abilities to meet their financial obligations. They can also result in the depreciation of collaterals, which exposes the financial institution to financial risks.

AmBank Group is taking sustainability seriously as it recognises the role of financial institutions in the matter.

AmBank Group's Focus 8 Strategy includes the integration of environmental, social and governance (ESG) considerations into its strategies, business and operations. The Focus 8 Strategy and the group's Sustainability Framework, which is underpinned by three sustainability themes — responsible banking, conscious self-conduct and positive societal impact — reflect its commitment to the United Nations Sustainable Development Goals (UN SDGs) and the higher objectives of Shariah (Maqasid Shariah).

Integrating ESG impacts entails, inter alia, considering climate change risks, promoting financial inclusion, ensuring that procedures in relation to anti-bribery and corrupt practices are in place, ensuring the well-being and development of its workforce, having a clear digital strategy, as well as ensuring that its activities contribute to the greater good of its communities.

AmBank Group CEO Datuk Sulaiman Mohd Tahir emphasises that sustainability is at the heart of AmBank Group's strategy and long-term vision.

"At AmBank Group, our strategy and long-term vision are underpinned by our commitment to con-



tribute to the greater good of our people and planet through responsible banking and business practices. This commitment is reflected in our Group Sustainability Agenda, where we actively consider ESG risks and impacts to create shared prosperity for the current and future generations without compromising our financial objectives."

AMBANK GROUP'S SUSTAINABILITY AGENDA

The group made good progress in its sustainability agenda to future-proof its business. In FY2021, the group set up the Group Sustainability Council to deliberate on, monitor and drive its sustainability agenda. It also identified the relevant sustainability sponsors to accelerate key strategic initiatives, driven by sustainability-related KPIs.

In addition, the group has introduced Environmental and Social Risk Grade (ESRG) as part of its credit evaluation process and established robust policies and guidelines that address key sustainability matters.

AmInvest, AmBank Group's fund man-

agement arm, launched two sustainable and responsible investment funds in its sustainable series line-up — the Positive Change Fund and Climate Tech Fund.

Through AmBank Group's small and medium enterprise (SME) customer base, the group aims to unlock the potential of the SME sector while contributing to socioeconomic development. Through the AmBank BizClub, the group has engaged more than 12,000 SMEs to provide education, training and networking opportunities to help businesses scale.

AmBank Group's zakat distribution strategy has also been recalibrated from providing sustenance to creating long-term impact by widening the scope for capacity-building and capital for micro businesses.

AmBank Group is the first Malaysian financial institution to install solar panels on one of its buildings, enabling it to generate clean energy, offset its carbon emissions and lower operational costs.

Externally, AmBank Group actively participates in industry efforts to develop the sustainability market. For example, AmBank Islamic was appointed as the Chair of the first VBI Sectoral Guide Working Group to help develop sectoral guidelines for the palm oil, renewable energy and energy efficiency sectors.

AmBank Group is also a member of the Joint Committee on Climate Change (JC3), a platform established by Bank Negara Malaysia and the Securities Commission Malaysia, to pursue collaborative actions for building climate resilience within the country's financial sector.



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