

Sustainability Statement

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LEADERSHIP COMMITMENT

Dear Stakeholders,

Over the past fiscal year, the COVID-19 pandemic has severely affected livelihoods, communities as well as physical and social well-being. It has been a clear demonstration of the imperative need for banks to play a more pronounced role in mitigating global sustainability challenges. Accepting and fulfilling this critical responsibility necessitates the integration of responsible environmental, social and governance (ESG) practices into a sustainable business model.

At AmBank, we have taken the past few years to focus on how we can achieve our strategic objectives while contributing to the greater good of our people and planet through accountable banking and business practices. This commitment is reflected in our Group Sustainability Agenda, which ensures that we actively consider our ESG impacts and create shared prosperity for current and future generations, without compromising our financial objectives. Our Sustainability Agenda was particularly crucial this year, as it allowed us to prioritise getting our customers and surrounding communities back on track in the near term while we worked to build a better, more resilient future for all.

DATO' SULAIMAN MOHD TAHIR
Group Chief Executive Officer



INTEGRATING ESG INTO THE BUSINESS

The Group's capacity to address ESG risks and opportunities is key to our sustained growth and continued relevance. We firmly believe that sustainability is not just an extension of our business activities, it is an essential component of AmBank Group's Focus 8 Strategy (FY2021-FY2024), which specifies 'Integrating ESG Considerations into Our Business' as a key focus area.

Our Sustainability Framework, which integrates responsible ESG and Value-Based Intermediation (VBI) principles, formalises the Group's sustainability strategy, comprising our sustainability themes, material matters, the United Nation's Sustainable Development Goals (SDGs), Maqasid Shariah as well as our core values.

The Group's robust sustainability governance structure outlines the specific roles and functions of our Board and management to enable more efficient decision-making, implementation, transparency and accountability.

As part of our commitment to continue strengthening this structure, we have established a designated Group Sustainability Department to drive the development and execution of our strategic sustainability

initiatives. The governance structure is supported by policies and guidelines on sustainability practices that allow us to identify and address our material matters.

Additionally, as part of our efforts to strengthen our sustainability risk assessment system, as of 2021, credit applications for non-individual customers are now assigned with an environmental and social risk grade (ESRG). This allows us to assess a customer's activities from a sustainability perspective to build a more resilient portfolio.

BANKING ON SUSTAINABILITY

As part of the banking ecosystem, we are conscious of the critical role we play in providing both the finance and expertise required to meet the ambitious targets of the global SDGs. As part of our contribution to the Goals, the Group's lending and investment practices endeavour to meet customer needs, while also contributing to sustainable development outcomes. In line with VBI principles, we zero in on financing opportunities that give rise to social progress and improved environmental health. This includes channelling funds and expertise into developing SMEs, start-ups, affordable housing and the green sector.



WE CONTRIBUTED MORE THAN

RM22.6 billion
TO SMES THROUGH LOANS AND FINANCING

In FY2021 alone, we contributed more than RM22.6 billion to SMEs through loans and financing. Apart from that, we continued to organise programmes through the AmBank BizClub to help SMEs and entrepreneurs scale their businesses. Testament to our role as an SME market leader, we received multiple awards and recognition during the year.

In line with our focus on green financing, we developed a green taxonomy for classifying transactions pertaining to critical sectors, such as energy, manufacturing, building, transport and palm oil that are deemed green, drawing upon the global SDGs. We also organised and participated in workshops and events that involved industry experts, with the intention of propelling Malaysia's green financing market forward.

Our customers play an active role in our sustainability journey. Their finances are a vehicle to influence change and we are committed to ensuring that we offer them products and services that are sustainable and add value. We continue to invest in new technologies that offer faster, simpler banking services to our retail and business customers. Transaction volumes on our online platforms, AmOnline and AmAccess Biz, experienced significant growth of 35.0% and 2,782% in FY2021, demonstrating customer trust and satisfaction in our digital solutions. Overall, we ranked 1st in Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS) amongst the Group customers, with a commendable 20-point increase in our NPS score.

PRIORITISING OUR PEOPLE

We are a people-oriented Bank. Our goals and objectives are driven by the best interest of our multiple stakeholders. This commitment was particularly evident in FY2021, as we responded swiftly to protect our employees, suppliers and customers from the health and financial impact of the pandemic.

We implemented remote working and banking measures to ensure that customers could access critical financial services, while keeping our employees safe. Across the Group buildings, we installed thermal scanners, carried out disinfection exercises, and distributed hand sanitisers and protective equipment to curb the spread of the virus.

For customers who were financially impacted by lockdowns, we extended the targeted Repayment Assistance Programme to ease their financial burdens, approving over 2,300 SME applications for rescheduled and restructured (R&R) payments. A Special Relief Facility comprising collateral-free financing of up to RM1.0 million was also set up for COVID-19 affected SMEs. Since March 2020, we have received more than 1,400 applications for the facility, amounting to approximately RM1.20 billion.

As part of our continuous journey to create a positive impact on the communities in which we operate, we have actively invested in projects that address common community development challenges. During the reporting year, we channelled RM228,760 into community programmes covering a range of issues, including COVID-19 assistance, financial literacy, safety and health as well as welfare. We were able to help underserved communities, touching the lives of 33,670 people and institutions.

TAKING CARE OF THE PLANET

The long-term well-being of stakeholders and our business ultimately depends on the health of the environment. With climate change posing an unavoidable threat to future business and livelihoods, we are committed to minimising the impact from our business operations with a focus on further reducing our carbon footprint.

With this in mind, we introduced the Group Energy Policy in FY2021. Approved by the Board, the policy formalises our commitment to energy efficiency and low-carbon operations. The policy supports our target of cutting down our overall carbon emissions by 24.0% by FY2023, with FY2019 as the baseline year.

Among the green initiatives implemented during the year included investing in energy-efficient infrastructure, as well as replacing plastic products with environmentally-friendly alternatives, amongst many other initiatives. As a result, we successfully lowered our carbon emissions by 12.5% year-on-year (YoY).

Beyond our operational footprint, we also support climate action through our active participation in the Joint Climate Change Committee (JC3). JC3's objective is to steer the Malaysian financial sector towards a low-carbon future, which is achieved by building capacity and facilitating collaboration between stakeholders in terms of advancing coordinated solutions to address arising transition challenges.

Sustainability is a journey in which we strive to make great progress each year. The Group remains dedicated to integrating sustainability into our operations and business model. As we move forward into the year ahead, we look to mark new milestones in creating sustainable value that will benefit all segments of stakeholders.

DATO' SULAIMAN MOHD TAHIR
Group Chief Executive Officer

SUSTAINABILITY DISCLOSURES

AmBank Group advocates for positive environmental, social and governance (ESG) practices as we continue to make great strides in our sustainability journey. Our Sustainability Framework (Framework) articulates our intention to consider the ESG impacts in our strategies, activities and portfolio, which consequently contribute to the long-term well-being of people, the planet and our business.

REPORTING PERIOD

All the data and information included in this sustainability statement cover the period from 1 April 2020 to 31 March 2021 (FY2021) unless stated otherwise. Where possible, we also provide data from the past three years to demonstrate our year-on-year (YoY) sustainability progress. Our previous sustainability statement was published to cover the period from April 2019 to 31 March 2020 (FY2020).

REPORTING BOUNDARY

This sustainability statement covers information pertaining to our three main subsidiaries: AmBank (M) Berhad; AmBank Islamic Berhad; and AmInvestment Bank Berhad, hereinafter referred to as AmBank Group or the Group. The three subsidiaries account for over 96.0% of AmBank Group's total assets, therefore comprising the majority of our sustainability footprint.

The sustainability statement outlines the progress of the ten Sustainability Matters that impact our long-term business and stakeholder value creation. Throughout the report, our sustainability initiatives are labelled with the following icons:



Environmental Impact



Social Impact



Governance Impact

PRINCIPLES OF REPORTING

As part of our commitment to publishing a credible and transparent sustainability statement, we are guided by the following reporting principles:

Sustainability Context	We present our ESG performance in the broader context of sustainability.
Inclusiveness	We capture and describe the sustainability expectations and interests of all stakeholders.
Materiality	We prioritise and address significant sustainability areas that impact our business and influence stakeholder decisions.
Comparability	We seek to benchmark our progress with market practices.

REPORTING STANDARDS


The scope of our sustainability disclosures adheres 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 193 – 199.

INDEPENDENT ASSURANCE

Selected areas in this sustainability statement have been validated through an external audit conducted by SIRIM QAS International Sdn. Bhd.

 The assurance statement is shown on pages 189 – 192.

POINT OF CONTACT

We welcome all comments, feedback and enquiries from our readers so that we can improve the quality of our sustainability disclosures. Please contact our sustainability team at +603-2167 3661.

SUSTAINABILITY @ AmBank Group

SUSTAINABILITY FRAMEWORK

AmBank Group's Sustainability Statement

AmBank Group's strategies, activities and portfolio will consider the environmental, social and governance (ESG) impacts, including climate change risks and ensuring that adequate procedures in relation to anti-bribery/corrupt practices are in place – to ensure that they contribute to the greater good of our stakeholders (e.g., customers, shareholders, employees, regulators, community) – without compromising AmBank Group's financial objectives.

Our business objectives extend beyond creating profits. We strive to enable economic activities that create shared prosperity for current and future generations, without compromising the well-being of the environment. In achieving this, we continuously align our business strategies with sustainability principles from the lenses of ESG and VBI, ensuring that everything we do is for the greater good of our stakeholders. Our sustainability agenda is underpinned by AmBank Group's Sustainability Framework, which outlines the broad parameters of our sustainability agenda.



SUSTAINABILITY @ AmBank Group

SUSTAINABILITY OBJECTIVES

As a strong advocate of sustainable development, we continue to join the global alliance in accomplishing the United Nation's Sustainable Development Goals (SDGs). The 17 SDGs interrelated global ambitions are closely linked to our efforts in improving the outcomes of communities and the environment. We play our part in the global goals by enhancing the lives and livelihoods of Malaysians, focusing particularly on sustainable economic growth, environmental protection and social inclusion. This ultimately reinforces Malaysia's contribution to the global collective journey of building peaceful, just and inclusive societies, and ensuring the tangible conservation of the planet and its natural resources.

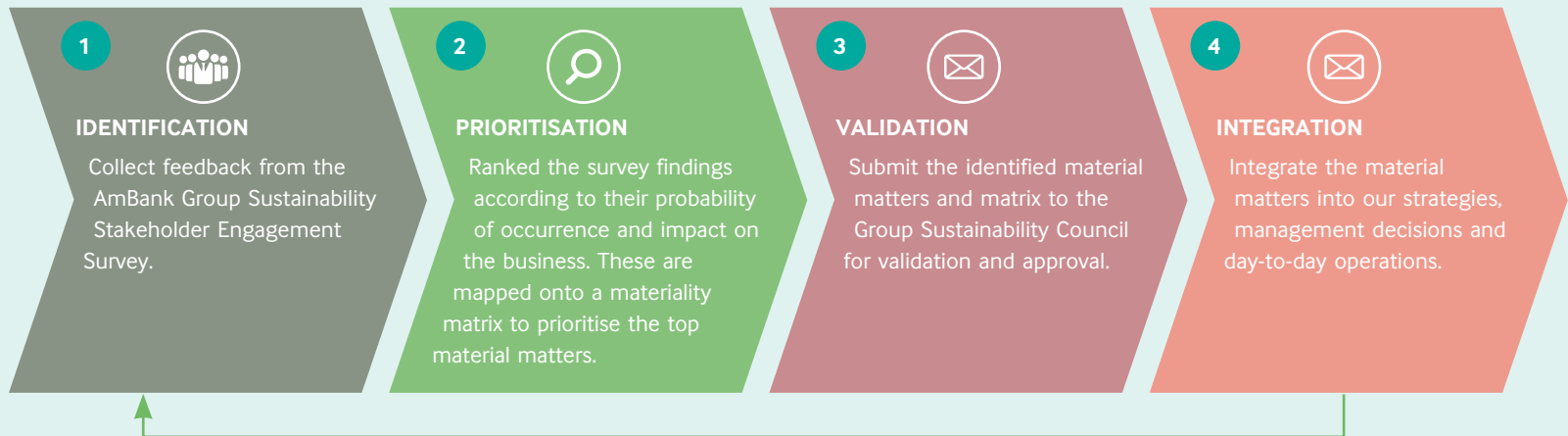
Methodology on UN SDG Alignment: To optimise our SDG contributions, we prioritise the goals that are directly or indirectly impacted by our operations and activities. We assessed each of the 17 SDGs and their corresponding indicators to determine how our business can help achieve these goals. As a result, we have identified nine priority SDGs, as shown below:

 <p>2 ZERO HUNGER</p>	Contribute by our community investments and developments initiatives	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Contribute by our innovative lending programmes and support initiatives to develop SMEs
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Contribute by promoting our employee's well-being and ensuring a conducive and healthy workplace	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Contribute by supporting sustainable infrastructure and financial inclusion initiatives
 <p>4 QUALITY EDUCATION</p>	Contribute by equipping our employees with valuable skills, as well as raise the standards of education through Financial Industry Collective Outreach (FINCO)	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Contribute by reducing the negative impact of our own environmental footprint
 <p>5 GENDER EQUALITY</p>	Contribute by improving gender equality within the Group, including influential levels	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Contribute by supporting a fair and equitable workplace and ensuring a strong ethics and compliance culture throughout the Group
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Contribute by protecting labour rights and supporting a healthy work environment for our employees, and enhancing accessibility of our products and services		

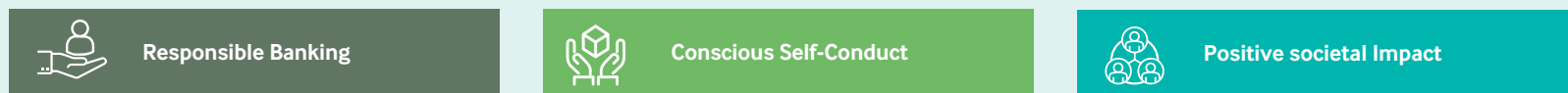
SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

Our aspiration to create a sustainable and responsible organisation requires the systematic identification and management of areas that materially impact our business and influence stakeholder decisions. These areas, which are called Sustainability Matters, are based on our understanding of stakeholder expectations, industry trends and ESG challenges, which influence our strategy to help us achieve sustainable growth.

Methodology on Sustainability Matters



Based on our methodology, we have identified ten Sustainability Matters, which in turn are clustered into the following three Sustainability Themes:



The Sustainability Matters define the key areas that we prioritise to chart our sustainability journey. We conduct a materiality assessment on these Sustainability Matters periodically, which ensures our Sustainability Matters are continuously relevant. Following our recent assessment in FY2021, out of the ten Sustainability Matters that are material to our sustainability agenda, one Sustainability Matter is new compared to the previous financial year. The level of importance (ranking) of the identified Sustainability Matters are shown in the matrix below:

Materiality Matrix



Sustainability Matters	FY2021 Ranking	Change in Ranking
Data Security & Digital Transformation	1	↔
Ethics, Governance & Compliance	2	↑
Customer Satisfaction & Responsible Sales and Marketing	3	↓
Employee Development & Well-being	4	↔
Brand & Market Presence	5	New
Responsible Lending & Source of Funds	6	↓
Responsible Investment & Advisory Services	7	↔
Responsible Procurement	8	↔
Energy, Plastics & Waste Management	9	↑
Community Investment & Development	10	↓

Sustainability Themes

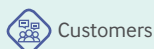
- Responsible Banking
- Conscious Self-Conduct
- Positive Societal Impact

SUSTAINABILITY @ AmBank Group

Our Sustainability Matters

Sustainability Matter	Business Context	Risks
 Customer Satisfaction & Responsible Sales and Marketing	Customer loyalty and trust rely on our ability to meet their changing needs and protect their financial interests.	Marketing contents that mislead or financially exploit customers would result in the loss of customers or regulatory action.
 Brand & Market Presence	Developing a sustainable brand requires a consistent approach to differentiate ourselves from the competition and maintain customer trust. Delivering a unified and consistent brand message, both internally and externally, is crucial for our long-term growth.	Poor alignment of the brand message will negatively impact brand affinity and trust.
 Data Security & Digital Transformation	Emerging technology and digital advancements continue to disrupt and transform the banking sector, and concurrently increase data security risk.	Cyberattacks and data breaches result in business disruption and loss of stakeholder trust and confidence.
 Responsible Lending & Source of Funds	There is increasing customer and investor expectations and preferences for organisations to ensure that lending practices are undertaken in a responsible manner that contributes towards socio-economic resilience. This aligns with procuring funding from responsible sources.	Supporting businesses that adversely impact the environment and society tarnishes our reputation and affects our long-term performance, including the potential to adversely affect customer repayment capabilities and collateral values.
 Responsible Investments & Advisory Services	An increasingly conscious market is driving a rise in demand for responsible and ethical investments and the provision of advisory services.	Insufficient ESG investment products may cause socially conscious clients to seek from competitors.
 Ethics, Governance & Compliance	Our sustainability objectives and business growth rely on good corporate governance, transparency, compliance with laws, regulations and Shariah, accountability and integrity across all levels.	Breaches, corruption and unethical behaviour within our operations result in regulatory fines, penalties and loss of stakeholder trust.
 Employee Development & Well-being	Employees drive our strategies forward, so a skilled and resilient talent pool is necessary for the business to thrive far into the future.	An uncondusive work environment leads to a disengaged workforce, resulting in poor productivity and high employee turnover.
 Responsible Procurement	The impact of our business activities extends across the value chain and includes our procurement decisions.	Unethical practices and regulatory breaches by suppliers may lead to business disruption and reputational damage.
 Energy, Plastics & Waste Management	Environmental challenges, such as climate change, directly impact the environment in which we operate.	Practices that cause environmental harm will lead to adverse climate impacts.
 Community Investments & Development	Inclusive economic growth and shared prosperity require the empowerment of our communities.	The absence of effective community development and social programmes creates the perception of being a purely profit-oriented organisation.

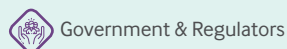
Stakeholders:



Customers



Employees



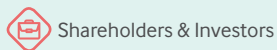
Government & Regulators



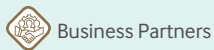
Suppliers



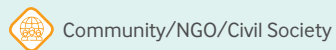
Media



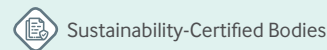
Shareholders & Investors



Business Partners



Community/NGO/Civil Society



Sustainability-Certified Bodies

Opportunities

A seamless customer experience improves our brand value and competitive advantage.

Strong brand affinity and trust will enable the business to command premium prices and seen as a trusted organisation.

Innovative financial solutions enable us to meet changing customer demands and improve market share, whilst improving processes would enhance customer experience.

Environmentally and socially responsible lending/financing practices enable us to capture the growth opportunities in the underserved segments and new market opportunities such as the green sector.

Supporting clients who invest in sustainable businesses will help grow the sustainability market while generating financial returns.

A well-established grievance mechanism enables stakeholders to safely report against potential malpractices or misconduct.

Regularly training employees with future-ready skills, and a safe and healthy work environment increase our long-term performance and readiness to cope with rapid changes.

Sourcing from local businesses and SMEs, and avoiding unethical/corrupt practices contributes to the country's socio-economic growth and well-being.

Investments in resource-efficient initiatives result in lower consumption and improved operational costs.

Developing the surrounding community aligns with the well-being of the financial ecosystem.

Our Approach

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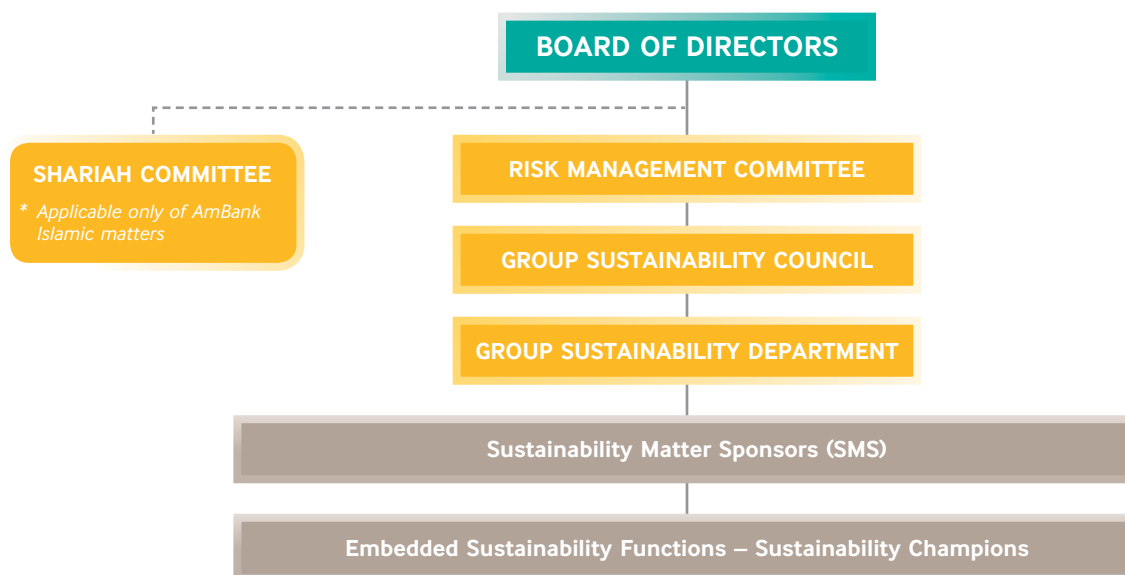
Stakeholders Affected



SUSTAINABILITY GOVERNANCE

FUNCTIONS & DECISION-MAKING

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



1. Board of Directors

- Overall accountable and responsible for the Group's sustainability strategy.
- Integrates Sustainability Matters in the formulation of groupwide strategy, including oversight and decision-making.
- Considers the strategy to build capacity and expertise in sustainability and impact-based assessments.

2. Risk Management Committee

- Oversees the governance and infrastructure of ESG risk management groupwide.
- Heads the formulation and management of ESG risk aspects within the Group Risk Appetite Framework and Asset Writing Strategy.

3. Shariah Committee

- Governs all matters related to Shariah, including oversight accountability on Shariah-related sustainability issues and advising the management and the Board accordingly.

4. Group Sustainability Council (GSC)

- Provides oversight in the development of sustainability-related strategies and initiatives.
- Ensures that sustainability is appropriately embedded within the organisation.
- Recommends and approves all sustainability-related matters.
- Ensures the inclusion of sustainability-related key performance indicators in the scorecards.

5. Group Sustainability Department

- Leads the development and implementation of broad-based, groupwide strategic sustainability initiatives.
- Supervises the execution of strategies and initiatives in support of sustainability material.
- Ensures that the execution of initiatives is in line with the Group's sustainability strategies.

6. Sustainability Matters Sponsors (SMS)

- Implement sustainability strategies on the ground, which includes the determination and tracking of performance metrics and targets.
- Review the effectiveness of relevant policies, guidelines and processes based on Sustainability Matters and the implemented initiatives.

7. Sustainability Champions

- Appointed business/operations representatives responsible to drive sustainability initiatives within their legal entity/division/department.
- Aligns all sustainability initiatives with the strategies and direction set by the GSC.

SUSTAINABILITY RISK MANAGEMENT

We recognise the real threats posed by ESG factors on our long-term value creation and overall performance. In addition to adverse impacts on business continuity and growth, sustainability risks are increasingly scrutinised by stakeholders. Effective ESG risk management has become more critical than ever.

Amongst the top sustainability risks faced by the Group are concerns that customers' business operations give rise to adverse impacts on people and the planet. When we extend financing to our customers, we are seen as their business partners and thus, have a responsibility to assess if the business operations comply with our sustainability agenda. Non-compliances to global and local standards could lead to businesses being shut down by authorities or hefty fines, which may impact business continuity and the financial standing of our customers. Furthermore, financing customers with poor sustainability risk management could lead to adverse reputational issues for the Group.

With this in mind, as of 2021, we have assigned Environmental and Social Risk Grade (ESRG) as part of our credit evaluation process for non-individual customers to mitigate sustainability risks that could lead to adverse credit or reputational events. Specifically, on climate change risks, we embarked on a pilot initiative where we classify selected new loans/financing based on BNM's Discussion Paper on Climate Change and Principle-based Taxonomy issued on 27 December 2019. This pilot initiative would stand us in good stead as we build capabilities to implement BNM's Guideline on Climate Change and Principle-based Taxonomy issued on 30 April 2021.

In addition to our lending/financing practices, we also have measures in place to protect our own conduct, processes, employees and community from ESG risks via the following lines of defence:

Lines of Defence in Sustainability Risk Management

First Line of Defence		Second Line of Defence		Third Line of Defence
Sustainability Matters Sponsors <ul style="list-style-type: none"> For respective legal entity/division/department levels Owner of their respective sustainability matters Supported by Embedded Sustainability Function 	Group Sustainability <ul style="list-style-type: none"> Owner of sustainability-specific policies and guidelines Formulates broad-based, groupwide strategic sustainability initiatives Oversees the execution of sustainability strategies and initiatives 	Group Risk Management Department <ul style="list-style-type: none"> Identifies, assesses and monitors ESG-related risks within the organisation Provides concurrence on ESG risk assessment concerning credit/investment Assesses and monitors ESG risks of credit/investment portfolio 	Group Compliance Department <ul style="list-style-type: none"> Ensures compliance with regulatory requirements Conducts periodic reviews to assess compliance to sustainability-related regulatory requirements 	Group Internal Audit Department <ul style="list-style-type: none"> Implements periodic audits to assess the implementation of sustainability-related policies and procedures

Applicable only for AmBank Islamic matters:-

Shariah Risk Management	Second Line of Defence <ul style="list-style-type: none"> Assesses Shariah risks in relation to the implementation of sustainability-related matters
Shariah Review	Second Line of Defence <ul style="list-style-type: none"> Conducts periodic reviews to assess compliance with sustainability-related regulations from a Shariah perspective
Shariah Audit	Third Line of Defence <ul style="list-style-type: none"> Implements periodic audits to assess the implementation of sustainability-related policies and procedures from a Shariah perspective

SUSTAINABILITY GOVERNANCE

KEY SUSTAINABILITY POLICIES & GUIDELINES

We institutionalise sustainability into the business with a list of policies and guidelines to drive our Sustainability Matters. Governed by our Internal Policy Management Framework, all policies and guidelines are reviewed by the document owner on a biennial basis (or earlier if new legislation or circumstances render it appropriate). This ensures that the documents remain timely and relevant.

Material Topics	List of Policies/Guidelines
 Customer Satisfaction & Responsible Sales and Marketing	<ul style="list-style-type: none"> • Code of Conduct – Treating Customers Fairly • Customer Service Charter – Service Standards • Product Approval and Management Policy • Code of Conduct – Speaking on Behalf of AmBank Group
 Brand & Market Presence	<ul style="list-style-type: none"> • Corporate Branding Governance
 Data Security & Digital Transformation	<ul style="list-style-type: none"> • Privacy Notice on Personal Data Protection Act (PDPA) 2010 • AmBank Group Web Portal Security Statement
 Responsible Lending & Source of Funds	<ul style="list-style-type: none"> • Environmental & Social Risk Assessment Guideline • Non-Permissible Business Activities for Financing Facilities Shariah Guidelines • Acceptance of Funds for Deposits or Other Liabilities Shariah Policy • Credit Proposal Memorandum • Retail Credit Policy (RCP) • Non-Retail Credit Policy (NRCP) • Exclusion List
 Responsible Investments & Advisory Services	<ul style="list-style-type: none"> • Group Environmental Policy • Code of Conduct – Positive Social Impact
 Ethics, Governance & Compliance	<ul style="list-style-type: none"> • Anti-Bribery & Corrupt Practices Policy • Whistleblower Protection Policy (WPP) • Code of Conduct – Code of Ethics • No Gift Policy • Group Compliance Framework • Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework • Know Your Customer (KYC), Customer Identification and Due Diligence Policy • Politically Exposed Persons (PEP) Policy • Trading in AmBank Group Shares Policy • Related Party Transaction Policy • Market Conduct Policy • Management on Conflict-of-Interest Policy
 Employee Development & Well-being	<ul style="list-style-type: none"> • Code-of Conduct – Employer of Choice • Code-of Conduct – Fair and Respectful Workplace • Occupational Safety and Health (OSH) Policy Statement • Incident, Non-Conformity and Corrective Action Procedure
 Responsible Procurement	<ul style="list-style-type: none"> • Supplier Code of Conduct (SCOC) • Code of Conduct – Managing Supplier Relationships
 Energy, Plastics & Waste Management	<ul style="list-style-type: none"> • Group Environmental Policy • Environmental Monitoring and Measurement Practice Guide • Environmental Objectives, Targets and Plans Practice Guide • Environmental Resource Management Practice Guide • Environmental Waste Management Practice Guide • Greenhouse Gas (GHG) Accounting and Reporting Practice Guide • Group Energy Policy
 Community Investments & Development	<ul style="list-style-type: none"> • Code of Conduct – Positive Social Impact



M1: Customer Satisfaction & Responsible Sales and Marketing

- **Code of Conduct – Treating Customers Fairly:** Stresses the importance of fair treatment and respect towards customers. Employees are required to demonstrate professionalism, transparency and integrity in all dealings with customers. Customers' complaints received via our various feedback channels must also be resolved in a friendly, fast, 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 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 lifecycle. The process balances the need for product governance and safety 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.



M2: Brand & Market Presence

- **Corporate Branding Governance:** Details our brand strategy and brand guidelines towards ensuring a holistic and consistent brand experience across all communications issued by AmBank Group. It aims to ensure all employees understand and adhere to the brand practices, both internally and externally.



M3: Data Security & Digital Transformation

- **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 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, as well as the obligations of the user.



M4: Responsible Lending & Source of Funds

- **Environmental & Social Risk Assessment Guideline:** Assesses the sustainability practices of customers' activities by using information obtained from the customer and available public information. It serves to identify responsible and sustainable businesses, particularly regarding environmental impact, health and safety, and social impact.
- **Non-Permissible Business Activities for Financing Facilities Shariah Guidelines:** Describes Shariah Non-Compliant activities, which is also known as the Shariah negative list. The criteria need to be considered when providing financing facilities to non-retail customers under AmBank Islamic. The negative lists include activities that cause detrimental harm to society and the environment.
- **Acceptance of Funds for Deposits or Other Liabilities Shariah Policy:** Provides rules from a Shariah perspective on the deposits and other liabilities that we may accept or disallow/avoid to safeguard against Shariah reputational risk. The policy applies to AmBank Islamic employees and other employees involved with AmBank Islamic's operations, business, affairs and activities. For the avoidance of doubt, this Shariah Policy only deals with the acceptance of funds. Any debiting or outflow of funds from customer accounts is the customers' responsibility.
- **Credit Proposal Memorandum:** Incorporates sustainability considerations into the Group's credit approval process. The preparation of a credit proposal involves an in-depth analysis of credit risk factors, which include environmental and social risks.
- **Retail Credit Policy (RCP):** Represents the minimum credit risk management standards of the Group for retail portfolios. All credit proposals must adhere to the requirements of the reputational risks stipulated in our Operational Risk Management Framework/Guideline/Practice Guide. The policy was established within our tolerance for credit risk, supporting the Group Risk Appetite Framework (GRAF) and overall business strategy. Group Risk Management provides independent oversight and risk assessments, as per BNM's Risk Governance standards and guidelines.
- **Non-Retail Credit Policy (NRCP):** Sets out the high-level credit principles that we adopt to ensure a consistent approach in managing credit risks for non-retail portfolios. It outlines the credit management standards that are required to be observed throughout the lifecycle of a credit exposure, including credit assessment standards, annual review and review of problematic credits and independent credit review requirements.
- **Exclusion List:** Outlines the sensitive areas that are not accepted by universal convention. Businesses and activities that fall under the exclusion list will not receive new financing from the Group. The full list of activities is shown on page 153.

SUSTAINABILITY GOVERNANCE



M5: Responsible Investments & Advisory Services

- **Group Environmental Policy:** Articulates our commitment to reducing any adverse environmental and social impacts resulting from our lending, financing and investment activities. It demonstrates our promise to provide products and services that are ethical and responsible.
- **Code of Conduct – Positive Social Impact:** Encourages employees to apply their wealth management, investment management and capital markets expertise into sustainability-related financial and investing activities. Investment decisions need to abide by the Principles of Islamic Finance, which promotes environmental and social well-being.



M6: Ethics, Governance & Compliance

- **Anti-Bribery & Corruption 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.
- **Whistleblower 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 uphold and maintain 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 ensure that practices and dealings are conducted ethically and professionally.
- **Group Compliance Framework:** Describes the various roles and responsibilities involved in compliance with regulatory guidelines and requirements for improved accountability. It details how to mitigate financial, reputational and operational risks arising from potential legal violations and/or regulatory non-compliance.
- **Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework:** Defines the standards and procedures for prevention and detection of suspicious transactions, such as money laundering and other financial crimes. Thorough investigations 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.
- **Trading in AmBank Shares Policy:** Ensures that individuals who have access to price-sensitive information relating to AmBank's shares must not trade the shares until the relevant information is publicly available. It applies to directors and designated employees when trading in the Group's shares on Bursa Malaysia.
- **Related Party Transaction Policy:** Ensures all related party transactions and recurrent party transactions are made on standard commercial terms and does not favour the related party over those generally made to the public. The policy defines, among other things, associated parties, related party transactions, persons connected, and sets out the approval requirements.
- **Market Conduct Policy:** Establishes the overarching principles in managing capital 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 capital market regulations.
- **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.



M7: Employee Development & Well-being

- **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 able to develop their skills and talent towards new challenges. Second, 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 to 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 following OSH measures: maintain premises and equipment in a condition that is safe and without 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 workplace.
- **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.



M8: 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, co-operation and long-term relationships. It emphasises the oversight of the procurement processes to ensure we maintain integrity and honesty across the supply chain.



M9: Energy, Plastics & Waste Management

- **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 wastes 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. The principles applied in this policy is elaborated on page 176.



M10: Community Investments & Development

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

SUSTAINABILITY GOVERNANCE

MEMBERSHIPS & ASSOCIATIONS

We actively participate in various associations and memberships to share our resources, and gain industry insights on sustainability best practices. Our participation in these associations provides the avenue to exchange ideas, knowledge and experience on how to maximise positive impact and build long-term resilience.

Association	Our Role & Contributions	Membership
Association of Banks Malaysia (ABM)	<ul style="list-style-type: none"> Actively participate in various initiatives that promote and strengthen the commercial banking industry to become more resilient, effective and efficient. 	AmBank (M) Berhad
Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)	<ul style="list-style-type: none"> Serve as members of the AIBM Council and Shariah Governance Committee. Help represent the voice of the Islamic Finance industry, underpinning the value-based intermediation thrust in serving the community. 	AmBank Islamic Berhad
Malaysian Investment Banking Association (MIBA)	<ul style="list-style-type: none"> Actively participate in programmes and initiatives that improve and strengthen the Investment Banking Industry in Malaysia. Sit on various committees in MIBA, which act as a forum for industry dialogue between practitioners and Malaysian regulators. Discuss and address issues affecting the industry, which provides for smooth functioning of capital markets and also aims to push innovation and adopt best practices promptly. 	AmInvestment Bank Berhad
Financial Industry Collective Outreach (FINCO)	<ul style="list-style-type: none"> Support FINCO's goal to provide underprivileged and youth with the guidance and educational tools they need to achieve their life goals. 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 current efforts of financial industry members and supports Malaysia's national strategy for financial literacy. Donated 20 decommissioned laptops for FINCO to enable online sessions during the pandemic. 	AmBank Group
Malaysian Investor Relations Association (MIRA)	<ul style="list-style-type: none"> Actively participate in knowledge-sharing sessions between other public-listed companies and the investment community to promote corporate governance, transparency and enhance shareholder value for all. 	AmBank Group
Joint Committee on Climate Change (JC3)	<ul style="list-style-type: none"> Help pursue collaborative actions for building climate resilience within the financial sector. Collaborate with other financial players to build industry capacity through the sharing of knowledge, expertise and best practices in managing climate-related risks. Actively support the identification of issues and priorities facing the financial sector in managing the transition towards a low-carbon economy. Collaborate with stakeholders in advancing coordinated solutions to address climate-related challenges. 	AmBank (M) Berhad

Association	Our Role & Contributions	Membership
Association of Stockbroking Companies (ASCM)	<ul style="list-style-type: none"> Promote the interest of stockbroking companies by providing a broker's voice to the relevant regulators and the public. 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. Work closely with the Ministry of Finance, the Securities Commission Malaysia and Bursa Malaysia Securities Bhd on a diverse range of operational and policy issues. 	AmInvestment Bank Berhad
Community of Practitioners (CoP) of Bank Negara Malaysia's Value-Based Intermediation (VBI)	<ul style="list-style-type: none"> Actively contribute to the development of the industry's VBI scorecard, framework, guidelines and strategy. AmBank Islamic's CEO is the Chairman of the Value-Based Intermediation Sectoral Guideline Working Group (Cohort 1), which developed sector guide documents for Palm Oil, Renewable Energy, and Energy Efficiency sectors and activity. For Cohort 2, AmBank Islamic is also part of the VBI Sectoral Guideline Working Group to develop a sector guide for Construction & Infrastructure sector. 	AmBank Islamic Berhad
The Association of Shariah Advisors in Islamic Finance (ASAS)	<ul style="list-style-type: none"> Engage with the Shariah fraternity for certification, knowledge sharing, and to heighten the implementation of Maqasid Shariah. 	AmBank Islamic Berhad
Chartered Institute of Islamic Professionals (CIIF)	<ul style="list-style-type: none"> Support the capacity-building agenda of the industry by setting professional standards to drive the next phase of Islamic finance in human capital development. 	AmBank Islamic Berhad
Islamic Banking & Finance Institute Malaysia (IBFIM)	<ul style="list-style-type: none"> Act as a Subject Matter Expert to facilitate the Structuring Investment Account Products programme and the application of Shariah in Islamic Finance. 	AmBank Islamic Berhad

SUSTAINABILITY PERFORMANCE



Responsible Banking

57,943
business customers reached

45.0% increase in total customer compliments received
20.0% reduction in complaints received

RM22.6 billion contributed to the SME sector through loans and financing

80.0% of products/services covered and assessed for compliance

Zero cyber threats/online breaches reported for three consecutive years

RM60.0 million channelled for start-ups through the SME Biz Start-up-i



Conscious Self-Conduct

87,778 employees trained in technical skills,
1,500 trained in soft skills and
1,018 trained in leadership skills

62.0% female workforce
41.0% top Management/Senior Management are women

47 average hours of training provided per employee

100.0% of complaints/grievances received via whistleblowing channels were resolved within 90 days

12.0% of employees are unionised

RM539.1 million total contributions to suppliers with
1,129 active local suppliers

12.5% reduction in total carbon emissions

43.0% reduction in petrol consumption

10.4% decrease in electricity consumption



Positive Societal Impact

RM228,760 invested into community initiatives

33,670 community members reached

RM2,705,471 total Zakat contribution

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING



We are committed to banking practices that generate profits while also contributing to positive environmental and social outcomes. We take our obligations as a responsible bank to heart, as we strive to consistently deliver products and services that meet customer needs in a responsible manner. Our commitment to responsible banking enables us to create inclusive prosperity and value for all stakeholders, now and far into the future.



M1: Customer Satisfaction & Responsible Sales and Marketing

Why Is This Important?

Customer value not only resides in the products and services that we provide but also in the way they are delivered. In today's fast-paced environment, a seamless customer experience is crucial to long-term customer loyalty and overall performance. In the near term, a good customer experience results in increased sales and lower cost-to-serve, thus contributing to positive financial performance. In the long run, banks that excel in customer experience sustained improvements in revenue growth and shareholder returns, with a majority of companies that focus on improving customer experience reporting an increase in revenue.

Responsibility in banking also means being a trustworthy financial solution provider for our customers. We need to be attentive to customers' needs, offering products and services that make their life easier. We have a duty to provide customers with fair and transparent information in marketing, thus enabling them to make well-informed decisions. In doing so, we protect customers' financial interests and maintain their confidence in our ability to serve them. Furthermore, regulators are also monitoring the marketing activities of banks to better protect people against financial exploitation and mis-selling. By prioritising customer needs and best interests, we can differentiate ourselves in an increasingly competitive market.

What Is Our Approach?

As a customer-oriented organisation, we strive to consistently deliver a seamless customer journey. This is achieved through regular customer engagements, enabling us to identify common pain points throughout their interaction with us. The feedback collected allows us to implement the necessary measures that improve customer experience and, consequently, enhance customer satisfaction. Through our efforts, we aim to build a reputation from the traditional transactional mindset towards more meaningful customer relationships.

In terms of responsible sales, we provide customers with honest and transparent content in marketing and product solutions. We create a positive social impact by ensuring ethical marketing that reflects our commitment to putting customers first. Our branding strategy, encompassing our branding, communications and marketing activities are governed by our Brand Governance to ensure a consistent brand message across our lines of business. While safeguarding our brand from unethical use, our Brand Governance ensures that all marketing communications are synergistic, relevant, purposeful and socially responsible.

What Did We Do?

1. ENHANCING CUSTOMER EXPERIENCE (CX)

- **Service Quality Committee:** Formed the Service Quality Committee to work with respective stakeholders on action plans based on key findings and takeaways of NPS.
- **Mystery Shopping:** Commenced an in-house customer survey and Mystery Shopping programme to ensure consistency, accuracy and compliance in service on Post-Moratorium process knowledge and service soft skill competency. Branches who did not do well were coached again on the necessary knowledge, skills required and processes, and failed branches were re-tested.
- **CX Workshops:** Collaborated with Employee Engagement to conduct Focus Group Discussions (FGD) with our employees nationwide for feedback on system, process, procedure, service and people. The workshops aim to gather customer pain points for immediate and continuous action. The feedback was shared with the respective Products, Channels & Segments team for process and offer improvements.
- **Process Improvement Campaign:** Launched the Ideation Campaign at Retail Credit to collect and implement ideas from employees on how to improve our Customer Satisfaction Survey (CSAT) score and Net Promoter Scores (NPS).

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING

2. ADDRESSING CUSTOMER CONCERNS

- Voice of Customer:** Engaged in an agile CX initiative to ensure we consciously and continuously listened to the voice of our customer during the MCO. We observed our CSAT score and NPS on a more frequent basis rather than once a year to identify and address major customer priorities. This enabled us to identify two customer priorities, which were addressed accordingly:
 - Digital Platforms:** Re-trained frontliners on the new AmOnline apps so they can support queries and guide customers on how to use the new app. Also, we introduced Digital Day in the AmBankWay morning huddles at all branches, helping frontliners support and raise digital awareness for customers through familiarisation to help them convert to online banking.
 - Credit Card:** Revised our credit card promotions according to customer demands, focusing on Cash Back and Rebates usage campaigns for essential spending. We also included SST and annual fee waivers, as well as a faster turnaround time to process Credit Limit Increase.
- Credit Counselling and Debt Management Agency:** Continued to support our customers through our *Agensi Kaunselling dan Pengurusan Kredit* (AKPK). Under AKPK's Debt Management Programme (DMP), we eased the burdens of COVID-19-affected customers by providing moratorium and repayment assistance.

3. REWARD RECOGNITION

- Customer Compliments:** Tracked customer compliments via structured CX Recognition & Awareness. We also introduced the following awards programmes to recognise exceptional customer service employees:
 - STAR AWARDS:** Enable internal employees to recognise their colleagues, staff and/or supervisors as an Engaged Employee, Shining Star or a CX Excellence.
 - Compliant Behavioural Recognition:** Reward employees who take the initiative in preventing losses for the Group and customers, particularly in regard to fraud and scams.



What Did We Achieve?

CUSTOMER SATISFACTION

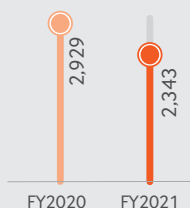
Ranked 1st in CSAT score and NPS amongst AmBank Group customers

45.0% increase in total Customer Compliments received, from 280 in 2019 to 416 cases in 2020

100.0% of branches passed the Mystery Shopping test, with an overall score of 3.7 and a re-test score of 4.4 (out of 5.0).

20.0% reduction in complaints received

Number of customer complaints



AmBank	Year	All Users	Main Bank Users
NPS Score	2020	14	24
	2019	-6	23
	2018	-21	9
CSAT %	2020	74%	81%
	2019	72%	78%
	2018	61%	73%

BUSINESS CUSTOMERS REACHED

	FY2019	FY2020	FY2021
Large Corporate	1,857	1,875	1,865
Mid Corporate	2,761	2,848	2,891
Financial Institutions	250	296	278
Business Banking	7,083	8,795	9,956
SMEs	19,690	22,122	42,953
TOTAL	31,641	35,936	57,943

CREDIT COUNSELLING AND DEBT MANAGEMENT AGENCY

	FY2020	FY2021
Active customers enrolled with AKPK	32,254	32,486
Value of active customers enrolled with AKPK	RM765.4 million	RM852.3 million
Total monthly payments from AKPK customers	RM6.0 million	RM3.8 million

AWARDS & RECOGNITION



- **Global Banking and Finance Review:**
 - Best Islamic Banking CEO Malaysia 2021
 - Best Islamic Corporate Bank Malaysia 2021
- **International Business Magazine Awards:**
 - Best Islamic Bank of Malaysia 2020
 - Banking CEO of the Year Malaysia 2020

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING



M2: Brand & Market Presence

Why Is This Important?

Sustaining our organisation necessitates that we differentiate ourselves from the competition. This ensures that stakeholders repeatedly choose our products and services in the long term. The extent to which customers are able to recognise the AmBank brand may act as a differentiator in a crowded marketplace. A quality branding strategy help communicate our values and commitments, confirm our brand credibility, and promote customer loyalty. Additionally, branding also contributes to talent attraction and retention. It helps employees understand our purpose, particularly our commitment to becoming a sustainable bank. Therefore, delivering a unified and consistent brand message both internally and externally is crucial to our sustainability journey.

What Is Our Approach?

Following our materiality assessment this year, we identified Brand & Market Presence as a new Sustainability Matter. Therefore, we are in the process of establishing policies and plans to address this topic effectively. Since the beginning of FY2022, we began tracking our brand health in terms of critical brand parameters within our strategic segments (i.e., mass affluent, affluent, SMEs and mid-corp) across key locations, including Klang Valley, Penang, Johor Bahru, Kuching and Kota Kinabalu. In doing so, we intend to identify brand opportunities and gaps, thus roll out appropriate brand strategies to achieve our brand sustainability aspirations.

Notwithstanding that this is a new Sustainability Matter, we have long prioritised a strong brand and market presence. The Group's branding strategy encompasses our branding, communications, and marketing activities governed by our Brand Governance. This ensures that all our communications align with our vision. In addition, it helps maintain relevance in meeting our customers' expectations in each respective business and marketing segments. The enforcement of Brand Governance is led by our Brand Council, which consists of representatives from various functional teams and business units as brand stakeholders. Our Brand Council aims to drive robust brand enhancement initiatives that build stakeholder trust and loyalty.

What Did We Do?

BRAND SPONSORSHIP/COLLABORATION

- **Budget Report:** Strengthened our position as an industry thought leader in presenting to the market and our key strategic segments, relevant information beneficial to their business and financial decision-making. The Budget Report exemplified our strong relationship in working with an established media partner to provide up-to-date news and information.
- **The Edge Digital Editorial:** Collaborated with The Edge through a series of AmBank Group-generated business contents, which effectively positioned and improved our brand standing as a strategic partner that continues to stay relevant in meeting the needs of individuals and businesses alike.

Media Engagement

- **Brand Exposure:** Continuously engaged with the media to deliver updates on corporate news, awards and achievements, new products and services, customers' promotions and more.

What Did We Achieve?



Consistent brand and relationship-building initiatives with our key strategic customer segments in helping them grow and win together, in line with the Group's purpose.

Ensured consistent brand exposure and share of voice via strategic collaborations with key media partners.



Why Is This Important?

The integration of digitalisation into daily life is fundamentally changing how we operate and deliver value to customers. Customers expect fast and convenient banking services at the touch of their fingertips. This has become more crucial in the wake of the pandemic, with customers forced to access various services remotely. At the same time, competition within the banking sector has ramped up quickly. The financial services world now consists of many new players across multiple sizes and backgrounds, all competing to meet customers' rapidly changing needs. Therefore, digital transformation has become critical to our sustainable growth. It enables us to provide a more engaging customer experience while improving costs and efficiency. Digital transformation, with a focus on customer experience, can generate a 20-30% increase in customer satisfaction and financial gains of 20-50%¹.

However, as the digital and physical world continues to merge, cybersecurity risks will increase in frequency and impact. Unmitigated cyberattacks can lead to significant financial and non-financial costs, including theft of personal and financial data, credit card fraud, loss of productivity, and regulatory penalties. Global cybercrime costs are expected to grow by 15.0% annually over the next five years, reaching US\$10.5 trillion per year by 2025². Ultimately, implementing strong data security measures ensures business continuity and stakeholder trust in today's data-driven world.

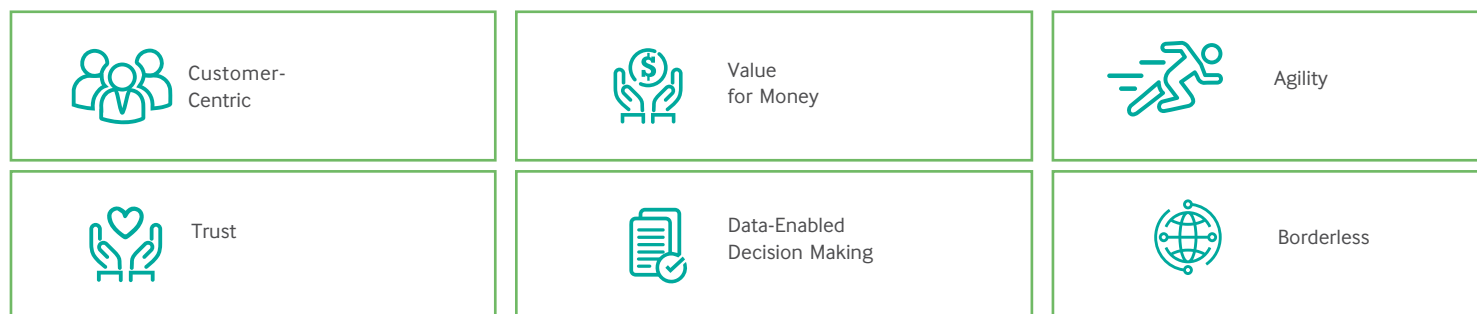
What Is Our Approach?

The fundamental principle of our Digital Transformation journey is to create compelling customer value propositions that cut across our multiple customer segments, spanning across individual, SME, corporate and institutional clients. We aim to improve customer outreach via a digital approach as opposed to the traditional way of banking, which includes providing new streams of income by availing more functionality via a digital channel and new digital solutions. Additionally, we adopt new technologies that offer smarter, faster and more efficient processes. As we scale and upgrade core systems and infrastructure, we utilise analytics to deliver personalised offerings through our online channels, as well as enhancements with new services entirely online.

AmBank Group's Underlying Approach to Digital Transformation

1. Drive usage and penetration of existing digital channels through new initiatives and commercialisation efforts
2. Leverage strategic partnerships in marketplace

Our digital journey is guided by AmDigital – a comprehensive strategy that integrates our digital agendas across the Group. AmDigital aims to redefine the customer experience and propel AmBank Group as a leader in digital banking. The digital strategy is built on four key pillars: **Retail Digitalisation, Non-Retail Digitalisation, Partnerships, and Ecosystem Play**. Guiding these pillars are AmBank Group's Principles of Digital Business:



Stay Focused

Be digitally discerning, not digitally distracted

Brand Differentiation

Incorporate meaningful differentiation that distinguishes or elevates AmBank Group's brand

Tailored

Understand our customers' needs and wants to create value-adding interactions

¹ <https://www.forbes.com/sites/blakemorgan/2019/12/16/100-stats-on-digital-transformation-and-customer-experience/?sh=75c84a7a3bf3>
² <https://cybersecurityventures.com/annual-cybercrime-report-2019/>

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING

On Cybersecurity, we aim to minimise the risk of cyber threats by enhanced and continuous security monitoring via SOC 2.0. This includes evaluating our readiness in responding to cyber-attacks through periodic cyber drills. We view data security holistically against our Safe Banking strategy theme. Cybersecurity risks are addressed through the continuous improvement of cybersecurity posture and enhanced IT landscape end-to-end visibility.

We continue to refine our Cybersecurity Strategy by:

- Incorporating increased Visibility, Orchestration & Automation, and Building Intelligence;
- Building our Threat Hunting capability, with the usage of forensics tools;
- Enhancing our ability to collect security threats from multiple sources and respond with little human intervention; and
- Deploying tools that enable anomaly detection & predictive analytics for better-automated protection.

What Did We Do?

1. DIGITAL TRANSFORMATION

- **Use-Friendly Platforms:** Relaunched AmOnline app and web with improved user interface and customer experience. We also embarked on digital solutions, such as Credit Card and Auto Finance on a tablet, for faster customer reach and financing approvals.
- **Cross-Onboarding:** Developed a cross-onboarding platform between AmOnline and our partners, enabling customers to enjoy the convenience of an AmBank account with the seamless integration of our partners' offerings.
- **Non-Retail Digitalisation:** Developed a user-friendly system that addresses the day-to-day operational needs of our business clients. AmAccess Biz caters specifically to SMEs whilst AmAccess Corp meets the needs of larger SMEs and our corporate customers. We also enabled SME Digital Onboarding and Retail Onboarding, which provide a full end-to-end digital account opening for SME and retail customers for a contactless experience.
- **Digital Partnerships:** Leveraged strategic partnerships with Luno, Merchantrade and Rakuten to digitally enable open API connectivity to Fintechs, provide sponsor banking services, and broaden revenue streams.
- **Operational Efficiency:** Utilised more than 60 robotic process automation (RPA) to improve operational efficiency and costs.
- **Cashless Solutions:** Offered collection solutions via JomPAY, DuitNow and mTAP in support of BNM's cashless agenda. These solutions are offered to a number of government agencies, universities and religious institutions.



2. CYBERSECURITY

- **Cyber Drill Simulations:** Completed SC Capital Market Cyber Drill Simulation, Groupwide Cyber Drill, and other cybersecurity campaign activities in 2020.
- **IT Infrastructure:** Onboarded next-generation network security equipment, including firewall and IPS.
- **Cybersecurity Monitoring:** Completed Endpoint Detection & Response (EDR) installation on employees' desktops and laptops to continually monitor and respond to cyber threats. Also, improved monitoring and response capabilities of our Security Operation Centre 2.0 by integrating File Integrity Monitoring for wider visibility.

What Did We Achieve?



ONLINE CUSTOMER GROWTH:



28.0% increase

in AmOnline customers



137.0% increase

in AmAccess Biz customers



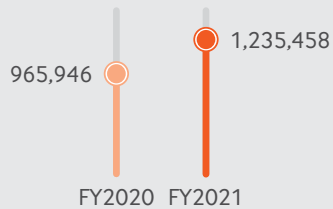
35.0% and 2,782% increase

in transaction volume for AmOnline and AmAccess Biz, respectively

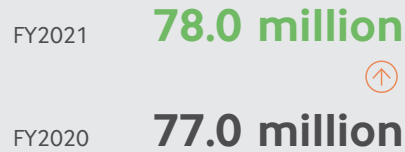


AmOnline

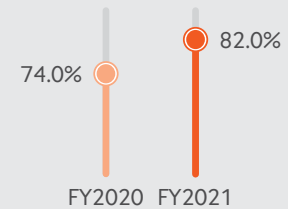
Registered users



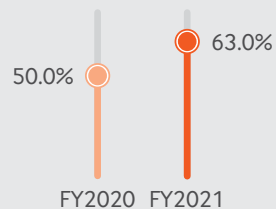
Average number of online transactions (monthly)



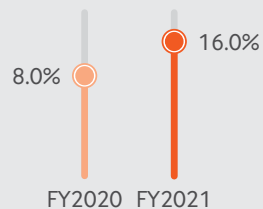
Percentage of online transactions (%)



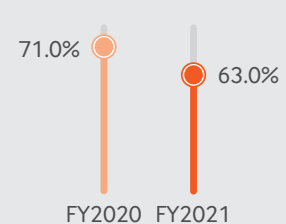
Percentage card activation online (%)



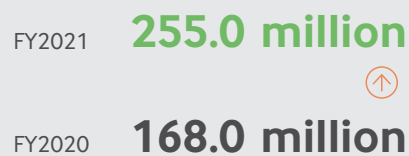
Reduction in activation via call centres



Percentage of credit card limit increase application via AmOnline (%)



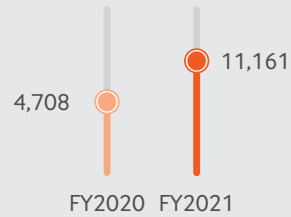
Successful online enquiries



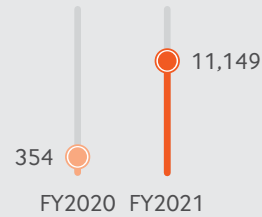
SUSTAINABILITY THEME 1: RESPONSIBLE BANKING

AmAccess Biz

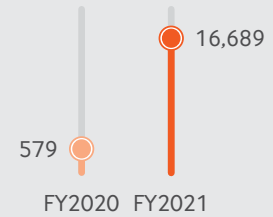
No. of total registered companies



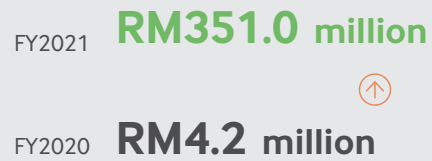
No. of total registered companies using the platform



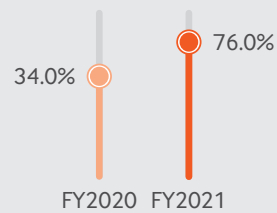
Volume of monthly transaction



Value of transaction



Total transactions from Digital Tokens (%)



Total deposits supported by AmAccess Biz (RM)



CYBERSECURITY:

Complied with most of **BNM RMiT** requirements

Scored 100.0% on SC Capital Market Cyber Drill Simulation

AWARDS & RECOGNITION



The Asset Triple A Digital Awards 2020

- Best Retail Mobile Banking Experience

The Asset Triple A Digital Awards 2020

- Best Wealth Management Experience



M4: Responsible Lending & Source of Funds

Why Is This Important?

Customers, investors, policy-makers and the general public are increasingly demanding responsible financing practices that contribute to positive environmental and social impact. The market for sustainability-linked funding has grown significantly in recent years, with a global value estimated at US\$163 billion in 2019³. This trend is encouraging as finance is seen as a key lever to influence sustainable outcomes. By incorporating ESG considerations into our lending/financing practices and source of funds, we can position ourselves as a responsible financier and help to mitigate climate change risks.

In 2020, approximately 1.7 billion adults globally are unbanked or underbanked⁴, which means that they have limited ability to access financial products and services to meet their needs. This makes it challenging to break the cycle of poverty and exposes them to a range of vulnerabilities. Financial inclusion allows people across all levels of society to obtain credit, savings and further investments to grow their income. Therefore, providing greater financial inclusion to businesses and individuals can help create more job opportunities, improve the standard of living for communities, and boost socio-economic growth. In addition to that, financial inclusion also offers greater potential profits for the bank as we expand our customer base to previously untapped markets.

What Is Our Approach?

The Group's credit intermediary role is undertaken by both our conventional and Islamic banks, supplemented by our sustainability agenda. Our practices for responsible lending/financing and source of funds are driven from the lens of VBI. By adopting the principles of VBI, we are able to refine our products and services to meet customer needs, and simultaneously aspire to promote entrepreneurship, community development and environmental well-being. We are guided by a number of VBI-related tools, such as the VBI strategy document, financing and investment assessment framework, and sector guides. These resources, along with other standards and guidelines, were used to guide our exclusion list, which describes the businesses and activities excluded from new loans/financing.

AmBank Group's lending/financing practices integrate sustainability risks from two dimensions:

- a. Environmental and Social Risks
- b. Climate Change Risks

Our responsible lending/financing practices also entail, the promotion of financial inclusion and shared prosperity. We focus on delivering funding opportunities for SMEs, start-ups, micro-SMEs and affordable housing. Additionally, we offer financial literacy programmes to help various communities improve their financial, credit and debt management knowledge, thus avoiding financial pitfalls. For businesses, we implement capacity-building initiatives, such as the AmBank BizCONFERENCE and AmBank BizRACE, to upskill and enhance the business network of our SME customers.

Exclusion List

- Manufacturing, distribution, or trade of 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 defence, security or strategic purposes.
- Distribution, trade or any activity which would adversely affect the natural habitat of any endangered plant or animal species that violates PERHILITAN guidelines, including the production of goods and services derived therefrom.
- Activities or operations that could have an adverse impact on any National/World/UNESCO heritage sites.
- Activities or operations which engage harmful or exploitative forms of forced labour or child labour.
- Provision of sex-related products or services or adult entertainment.

³ <https://www.lexology.com/library/detail.aspx?g=a3fcb7f0-c2d1-44e9-82ef-109ac287e1ce>

⁴ <https://www.worldbank.org/en/topic/financialinclusion/overview>

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING

What Did We Do?

1. ENVIRONMENTAL & SOCIAL RISK GRADE (ESRG)

- **Credit Applications:** Assigned Environmental and Social Risk Grade (ESRG) as part of our credit evaluation process for non-individual customers as of 2021. The scope of assessment for such credits are guided by our Environmental and Social Risk Assessment (ESRA) Guideline, which encompasses the following:
 - Ensure environmental, health and safety permits are in place, where required
 - Determine if the customer has a history of the following:
 - significant accidents, injuries/illness or significant environmental damages
 - local stakeholders' grievances, negative media or NGO campaigns over E&S issue
 - non-compliance to government's policy regarding water, air and noise pollutions as well as lack of waste disposal procedures
 - Review steps taken by the customer to manage climate-related risks (e.g., extreme events like flood, drought, cyclone) and greenhouse gas (GHG) emission
 - Evaluate customers' compliance with local and international labour laws, such as child labour and poor labour practices for local and migrant workers
 - Assess customers' compliance with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Revised 2021) if accommodation is provided
 - Determine if the customer's operation affects key stakeholders, including local and indigenous communities, where the operations are near areas of conflict or indigenous lands

2. CLASSIFICATION OF LENDING/FINANCING IN RELATION TO CLIMATE CHANGE RISKS

- **Pilot Initiative:** Embarked on a pilot initiative where we classify selected new loans/financing based on BNM's Discussion Paper on Climate Change and Principle-based Taxonomy issued on 27 December 2019.
- **Climate Change and Principle-based Taxonomy:** This pilot initiative would stand us in good stead as we build capabilities to implement BNM's Guideline on Climate Change and Principle-based Taxonomy issued on 30 April 2021.

3. COVID-19 FINANCING

- **Loan/Financing Moratorium:** Offered automatic deferment for all eligible individuals and SME loans/financing repayments to ease the burden of our customers (in line with BNM's announcement). We also extended the targeted Repayment Assistance Programme to 30 June 2021 to help customers impacted by job loss or income reduction due to the pandemic.

- **Special Relief Facility:** Committed to offer a Special Relief Facility comprising collateral-free financing of up to RM1.0 million to support COVID-19-affected SMEs. This involves a simple application process with approval provided within 24 hours and disbursement within five days of approval.
- **SME Guarantee Scheme:** Collaborated with Sabah Development Bank Berhad (SDB) to offer RM100.0 million worth of financing to Sabah SMEs who are adversely impacted by the pandemic. We aim to launch the facility by May 2021.
- **Health Insurance:** Launched a market-leading whole life plan, ProtectEase, and critical illness rider, Critical Ease, to help Malaysians obtain health and financial protection following the pandemic. Both plans offer guaranteed acceptance, so customers do not need to complete a medical or financial assessment beforehand.

4. EMPOWERING SMES & START-UPS

- **Government SME Schemes:** Participated in various government-backed schemes to support the SME sector, including SME Corporation's Shariah-compliant SME Financing Scheme; *Skim Jaminan Pembiayaan Perniagaan Berhad*; Green Technology Funding Scheme; BNM Funds for SMEs; Credit Guarantee Corporation schemes; LAKSANA Financing Schemes; PENJANA Financing Scheme; PENJANA Tourism Financing; and Government Guarantee Scheme (GGS) *Prihatin*.
- **AmBank BizCLUB:** Continued to organise programmes that provide education, training, development, networking opportunities and media exposure to SMEs to help scale their business. Entrepreneurs across the country learned from top trainers and business leaders on key topics, including good leadership, business health, talent readiness, and business culture. These events include:
 - **AmBank BizCONFERENCE:** Held 25 webinars for the SME Beyond Financing Series, which aims to help SMEs better understand crucial topics, including the Internet of Things, the Halal industry, Digital Marketing and Branding, and Building a Green Business. The conference also served as a networking platform for the SME community, bringing together business owners, subject matter experts and industry leaders.
 - **AmBank BizRACE:** Collaborated with various government agencies and partners to deliver a series of development sessions, one-on-one consultations and grant application guidance. Over 200 SMEs were selected to gain better insight into Digitalisation, IR 4.0 and the halal industry.
 - **AmBank BizHub:** Launched an online marketplace for SMEs, in partnership with SupplyCart. The eCommerce platform enables small and micro businesses to digitalise their supply chain by helping businesses connect with buyers. Since its launch, 360 SMEs have signed up for the platform.

AmBank BizCONFERENCE



Dato' Sulaiman Mohd Tahir, Group CEO, AmBank Group, Royce Tan, Director of Bosch Rexroth and Vimala Murugan, Director of Sectoral Policy II, MITI spoke about how manufacturing SMEs can start taking the first step towards implementing IR4.0 in the operations of their business during the BizCONFERENCE session held virtually on 17 July 2020.



For the second session on Digitalisation, Christopher Yap, MD of Business Banking, AmBank Group, Dato' Ng Wan Peng, Chief Operations Officer, MDEC and Dr. Dzhaharudin Mansor, National Technology Officer, Microsoft Malaysia highlighted how crucial it is to go digital now than ever before.



For the third session on Halal Quest, Eqhwan Mokhzanee, CEO of AmBank Islamic, Mohd Fakarudin Mas'od, Chief Assistant Director, JAKIM and Remea Yaakub, Director of Halal, F&B and Agro-based Section, MATRADE spoke about the benefits of Halal certification in today's economy and what SMEs need to know on how they can get it done.



In June 2020, we introduced our latest initiative under the AmBank BizCLUB called the AmBank BizDIALOGUE. This is a small scale session consisting of a 45-minute exclusive presentation by our panel of subject matter experts, followed by a Q&A session.

SUSTAINABILITY THEME 1: RESPONSIBLE BANKING

- **Smart Automation Grant (SAG):** Signed an MOU with the Malaysian Investment Development Authority (MIDA) to offer SMEs and Mid-Tier Companies (MTCs) the opportunity to be part of MIDA's SAG. The grant will be awarded to eligible SMEs and MTCs on a matching basis or 50.0% of total eligible expenditures, up to a maximum grant cap of RM1 million per company.
- **Road to IPO/Capital Markets:** Implemented an initiative to educate and guide SME customers in their journey towards becoming a public-listed company. The initiative aligns with our vision of growing, nurturing and helping business graduates, from cradle to Initial Public Offering (IPO). 232 SME customers learned about the benefits of embarking on an IPO/Capital Markets, potential risks and upside to consider, and the requirements needed to take their company public.
- **Start-Up Financing:** Established the SME Biz Start-up-i, a Shariah-compliant financing scheme that offers financing up to RM300,000 to eligible start-up businesses.

5. GREEN FINANCING PLAN

- **Knowledge Sharing:** Organised a knowledge sharing session with Malaysia Debt Ventures Berhad (MDV) on green financing for business and risk managers. We also collaborated with Malaysia Green Technology and Climate Change Centre (GreenTech Malaysia) to organise the AmBank Green Leadership Series for board members and senior management.

- **Green Financing Workshops:** Participated in various workshops and events, including:
 - Workshop on Energy Efficiency Finance by GreenTech Malaysia, the British High Commission Kuala Lumpur and the Carbon Trust.
 - Briefing Electric Bus Programme by GreenTech Malaysia.
 - Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guide Town Hall by BNM and IBFIM.

6. SOCIAL FINANCING

- **Affordable Housing:** Participated in a number of affordable home financing schemes, such as *Perumahan Rakyat 1Malaysia – Skim Pembayaran Fleksibel* (PR1MA SPEF), *Skim Rumah Pertamaku* (SRP), and BNM Affordable Homes Schemes 1 & 2.

7. FINANCIAL LITERACY

- **Financial Literacy Module:** Collaborated with a number of public universities on financial planning for staff and students.
- **Public Awareness:** Raised awareness on the importance of Islamic banking and financial literacy amid the challenges post by the COVID-19 pandemic; delivered by the CEO of AmBank Islamic through several appearances on television, radio and webinars. Our Shariah Committee members also shared their knowledge and experience as speakers for various webinars/talks.
- **Article Publications:** Published articles on Islamic financing in the IFN Asia Report and the Special Report of IFN.

What Did We Achieve?



More than **1,400** applications received for Special Relief Facility since March 2020, amounting to approximately **RM1.20 billion**

RM22.60 billion contributed to the SME sector through loans and financing

Over **2,300 SME** applications for newly rescheduled & restructured (R&R) payments approved, with total loans outstanding amounting to **RM2.90 billion**

Approved **more than 93,000** applications from individual customers, with **RM9.60 billion** in total loans outstanding

Close to **12,000** SME leaders engaged since AmBank BizCLUB's inception (FY2020: 5,000; FY2021: 7,000)

A total of **RM60.00 million** channelled for start-ups through the SME Biz Start-up-i

RM1.94 billion in total balance outstanding under affordable home financing schemes

RM3.89 billion of loans and financing extended to help Bumiputera customers invest in ASB unit trust.

RM10.70 million of financing disbursed under Personal Financing-i

AWARDS & RECOGNITION



- **Global Banking & Finance Awards:**
 - Best SME Bank Malaysia 2021 (for the fourth consecutive year)
 - Best Islamic SME Bank Malaysia 2021 (for the second consecutive year)
- **Alpha Southeast Asia:** Best Islamic SME Bank Malaysia 2020



M5: Responsible Investments & Advisory Services

Why Is This Important?

The financial sector has a unique role to play in sustainable development, as an estimated US\$5 trillion to US\$7 trillion is required to successfully achieve global sustainability targets⁵. As a financial intermediary, we have the responsibility and influence to shift the focus away from short-term investments and embrace more long-term projects that bring positive social and environmental outcomes. In doing so, we better align with the increasing expectations of investors, regulators and other stakeholders for responsible and ethical financial decisions, thus strengthening stakeholder trust and loyalty.

In the Malaysian Government's Budget 2021, the government, in cooperation with the United Nations, announced the establishment of the Malaysia Sustainable Development Goals Trust Fund, with an initial allocation of RM20.0 million. The Budget also includes an extension of the current tax exemption for the Sustainable and Responsible Investment (SRI) Green Sukuk grant to all types of bonds and Sukuk through 2025. Also, the Green Technology Financing Scheme 3.0, with an MYR2.00 billion allocation for two years (up to 2022), aims to encourage the issuance of SRI Sukuk in Malaysia.

In addition to being a force for good, sustainable investments also contribute to greater profitability and higher dividends. This is because investments that consider ESG criteria are more resilient to unprecedented risks, as evident by the many ESG investment funds that outperformed the broader market during the COVID-19 pandemic in 2020⁶. Furthermore, responsible investments and advisory services present an opportunity to grow our clientele, as customers are increasingly looking at the impact of their investments. The world continues to experience an upward trend in sustainable investments, which has grown 107.4% annually since 2012⁷.

What Is Our Approach?

Our responsible investment and advisory services are led by AmlInvestment Bank. Sustainable and Responsible Investment (SRI), Sukuk and Green Bonds enable us to support businesses that help meet the government's goal of achieving a 20.0% renewable energy contribution to Malaysia's electricity generation mix by 2025.

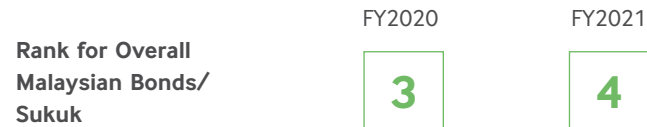
We also adopt the ASEAN Green Bonds Standards (GBS) to effectively support innovative clients who embark on sustainable projects. Proudly, we are responsible for being the first financial institution to raise the ASEAN Green Bond and the first GREEN SRI Sukuk for a listed Group. As a testament to our market leadership, we are also involved in quite a number of RAM Consultancy's second opinion Green Bond Principles (GBP) reports.

We are guided by both the Securities Commission's SRI Roadmap and BNM's VBI Financing and Investment Impact Assessment Framework. Through VBIAF, we incorporate ESG risk considerations into our risk management system.

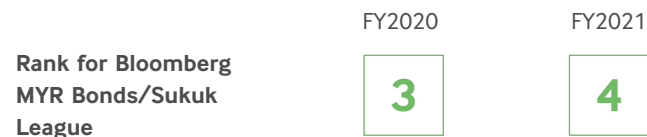
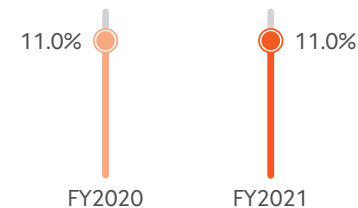
What Did We Achieve?



Top Ranking Bonds/Sukuk



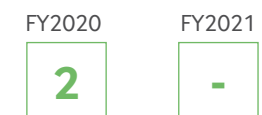
% Market Share



% Market Share



Rank for Overall Malaysian Bonds/Sukuk and Malaysian Ringgit Islamic Sukuk



AWARDS & RECOGNITION



- **The Asset Triple A Islamic Finance Awards:**
 - Best Bank Capital Sukuk Malaysia 2020 (Joint Shariah Adviser)
 - Best NBFI Sukuk Malaysia 2020 (Shariah Adviser)

⁵ <https://www.oecd-ilibrary.org/sites/d5c54bd6-en/index.html?itemId=/content/component/d5c54bd6-en>

⁶ <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/esg-funds-outperform-s-p-500-amid-covid-19-helped-by-tech-stock-boom-59850808>

⁷ https://www.ey.com/en_my/financial-services/why-sustainable-investing-matters

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT



Beyond sustainable financing, we create positive impacts by reflecting and improving upon our own conduct. We continuously align our activities and practices according to responsible ESG practices. This involves strong oversight and governance of business decisions in terms of our environmental impact, as well as our interactions with our employees and supply chain partners. Through conscious self-conduct, we are able to build a more resilient and sustainable bank.



M6: Ethics, Governance & Compliance

Why Is This Important?

Banking is a sector based on trust. Stakeholders choose our services because they trust that we handle our business with integrity. Business ethics and corporate governance ensure that we operate around a set of principles and ideals that protect the best interests of our stakeholders and society. It is also good for business, as it enables our leadership team to maintain accountability for all decision-making processes. Committing to high standards of ethics and governance is key to executing our strategy, enhancing stakeholder relationships, and building our resilience. On the other hand, unethical practices, such as corruption, conflicts of interest and insider trading, can have a profoundly detrimental effect on our reputation and undermine our ability to promote sustainable and inclusive banking. It is estimated that US\$2.6 trillion, or 5.0% of global GDP, is lost to corruption each year⁸.

We, as a bank, are also liable to relevant laws designed to safeguard the stability of the financial industry. Our ability to operate is contingent on our consistent adherence to these rules and regulations. A strong governance system protects our business from the cost of regulatory non-compliance, including fine settlements, productivity loss, business disruption and financial loss. Since the 2008 financial crisis, operating costs spent on compliance have increased by over 60.0% for retail and corporate banks⁹, with over US\$300 billion in fines and losses faced by financial institutions due to non-compliances in the ensuing years¹⁰. Therefore, through ethical practices, good governance and consistent compliance, we instil a sense of trust and confidence amongst regulators and the general public, and demonstrate the financial industry's ability to be a force for good.

What Is Our Approach?

We place great priority on high standards of ethics and corporate governance. We have policies and systems in place that enable responsible, transparent, inclusive and ethical conduct in everything we do. We adopt a holistic, top-down approach to good governance, whereby our leadership team ensures all decisions protect our stakeholders' interests and financial sustainability. Our corporate governance structure aligns with the main requirements of the Malaysian Code on Corporate Governance. In doing so, we are able to operate with high levels of integrity to maintain the trust of our customers, shareholders, investors, and all other stakeholders.

Additionally, we work closely with relevant regulators to ensure consistent adherence to laws and regulations. This is supported by our Compliance Culture Programme, in which we drive continuous education and awareness initiatives to embed a culture of adherence. These initiatives include strong 'Tone from the Top' participation by the Group CEO and Senior Management, extensive staff training and certification programmes, and groupwide engagement and knowledge sharing forums.

Beyond regulatory requirements, we have a stringent compliance system in place for best practices. Overseen by our compliance department, we have established policies, guidelines and principles that encourage openness and accountability while also protecting our business against illegal and unethical practices. We perform regular reviews and evaluations of our policies and procedures to ensure they remain relevant and aligned with changes in the regulatory landscape and risks associated with our lines of business. The following policies are applied to all employees and suppliers in all areas of activities.

A full list of these policies is shown on page 140.

Code of Conduct

AmBank Group's Code of Conduct represents our commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. The Code provides a clear direction in conducting business, interacting with the community, government and business partners as well as general workplace behaviour. The Code of Conduct is established by our Board of Directors, who governs our compliance with relevant policies and regulations via the Group Management Committee, Group Risk, Group Legal, Group Compliance, Group Internal Audit, Group Information Services, Group Finance and Group Human Resource functions. The Code of Conduct also includes our Code of Ethics that sets forth our values, ethical principles, and ethical standards.

Key Principles of AmBank Group's Code of Ethics

<p>Compliant Comply with all relevant laws and regulations</p>	<p>Responsible Manage conflict of interest with honesty and integrity</p>	<p>Ethical Practice honesty and integrity in everything we do</p>
<p>Accurate Ensure completeness and accuracy for financial records</p>	<p>Trustworthy Protect the confidentiality and sensitivity of information</p>	<p>Equitable Treat each other and our community with respect</p>

⁸ <https://www.pwc.com/gx/en/services/forensics/five-forces-that-will-reshape-the-global-landscape-of-anti-bribery-anti-corruption.html>

⁹ <https://www.pwc.com/gx/en/services/forensics/five-forces-that-will-reshape-the-global-landscape-of-anti-bribery-anti-corruption.html>

¹⁰ <https://www.mckinsey.com/business-functions/risk/our-insights/the-compliance-function-at-an-inflection-point>

Whistleblower Protection Policy (WPP)

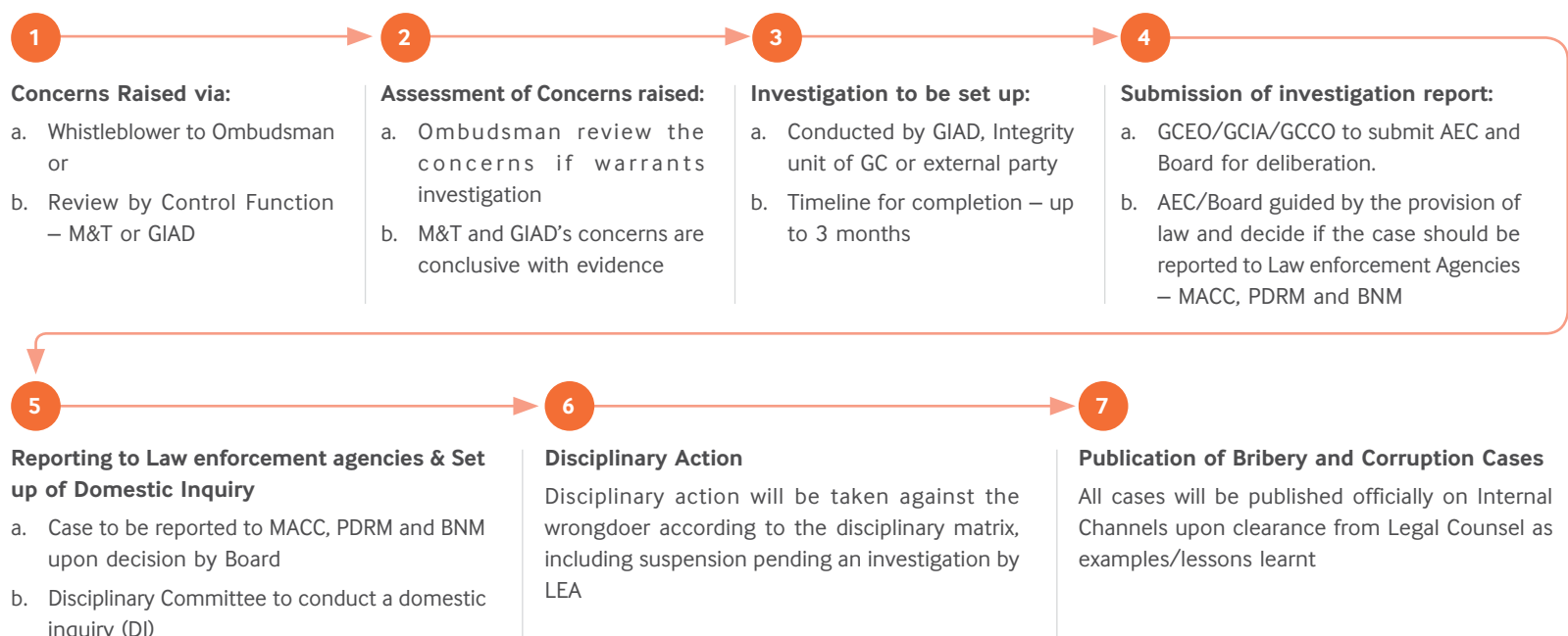
We maintain a strong culture of integrity, openness and accountability through our whistleblowing channels. Stakeholders are encouraged to report any corruption or malpractices without fear of repercussions. A key feature of WPP is the appointment of Ombudspersons that ensures complete protection for the whistleblower as appropriate actions are taken. Ombudspersons comprises of an appointed Board member, full-time senior management employee(s) and/or Regulator and/or Law Enforcement Agency.

Principles Governing the Protection of AmBank Group Whistleblowers

Principle 1	Whistleblowing shall be managed in a transparent manner by creating awareness on protection, confidentiality and enforceability.	Principle 6	Ombudsperson is to be appointed as the official channel for the reporting of concerns.
Principle 2	Whistleblower should be protected for reporting any actual or suspected improper conduct upon demonstrating sufficient bases for whistleblowing.	Principle 7	Whistleblower should provide sufficient and accurate information on a best-effort basis.
Principle 3	Confidential information relating to whistleblowing should be safeguarded.	Principle 8	Reported improper conduct shall be investigated by an appointed party and deliberated at an appropriate Committee for decision making.
Principle 4	Whistleblower, including his/her spouses and related persons who are employees of the Group, should be protected from detrimental action.	Principle 9	Appropriate communication and record maintenance shall be in place.
Principle 5	Remedial actions should be taken on compliant for detrimental actions against the Whistleblower.	Principle 10	Violation of Policy may be subjected to disciplinary action.

Our primary whistleblowing channels include the 'Speak Up Feedback Forum' and a dedicated email address: ombudsperson@ambankgroup.com.

Whistleblowing Process



SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

What Did We Do?

1. STRONG COMPLIANCE CULTURE

- Compliance Monitoring:** Strengthened our compliance detective measures through the enhancement of the Compliance Monitoring and Testing scope and coverage, which provides assurance to the Board on our compliance with regulatory requirements. These enhancements include:
 - Adherence reviews and testing across all lines of business
 - Thematic reviews of key regulations; targeted deep dives
 - Independent validation of key submissions to regulators
- Training & Awareness:** Organised 72 compliance training and awareness sessions for personnel. The aim of these programmes is to support the efficient compliance of relevant regulatory requirements governing our activities and reinforce our Compliance Culture. The sessions were provided via the following platforms:
 - Annual and periodic e-learning
 - Online training on specific compliance-related topics by internal subject matter experts and some external consultants
 - Compliance Culture initiatives and email communications with embedded links to relevant policies and guidance (Reminders@Within)

2. ANTI-MONEY LAUNDERING (AML) AND COUNTER FINANCING OF TERRORISM (CTF)

- AML/CTF Transformation Programme:** Implemented the enterprise-wide programme that enables employees to mitigate suspicious money flows and prevent the use of our banking channels and products to conduct illicit or illegal transactions. This includes close collaboration with enforcement agencies that defend the financial sector from threats of terrorist financing, money laundering and other financial crimes, including Malaysia's Public-Private Partnership initiatives.

What Did We Achieve?



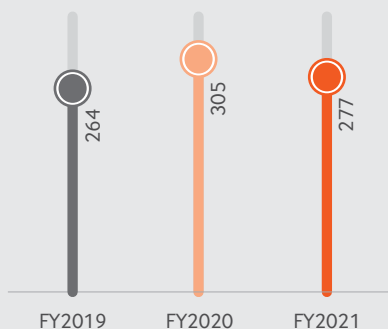
Seven complaints/grievances received through our whistleblowing channels, with **100% resolved** within 90 days

Zero fines and penalties against regulatory compliance

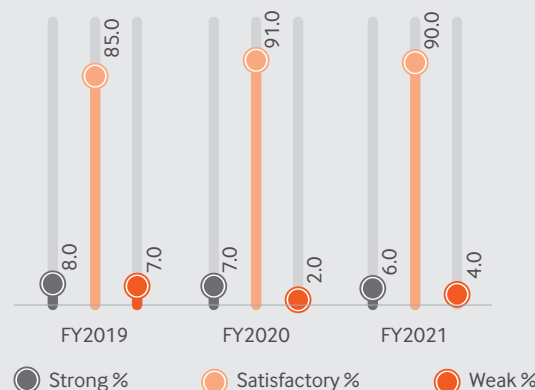
18,331 employees engaged through our compliance training programmes

Scoring on Governance-related disclosures:
4.3 out of 5.0 on FTSE4Good | **5.5** out of 10.0 on MSCI ESG Rating

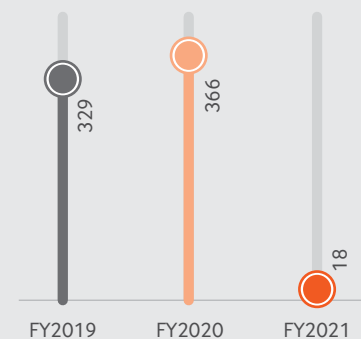
Number of Internal Audits Conducted



Audit Rating



Number of Misconduct/ Malpractice Reports Received





M7: Employee Development & Well-being

Why Is This Important?

Employees are the backbone of our organisation. Our success is built on their dedication and commitment. Taking care of employees' physical and mental well-being is essential to our long-term growth, as highly engaged teams demonstrate 21.0% greater profitability¹¹. On the other hand, dissatisfied and disengaged employees lead to financial and non-financial implications stemming from lower productivity, poor performance and high turnover rates. We believe that safe and healthy employees are productive employees who lead more rewarding lives, both inside and outside the office. Therefore, employee well-being is key to executing our strategic objectives, as well as an important factor in our role as a responsible employer.

In today's climate of rapid change, our employees are faced with uncertainties in their professional development. Opportunities for growth and development strongly motivate them to stay with the Group, while also ensures that our workforce is equipped with the skills and knowledge to thrive far into the future. Moreover, creating a that embraces diversity and inclusion allows employees to feel safe, encouraged and accepted. The range in viewpoints and backgrounds that come with a diverse workforce also contributes to innovative ideas and improved performance, with companies that have greater gender diversity outperforming companies with fewer women executives¹².

What Is Our Approach?

Despite any circumstance, we do not compromise on our human capital investments. We provide training programmes that equip employees with future-ready capabilities, transferable skills and a continuous learning mindset. Our training and development strategy includes on-the-job coaching, professional development and regular performance reviews. We also implement a talent management strategy that cultivates a diverse and inclusive work environment. Our employee recruitment, retention, remuneration and development practices do not discriminate against gender, age, disabilities, ethnicity, beliefs and socio-economic background. Additionally, we take proactive measures to closing the gender gap in executive and critical positions.

We also invest substantial attention and focus on occupational safety and health (OSH) matters because the safety, health and welfare of all our employees is a top priority. With a 'Prevention is Better Than Cure' approach, we have OSH measures in place to mitigate safety risks. Regular safety and health activities are held to promote employee well-being, which contributes to our performance and competitiveness. Furthermore, 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, strategic and operational safety and health plans, we conduct OSH inspection audits, which involve annual site inspections at our premises across Malaysia.

¹¹ <https://www.forbes.com/sites/nazbeheshti/2019/01/16/10-timely-statistics-about-the-connection-between-employee-engagement-and-wellness/?sh=4d17d3a422a0>

¹² <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

We strive to be:

Proactive



We approach every challenge positively, initiate change responsibly, and always anticipate the needs of all our employees, customers and our community.

Principled



Integrity and professionalism remain the thrust in all we do, and we take accountability for our actions.

Appreciative



We value and recognise everyone's role and contribution, and always provide support to our customers and employees.

Collaborative



We are connected in everything we do. We are part of an organisation that fosters teamwork and open communication.

Experimental



We strive to seek new and relevant ways to grow ourselves, our customers, our business and our community in a sustainable manner.

We also regularly engage with employees to capture their key concerns, enabling us to actively respond to any issues that may impact their job satisfaction and mental health. Our approach to nurturing a conducive and safe workplace is part of our commitment to becoming an Employer of Choice.

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

What Did We Do?

1. CONDUCTIVE, SAFE AND HEALTHY WORKPLACE

- **Virtual OSH Training:** Invested approximately RM60,000 in the following OSH-related virtual training programmes:

OSH-Related Virtual Training Programme



Date



Attendees

Hazard Identification, Risk Assessment & Determine Control (HIRADC) Virtual Training

Aim: To help employees identify OSH risks associated with their routine and non-routine activities so that the identified risks can be assessed and considered in our current control measures.



25-26 August 2020



27

Fire Safety Virtual Training

Aim: To provide a comprehensive overview of the legislative and best practice requirements for managing fire risks.



22-23 September 2020



79

Safety & Health Committee Roles & Responsibility Virtual Training

Aim: To comply with Section 30 of the OSH Act 1994 and other related requirements and understand the committees' formation and roles & responsibilities.



13-14 October 2020



32

ISO 45001:2018 Virtual Awareness Training

Aim: Aim: To elaborate on the standard and clause in ISO 45001: 2018, the world's first occupational health and safety international standard.



22 October 2020



21

Contractor Safety Virtual Training

Aim: To show how to safely manage contractors and vendors in preventing any untoward incidents from occurring within our operations.



19-20 November 2020



29

Defensive Riding Virtual Awareness Training

Aim: To address commuting accident cases through knowledge-building on OSH-related legislation (i.e., Road Transport Rules).



25 February 2021



76

Ergonomic Risk Assessment (ERA) Virtual Awareness Training

Aim: To train participants on the newly published guidelines by the Department of Occupational Safety & Health (DOSH) Malaysia on ERA at the workplace.



3-4 March 2021



23

- **OSH Audits:** Executed planned branch OSH inspection audits in 2020 covering seven retail banking regions and involving 21 branches. The outcomes and relevant risk mitigation recommendations were tabled to respective OSH committees, including the CEO, during the quarterly Group OSH Committee meetings.

- **Groupwide OSH Communication:**


- Published periodic OSH memorandums, prohibitions and updates within 'AmConnected'
- Carried out the biannual 'OSH Feedback Solicitation' initiative, a formal process where we seek OSH-related feedback from employees.
- Highlighted and tabled OSH-related incidents, investigations, inspections and briefing updates in monthly department, division and quarterly group committee meetings.
- Uploaded Group OSH Manual, SOP, Procedures and New Revise Group OSH Policy in the OSH Portal.

- **OSH Collaboration Projects and Special Events:** Planned and conducted the 2020 Virtual Wellness Talk Series, which was accessible to all employees via Microsoft Teams due to the COVID-19 pandemic. The series covered a range of health and safety topics, including Workplace Ergonomics, Mental Health, Healthy Eating, Lifestyle Disease, Men's Health, Weight Loss, Exercise as Medicine, and Potion VS Poison.


VIRTUAL WELLNESS TALK SERIES

UPCOMING EVENT

| The New Norm
Session 1: 8 September 2020



REGISTER NOW >




THE NEW NORM
AGAINST COVID-19

Managing your health and well-being is the key to achieving a productive and happy life.


With a drop in physical activities and irregular chats with your family doctor during the current pandemic outbreak, we hope that this wellness talk series brought to you virtually will support your wellness goal or get you started on one!

Proactively managing your health is akin to investing in your future. So be savvy and responsible by registering now for facts and tips from the professionals.




| Workplace Ergonomics
Session 1: 22 September 2020
Session 2: 26 January 2021

REGISTER NOW >




| Mental Health
Session 1: 6 October 2020
Session 2: 9 March 2021

REGISTER NOW >




| Healthy Eating 101
Session 1: 20 October 2020
Session 2: 9 February 2021

REGISTER NOW >




| Lifestyle Disease
Session 1: 10 November 2020
Session 2: 23 March 2021

REGISTER NOW >




| Talking About Men's Health
Session 1: 24 November 2020

REGISTER NOW >




| Exercise as Medicine
Session 1: 8 December 2020
Session 2: 23 February 2021

REGISTER NOW >



| Potion vs Poison
Session 1: 22 December 2020


REGISTER NOW >




| Weight Loss
Session 1: 12 January 2021


REGISTER NOW >

A Collaborative Initiative by




Our Wellness Partner







FREE online medical consultation at your fingertips

Connect to a doctor now with your iOS or Android Mobile Phone



Google play App Store





SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

- **COVID-19 Management:**

- Installed thermal scanners at the main entrances of Menara AmBank, Bangunan AmBank Group, Wisma AmFirst Kelana Jaya and Damansara Fairway 3 (“DF3”) to monitor the temperature of staffs and visitors.
- Introduced a dedicated microsite on COVID-19 on our internal portal to deliver pertinent information regarding the outbreak.
- Carried out 1,971 disinfection exercises at various AmBank locations (as of Dec 2020).



- Distributed a total of 22,120 boxes of disposal face masks, 600 pieces of face shields, 14,066 bottles of hand sanitisers, 574 bottles of antiseptic detergents, 3,400 boxes of gloves, 440 units of mobile thermometers and 185 self-standee thermometers to our buildings, business units and distribution channels (as of Dec 2020).
 - Worked closely with Building Management, AmREIT, business units and service providers (e.g., security guards, cleaners and other on-site service providers) to ensure that all our buildings and branches consistently comply with COVID-19 SOPs.
 - Placed COVID-19 notices and social distance markers in office areas and meeting rooms in all our buildings.
- **OSH Personnel Competency:** Received a renewal of the SHO Competency from DOSH, Lead Auditor ISO 45001:2018 Competency and other related competencies for a number of our OSH personnel. This is part of our commitment to ensuring the continuous fulfilment of OSH requirements.

2. CAPABILITY DEVELOPMENT

- Total Employee Training Expenditure breakdown by Gender*:

By Gender						
Workforce Category	Female		Male		Total (RM)	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/Senior Management	934,753	48,294	1,594,665	114,870	2,529,418	163,164
Mid Management	6,680,541	2,641,231	5,339,853	3,396,215	12,020,395	6,037,447
Professional/Specialist	5,790,468	4,288,727	3,120,550	2,945,264	8,911,018	7,233,991
Non-Executive	901,881	570,172	372,416	221,486	1,274,297	791,658
Total (RM)	14,307,643	7,548,424	10,427,485	6,677,836	24,735,127	14,226,259

- Total Employee Training Expenditure breakdown by Entity*:

By Entity								
Workforce Category	AmBank (M)		AmBank Islamic		AmInvestment Bank		Total (RM)	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/Senior Management	1,855,150	122,121	170,937	15,156	503,331	25,887	2,529,418	163,164
Mid Management	10,786,325	5,242,200	250,431	257,381	983,639	537,866	12,020,395	6,037,447
Professional/Specialist	8,542,247	6,838,313	93,494	72,434	275,278	323,244	8,911,018	7,233,991
Non-Executive	1,229,123	773,951	–	–	45,174	17,707	1,274,297	791,658
Total (RM)	22,412,845	12,976,585	514,861	344,971	1,807,421	904,703	24,735,127	14,226,259

- Total Employee Training Expenditure breakdown by Learning Type*:

By Learning Type								
Workforce Category	Leadership		Soft Skills		Technical		Total (RM)	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/Senior Management	515,955	25,219	283,672	1,563	1,729,791	136,382	2,529,418	163,164
Mid Management	2,325,947	3,676,400	1,589,270	125,497	8,105,178	2,235,550	12,020,395	6,037,447
Professional/Specialist	398,404	557,725	891,412	244,402	7,621,202	6,431,864	8,911,018	7,233,991
Non-Executive	–	337	128,264	130,384	1,146,033	660,936	1,274,297	791,658
Total (RM)	3,240,306	4,259,681	2,892,618	501,847	18,602,204	9,464,732	24,735,127	14,226,259

* Note: All the data is reported on a calendar year (CY) basis. This aligns with the Staff Training Expenditure (STE) report to BNM, which is submitted on a calendar year basis.

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

3. EMPLOYEE ENGAGEMENT & WELL-BEING

- **Engagement Survey:** Partnered with The Gallup Organisation to examine employee engagement using Gallup’s proprietary Q12 Employee Engagement Index (Q12). The Q12 score represents the 12 items that link employee engagement to business outcomes.
- **Employee Wellness:** Organised a Virtual Wellness Talk series to help employees navigate the emotional distress of the pandemic and help them achieve their wellness goals. Over 2,100 employees participated in 20 webinars to date. We also introduced a digital health app in partnership with our medical partner, offering free online consultation with medical practitioners and over-the-counter medication delivery.
- **Collective Bargaining Agreement:** Engaged in dialogue with Unions to maintain industrial harmony. We also continued to support employees’ right to freedom of association and collective bargaining in the best interest of union members. The unions include:
 - Kesatuan Pekerja-pekerja AmBank (M) Berhad (KEPPA)
 - Sabah Banking Employee’s Union (SBEU)
 - Sarawak Bank Employee’s Union (SBEU)

Percentage of Employees Covered by Collective Bargaining Agreements



4. DIVERSITY & INCLUSION

- **International Women’s Day (IWD):** Organised IWD activities, in collaboration with AmBank’s Sports & Recreational Club (Kelab AmBank Group) and Group Occupational & Safety team (OSH) at Menara AmBank, Bangunan AmBank, and Wisma AmFirst, respectively. Over 300 female employees participated in the event, which aims to celebrate the social, economic, cultural and political achievements of women while also making a call to action to strengthen gender equality and accelerate women’s empowerment.



What Did We Achieve?



1. CONDUCTIVE, SAFE AND HEALTHY WORKPLACE

- **99.8% of employees** completed and passed the mandatory online OSH training and assessment in our Workplace OSH e-learning portal.
- Received satisfactory results from National Institute of Occupational Safety & Health Sdn Bhd (NIOSH) Certification surveillance audit, resulting in the retention of our **ISO 45001:2018 Certification**
- Winner of the **“MSOSH OSH Gold Class 1” award** in the Service Sector category at the MSOSH OSH Virtual Award Ceremony (MOVAC)



- Safety and health audit results:

Branch	Region	Date Audit	Grade	%
Bentong	East Coast	9/7/2020	A	97.86
Sg Petani	Northern	22/7/2020	A	100.00
Legenda Height	Northern	22/7/2020	A	100.00

- OSH Incidents/Data:

Occupational Safety and Health Indicators*



* CY – Calendar Year

* Covers the period from 1 January 2020 to 31 December 2020, as per the Department of Occupational Safety & Health's (DOSHS) calendar year online incident reporting using JKPP Form 8

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

2. CAPABILITY DEVELOPMENT

- Total Employees Trained in CY2020 (by number of transactions; non-unique)*:

By Entity								
Workforce Category	AmBank (M)		AmBank Islamic		AmInvestment Bank		Total	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/ Senior Management	2,970	303	151	36	572	83	3,693	422
Mid Management	41,540	14,108	641	381	2,640	1,273	44,821	15,762
Professional/ Specialist	56,036	62,133	296	418	1,184	2,165	57,516	64,716
Non-Executive	9,816	9,148	–	–	298	248	10,114	9,396
Total	110,362	85,692	1,088	835	4,694	3,769	116,144	90,296

By Learning Type								
Workforce Category	Leadership		Soft Skills		Technical		Total	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/ Senior Management	80	5	459	5	3,154	412	3,693	422
Mid Management	1,530	576	3,578	329	39,713	14,857	44,821	15,762
Professional/ Specialist	373	436	3,424	975	53,719	63,305	57,516	64,716
Non-Executive	–	1	343	191	9,771	9,204	10,114	9,396
Total	1,983	1,018	7,804	1,500	106,357	87,778	116,144	90,296

- Average Training Hours Completed per Employee in Training for CY2020:

By Gender						
Workforce Category	Average for Female Employees		Average for Male Employees		Average for All Employees	
Year	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/Senior Management	79	40	76	32	77	35
Mid Management	76	56	75	54	75	55
Professional/Specialist	64	46	66	49	65	47
Non-Executive	41	33	46	33	42	33
Total	64	45	68	48	66	47

- Total Training Hours Completed for CY2020 (By Entity):

Workforce Category	By Entity							
	AmBank (M)		AmBank Islamic		AmInvestment Bank		Total	
	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Top Management/ Senior Management	17,677	1,352	824	112	3,381	319	21,881	1,783
Mid Management	223,939	70,844	3,989	1,869	14,616	5,656	242,543	78,369
Professional/ Specialist	266,986	268,697	1,924	1,901	6,239	9,797	275,149	280,395
Non-Executive	48,749	35,689	–	–	1,557	1,000	50,306	36,689
Total	557,351	376,581	6,737	3,881	25,792	16,771	589,880	397,233

* Note: All the data is reported on a calendar year (CY) basis. This aligns with the Staff Training Expenditure (STE) report to BNM, which is submitted on a calendar year basis.

Key Programmes (number of pax)	FY2020	FY2021
Chartered Bankers	17	23
Chartered Professionals in Islamic Finance	9	10
AICB Professional Certification	247	714
5-Core AICB Certification	24.0%	29.3%
Future Talents FSTEP & AmGraduates	44	63
INSEAD, CASS and Cambridge Attendees	69	61

- Talent Development & Succession Planning Programmes:

Development Programmes	CY2019	CY2020
No. of Participating Emp. (Attended programme)	226	222
Total Training Hours Completed	35,278	20,470
No. of Training Hours (Talent Programme)	8,941	8,151
No. of Training Hours (Other Programme)	26,337	12,319
Average Training Hours	156	92
Average Training Days	19.5	12
Total Training Spent	4,044,905	4,620,133
Average Training Spent	17,898	20,811

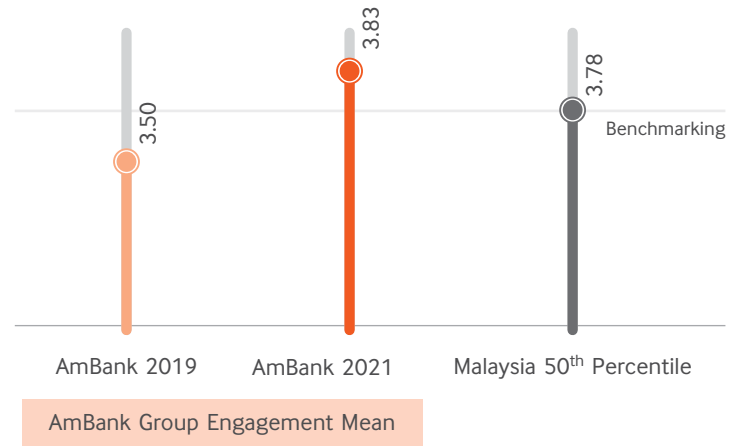
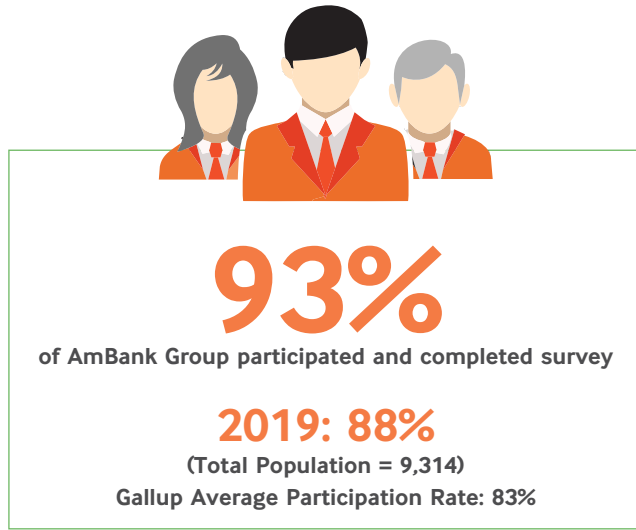
Talent Promotion	FY2020	FY2021
Talent Promoted	35.0%	15.0%

MCP and Successor Development	FY2020	FY2021
Total Mission Critical Positions (MCP)	12	12
Total Successors	58	54
MCP: Successor Ratio	1 MCP: 4.8	1 MCP: 4.5
Key Positions with Successors (%)	100%	100%

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

3. EMPLOYEE ENGAGEMENT & WELL-BEING

- **93.0% of employees participated** in the Q12 Engagement survey in FY2021, surpassing the 88.0% participation record in FY2019.
- **0.30 points improvement in employee engagement score**, from 3.53 to 3.83, despite workplace challenges faced amid the pandemic.
- Employee Engagement Survey Results:



Voice being heard at AmBank

	Change 2021-2019	AmBank Overall	Gallup Malaysia' Client Percentile Rank	Malaysia Median Score
N size		8600		
Q12[®] Mean	+0.30	3.83	54	3.78
Growth				
Learn & grow	+0.28	3.81	48	3.83
Progress	+0.32	3.70	45	3.75
Teamwork				
Best friend	+0.22	3.88	44	4.00
Employees committed to quality	+0.29	3.91	52	3.86
Mission/purpose	+0.31	3.84	48	3.86
Opinions count	+0.29	3.70	50	3.69
Individual				
Development	+0.33	3.76	54	3.71
Cares about me	+0.29	3.86	52	3.83
Recognition	+0.36	3.42	52	3.40
Opportunity to do best	+0.28	3.92	52	3.88
Basic Needs				
Have materials and equipment	+0.32	3.95	50	3.92
Know what's expected	+0.24	4.15	47	4.17
OVERALL SATISFACTION	+0.35	3.78	53	3.75

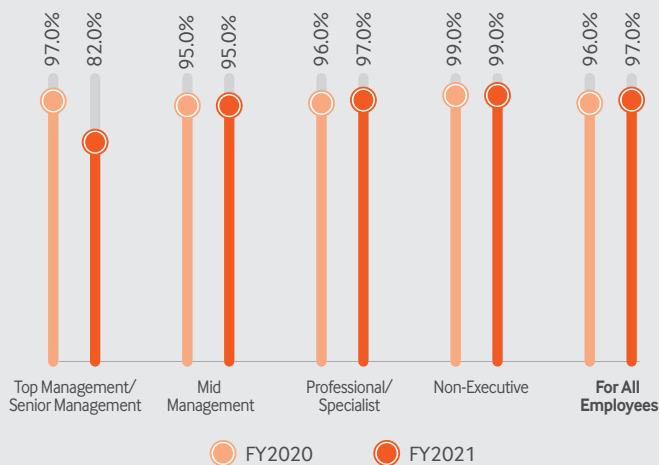
● Top 2 Strength areas based on percentile ranking ● Bottom 2 Opportunity areas based on percentile ranking

Meaningful change is represented by a green or red if the score changes by 0.1 or more between survey periods for N Size >=1000; score changes by 0.2 or more between survey periods for N Size <1000.

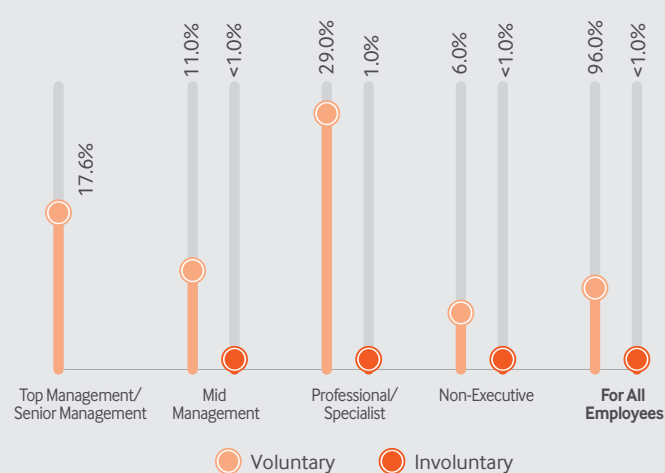
Source: Gallup

Employee Retention and Turnover Rate:

High Performer Retention Rate



Employee Turnover Rate



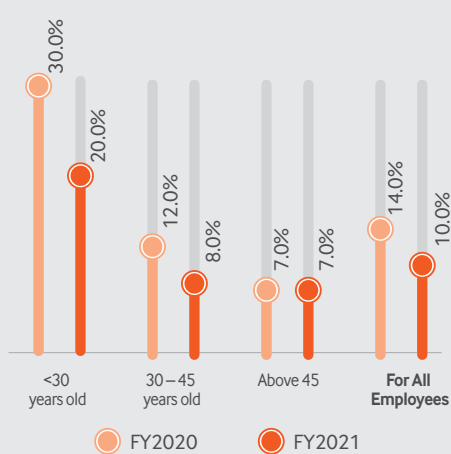
Employee Turnover Rate by Business Unit



Employee Turnover Rate by Gender

	Voluntary	
	FY2020	FY2021
Male	16.0%	11.0%
Female	11.0%	8.0%
For All Employees	16.0%	9.0%

Employee Turnover Rate by Age Group



Employee Turnover Rate by Region

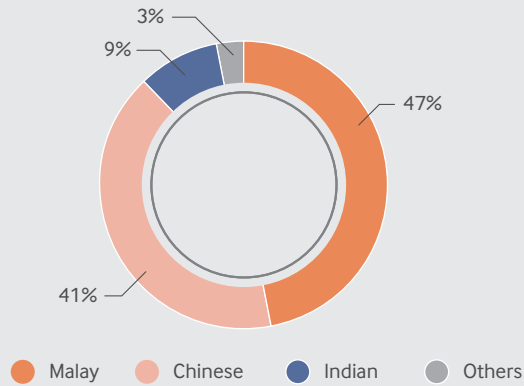


SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

4. DIVERSITY & INCLUSION

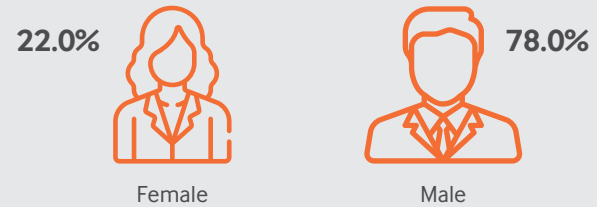
Employee Distribution by Race:

Ethnic Groups

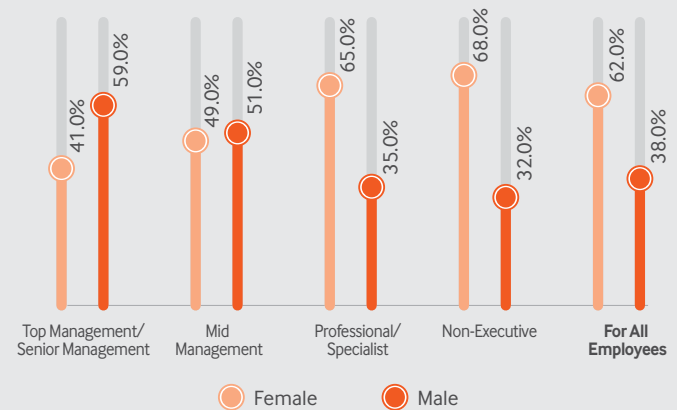


Employee Distribution by Gender:

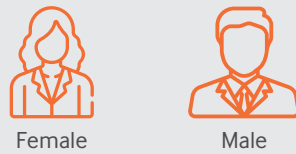
Board of Directors



Employee Level



Parental Leave:



	Female	Male
% of employees utilising parental leave	4.0%	2.0%
Retention rates of employees that took parental leave	92.0%	95.0%
Employees returning to work after parental leave (%)	100%	100%

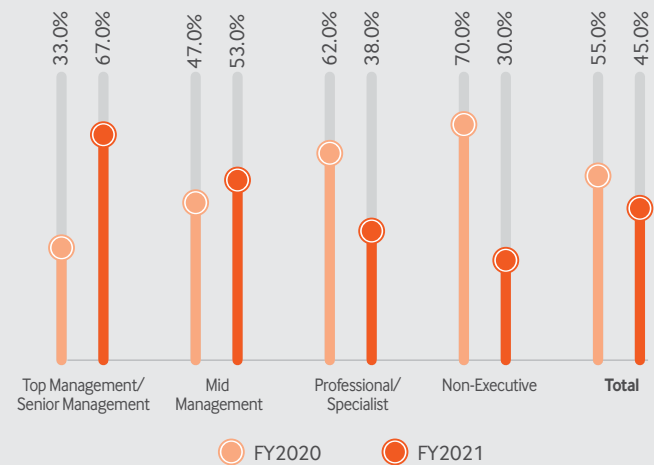
Vulnerable Employment Group:

Parental Leave

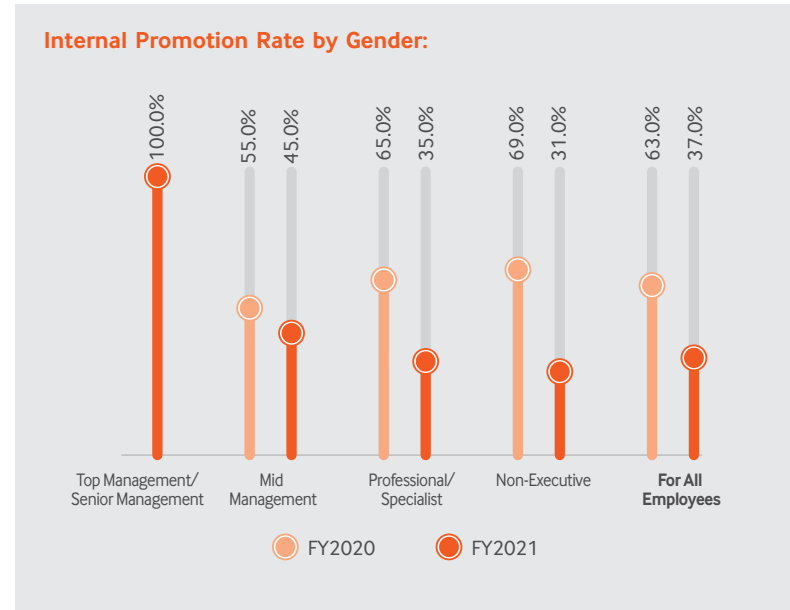
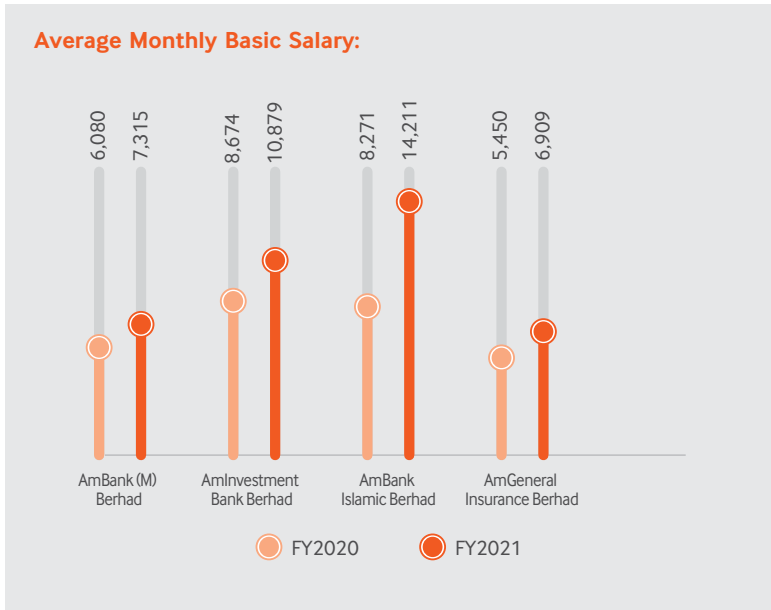
Parental Leave	Female		Male	
	FY2020	FY2021	FY2020	FY2021
Blind	3	3	2	2
Deaf	1	1	0	0
Limb loss	0	0	1	1
Walk with limited ability	1	1	0	0
Sight Problem	1	1	0	0
TOTAL	6	6	3	3

5. EMPLOYEE REMUNERATION

Total Compensation:



* Note: Data corrected for FY2020



M8: Responsible Procurement

Why Is This Important?

Although supply chains fall outside of our core operations, we are interdependent with all the players across the supply chain. The complex nature of supply chains exposes us to a range of ESG risks, including environmental degradation, human rights abuses and corruption. These unethical practices by suppliers may directly impact our business through the disruption of goods and services, loss of license to operate, high costs from changing suppliers, and a knock-on effect on customer satisfaction. Furthermore, supply chains shape stakeholder opinions and are an important factor in corporate branding and reputation. Therefore, building a resilient supply chain is crucial to protecting the business against unanticipated vulnerabilities and achieving sustainable growth.

The supply chain is also an opportunity to maximise our positive impact. 90.0% of an organisation’s environmental impact lies in the value chain¹³, so a holistic view of resources and energy use helps us better understand our impact and risk across the broader value chain. Additionally, responsible procurement practices demonstrate our commitment to combating global sustainability challenges. For instance, prioritising local and financially underserved businesses contribute to inclusive socio-economic growth and shared prosperity. Through our supply chain, we have the power to influence positive environmental and social outcomes.

What Is Our Approach?

At AmBank, we continue to embrace the importance of responsible sourcing and procurement. We view the impact of our supply chain as an extension of our ESG performance. With this in mind, we apply responsible sourcing and procurement practices, taking into account the ESG impacts of purchases in the country of origin or location where the goods and services are acquired. The social, environmental and ethical values of suppliers are a key part of our consideration during the procurement process.

Recognising the importance of responsible procurement and its impact on the environment and society, we continue to implement AmBank Group’s Responsible Sourcing and Green Procurement for Supplier’s Onboarding Programme of new suppliers. In that regard, new suppliers are required to complete questionnaires based on our key expectations and sustainability principles in relation to ethics, safety, social and environmental performance. We also perform due diligence reviews and risk impact assessments on new suppliers as part of supplier selection criteria. Our procurement procedures are guided by AmBank Group’s Sourcing Policy and Supplier Code of Conduct, which promotes responsible and inclusive supply chain practices.

13 <https://www.carbontrust.com/what-we-do/measure-and-evaluate/value-chain-and-supply-chain-sustainability>

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

Key Components of Supplier Screening Questionnaire

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 etc.) 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 on 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.

What Did We Do?

1. SUPPLIER SCREENING & ONBOARDING

- **Supplier Selection Criteria:** Implemented an e-Procurement system for supplier's self-registration starting August 2020, as part of our continuous improvement and sustainability initiative. Suppliers are assessed based on the Supplier Code of Conduct & Anti-Bribery and Corrupt Practices, Business Integrity & Governance, Safety & Social Performance and Environmental Sustainability criteria at the supplier pre-qualification questionnaires phase. A tabulated score indicates if the supplier had passed or failed the registration. New suppliers who pass are onboarded; suppliers who fail are reassessed or disqualified; and existing suppliers who fail are placed on an improvement plan.
- **Supplier Improvement Plan:** Placed suppliers that failed the responsible sourcing and green procurement assessment on the Supplier Improvement Plan, with annual reassessments planned.

2. SOCIO-ECONOMIC CONTRIBUTIONS

- **Local Suppliers:** Continued to prioritise local suppliers, channelling 83.0% of total procurement spending to local businesses.
- **Business Empowerment:** Supported financially underserved businesses, such as The Silent Teddies Bakery that employs deaf and mute bakers; and The Picha Project, a catering company that provides home-cooked meals prepared by marginalised communities.

3. GREEN SOURCING & PROCUREMENT

- **Zero-Plastic:** Stopped purchasing plastic-related stationery, such as PVC files, folders, index dividers and fasteners, to minimise plastic waste. Additionally, we no longer purchase plastic mineral water bottles with our printed logo.
- **IT Products:** Procured tier-one brand hardware servers, laptops and desktops. These are better for the environment as they do not contain asbestos, the batteries are labelled with proper disposal instructions, and the packaging components do not contain more than 0.01% of lead, mercury, cadmium and hexavalent chromium.
- **Data Centres:** Procured UPS products that are compliant with Restriction of Hazardous Substances (RoHS), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and the European Waste Electrical and Electronic Equipment Directive (WEEE).

What Did We Achieve?



Local vs International Suppliers	FY2019	FY2020	FY2021
Local Suppliers with active contracts	–	94.0%	89.0%
Total Number of Local Suppliers	1,739	1,541	1,129
Total Number of International Suppliers	87	92	96
Total	1,826	1,633	1,225

Economic Contribution to Suppliers	FY2019 (RM Million)	FY2020 (RM Million)	FY2021 (RM Million)
Local Suppliers	538.6	538.2	449.3
International Suppliers	63.5	88.7	89.8
Total	602.2	626.9	539.1



M9: Energy, Plastics & Waste Management

Why Is This Important?

The world cannot afford to ignore the threat of the climate emergency. We are not on track to meet the agreed targets in keeping global temperature rise no more than 2°C pre-industrial levels. As the temperature increases and climate change worsens, dangerous weather events are becoming more frequent and severe. The associated storms, heat waves, sea-level rise, and warming oceans can wreak havoc on environmental, social and economic well-being. In addition to climate change, waste has also become a significant global issue. Increasing volumes of waste, particularly plastic waste, are being generated as the global population and living standards rise. With no improvements in waste management, over 99.0 million tons of plastic waste will end up in environmental systems by 2030.

To avoid the worst effects of climate change and environmental harm, there needs to be collective action. With more people concerned with environmental issues, they are looking at businesses and institutions to help curb the problem. Stakeholder loyalty is increasingly influenced by the environmental footprint of our operations and activities. Responsible and proactive environmental action is fundamental to our sustainable growth and shareholder returns. By implementing a holistic resource efficiency approach, we can improve our brand reputation, save costs, protect our business against changing markets and regulations, and most importantly, play our part in preserving the planet for future generations.

What Is Our Approach?

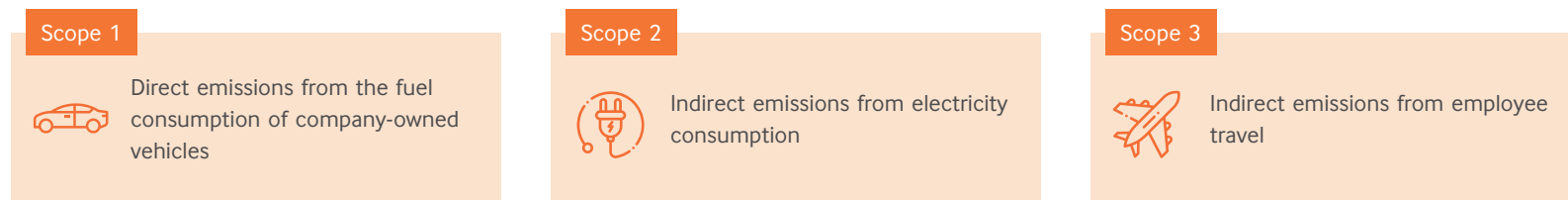
We strive to continuously minimise the environmental impact of our business. Through our robust Environmental Management System (EMS), we actively identify and implement ways to further reduce our environmental footprint, such as utilising energy-efficient technology, responsibly disposing of our waste, and avoiding single-use plastic products. Our environmental practices are governed by the AmBank Group's Environmental Policy, which ensures consistent adherence to environmental laws, regulations and related policies.

Key Principles of AmBank Group's Environmental Policy

Principle 1	We are committed to meet all our environmental compliance obligations such as relevant environmental legislations, regulations and standards to which the Group subscribes.
Principle 2	We are committed to the protection of the environment including the prevention of pollution.
Principle 3	We aspire to continuously improve our environmental performance in ways that are commercially viable and valued by our management and stakeholders.
Principle 4	We will practise responsible and green procurement to the best extent possible.
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.
Principle 6	Environmental protection is the responsibility of all our employees.

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

In regard to climate action, we implement initiatives that reduce the Group's overall carbon footprint. The scope of our greenhouse (GHG) initiatives covers:



We track our carbon reduction progress on a year-to-year basis. By FY2023, we aim to reduce our overall carbon emissions by 24.0%, with FY2019 as the baseline year. Additionally, in January 2021, the Board approved the Group Energy Policy, which acts as the foundation for successful energy management across our buildings and assets. The policy formalises our commitment to responsible energy management and sustainable development.

Key Principles of AmBank Group's Energy Policy

Principle 1	We are committed to promoting energy efficiency management continuously.	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.
Principle 2	We are committed to improving cost-effectiveness continuously.	Principle 9	We ensure that any 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.
Principle 3	We are committed to improving environmental preservation and conservation.	Principle 10	We are committed to carrying out an energy-management related programme within AmBank Group to cultivate an energy-management culture continuously.
Principle 4	We encourage innovation through the usage of Green Technology and Renewable Energy whenever possible.	Principle 11	We are committed to providing the necessary resources to carry out any of AmBank Group's Energy Management Programme.
Principle 5	We aspire to continuously improve energy management while maintaining a safe working area.		
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.		
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.		

In support of our low-carbon commitments, we became the first financial institution in Malaysia to install solar panels in one of our buildings this year. This enables us to generate clean energy, offset our carbon emissions and lower operational costs. As we progressively improve our environmental efforts, we will set more long-term strategies and targets to play our part as a responsible organisation in protecting our stakeholders against climate risks.

What Did We Do?

1. SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION

- **Shuttle Service:** Imposed inter-building movement restriction to minimise the spread of COVID-19. Hence, the shuttle service between Menara AmBank and Bangunan AmBank Group has been stopped temporarily until further notice. However, the lack of movement between buildings contributed to lower carbon emissions.
- **Electric Vehicles:** Purchased Hybrid cars that are more fuel-efficient and generate less carbon emissions compared to conventional cars. Currently, 3 out of the 30 vehicles we own are hybrid cars, which contributes to 14.0% of the total carbon emissions produced from petrol. We will continue to convert more of our fleet to hybrid cars over time, in compliance with the Group Environmental Policy.

2. SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

- **Group Energy Policy:** Introduced a new policy that acts as the foundation of our energy management programme. The policy formalises our efforts and commitment to responsible energy consumption.
- **Energy Management Forum:** Newly established the Energy Management Forum, under the Group Sustainability Council, to drive and champion best-in-class energy management systems and energy conservation measures.
- **LED Lighting:** Replaced conventional lights with an energy-efficient LED lighting system for three out of four of our head office buildings and 99.0% of branches.
- **Office Space Optimisation:** Completed our three-year Group Office Space Strategy and vacated Plaza See Hoy Chan and Menara MBF by consolidating and optimising our office space within Menara AmBank, further lowering our energy consumption.
- **Renewable Energy:** Installed solar panels at the Damansara Fairway 3 (DF3) building in September 2020 to generate clean energy and offset our carbon emissions.
- **Efficient Air-Conditioning:** Implemented the standardisation of procurement of new air-conditioners to 3- to 4-star energy efficiency rating for branches and buildings.
- **Earth Hour Campaign:** Participated in the Global Earth Hour Campaign on 27 March 2021 to raise awareness of the importance of climate action. As part of the campaign, we switched off all lights in the following AmBank buildings:
 - Bangunan AmBank Group, Jalan Raja Chulan
 - Menara AmBank, Jalan Yap Kwan Seng
 - Wisma AmFirst
 - Damansara Fairway 3 (DF3)
 - Bangunan AmBank Group, Kuching

3. SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL

- **Shuttle Service:** Outsourced shuttle services to serve employees commuting between Wisma AmFirst and Glenmarie LRT station, and Damansara Fairway 3 (DF3) to Kelana Jaya LRT station.
- **Air Travel:** Continued to work with appointed travel agents to track the carbon emissions from airline bookings made for business-related travel using the International Civil Aviation Organisation's Carbon Emissions Calculator. Additionally, travel restrictions due to the COVID-19 pandemic contributed to lower air travel emissions.

4. RESPONSIBLE WASTE MANAGEMENT

- **Limited Printing:** Replaced conventional printers at the head office with Multi-Function printers that reduce the number of papers printed.
- **Digital Solutions:** Encouraged customers to opt for electronic Fixed Deposit (FD) and Term Deposit receipts, as well as passbook-less transactions, wherever possible. However, for customers that do not have access to AmOnline, such as children below 18 years old and senior citizens, we continue the requirement of maintaining their passbooks. Additionally, we promoted the adoption of e-statements and email communications with clients to reduce paper waste.
- **Onsite Recycling:** Implemented the installation of recycling facilities in Menara AmBank to encourage waste separation for recyclables. We also renovated proper Recycling Stores for WAF and BAG to allow proper storage of the recycling wastes.
- **Third-Party Recycling:** Hired a qualified licensed third-party paper recycling vendor to ensure that all documents are shredded without compromising the confidentiality of the data. The majority of paper waste collected was from the Record Management service providers due to the destruction of records and documents that passed the seven-year retention period.

5. ZERO SINGLE-USE PLASTIC

- **Water Dispensers:** Replaced 74 of the office water dispensers made from polycarbonate plastic bottles with COWAY machines. We also installed COWAY machines at our gymnasiums and food courts to replace mineral plastic bottles from vending machines and stall operators.
- **Soap Dispensers:** Implemented the installation of soap dispensers at pantries for all head offices and branches to eliminate single-use plastic from liquid dishwashing containers.
- **Paper Box Water:** Replaced bottled water with paper box water by our Menara AmBank tenant, Wolf & Turtle.
- **Stationeries & Merchandise:** Reduced our plastic-based stationeries by stopping the supply of plastic folders in our procurement system, ARIBA. Plastic packaging on merchandise items was also replaced with paper-based material.

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

6. ENVIRONMENTAL AWARENESS

- **Environmental Performance:** Shared our environmental performance with employees and stakeholders through various channels, including internal communication platform via email (Within), internal portal, branches' TV, Menara AmBank's digital board, ATM and CDM screens.



- **Kelab AmBank Group (KAG):** Distributed reusable items, such as food containers, cups, tumblers, cutleries, straws and bags, to KAG members. This encourages employees to use reusable items when purchasing food and beverages for takeaways.

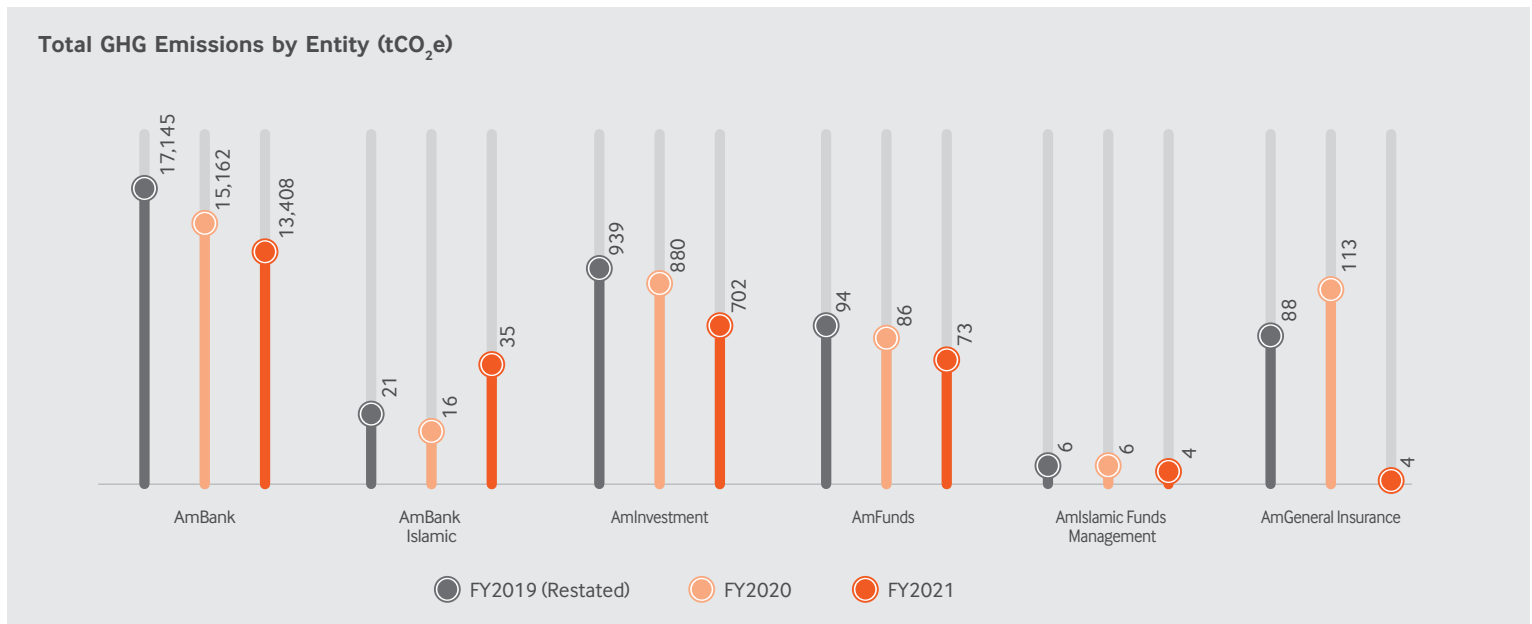
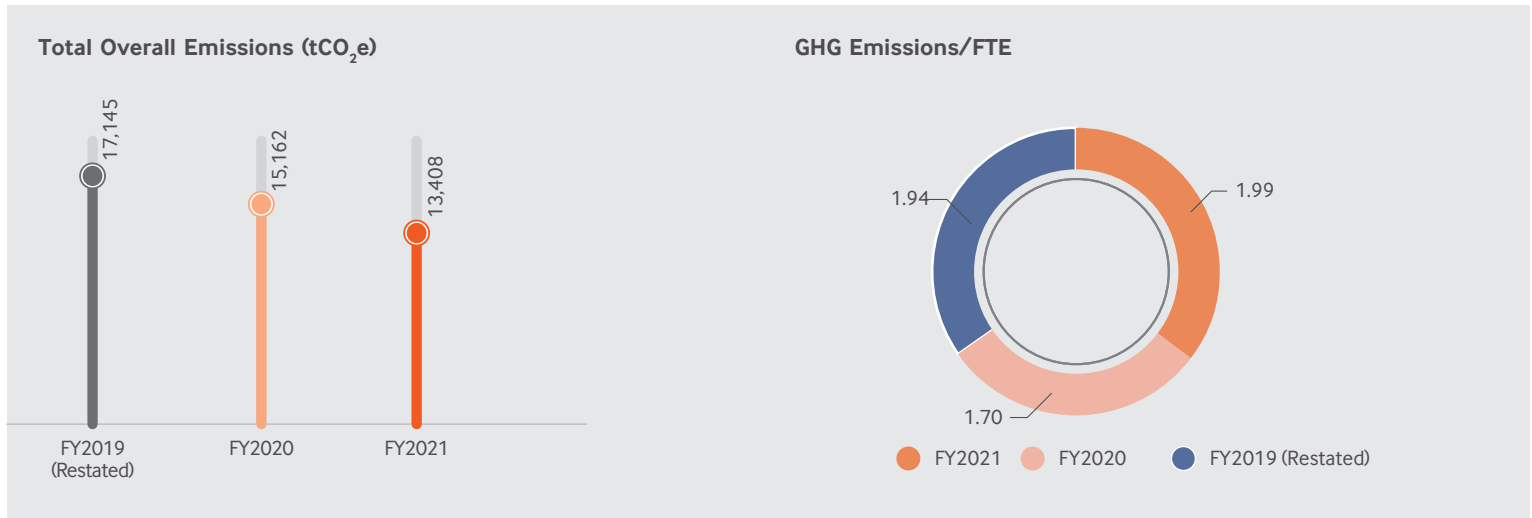


What Did We Achieve?



1. OVERALL CARBON EMISSIONS

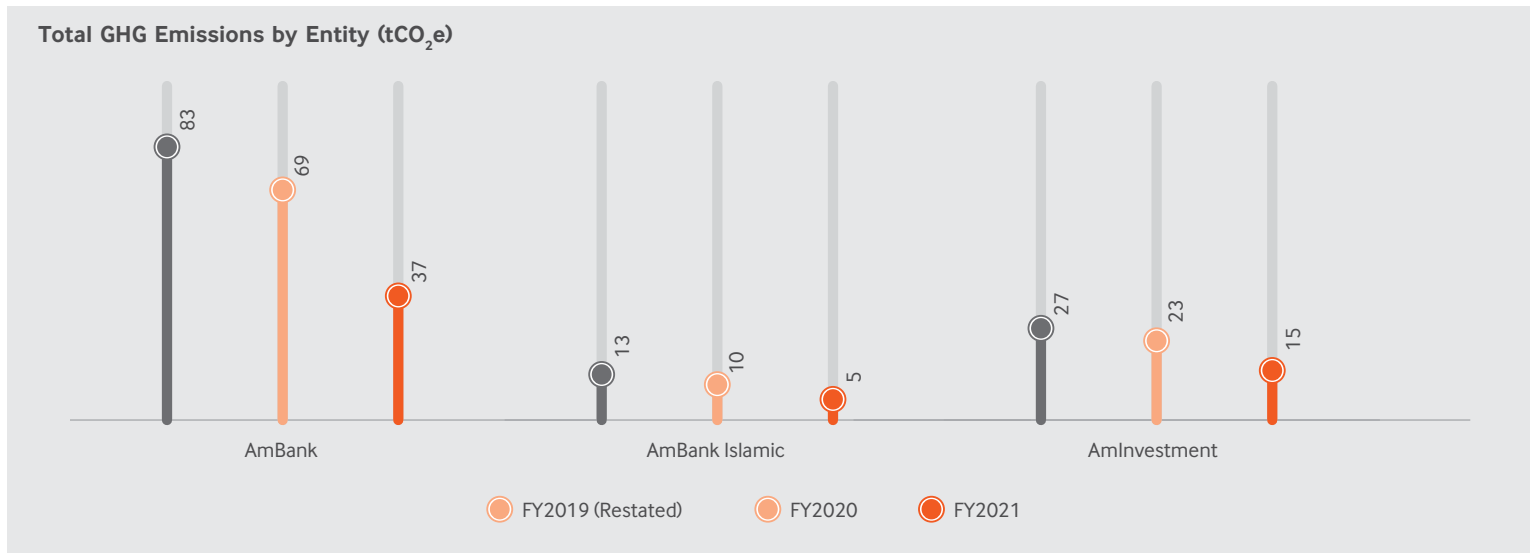
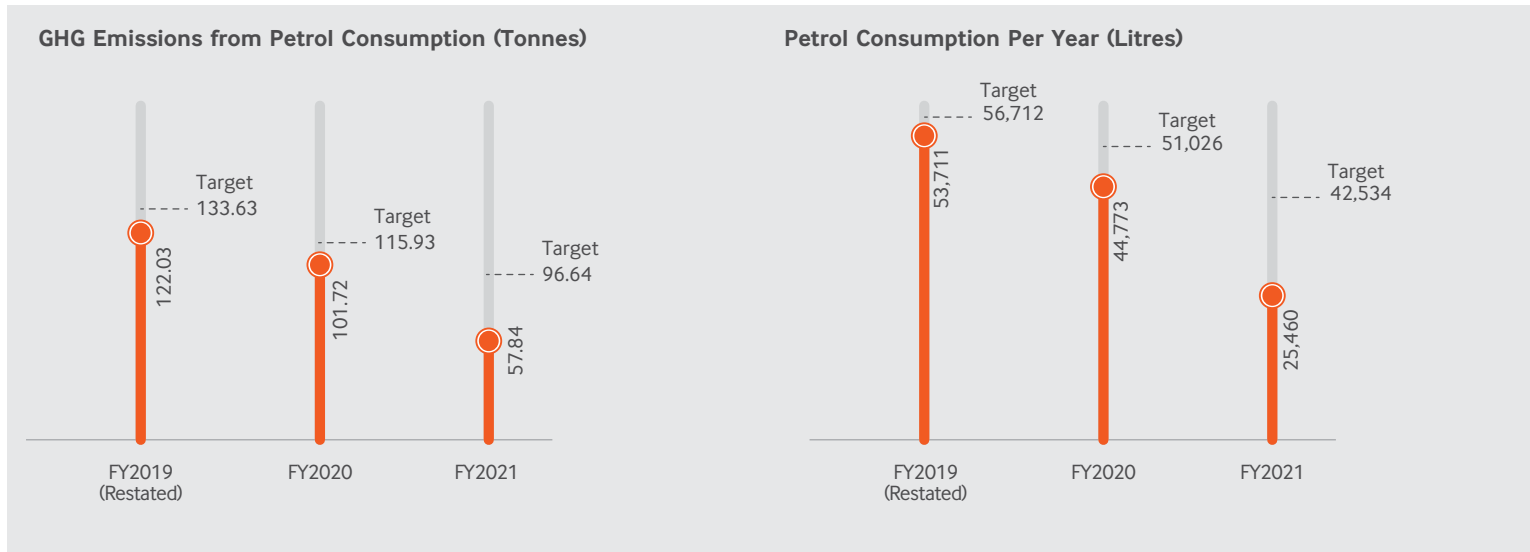
- **12.5% reduction** in total carbon emissions



SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

2. SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION

- **43.0% reduction** in Scope 1 emissions and petrol consumption by vehicle fleet, which is **40.0% higher** than the set target. The significant decrease in fuel consumption is mainly due to the Work-from-Home arrangement and inter-building restriction imposed to curb the spread of COVID-19



3. SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

- **10.4% reduction** in total electricity consumption
- **0.071 tonnes of tCO₂e** used per square meter of office space
- **2,872,397 kWh** saved through LED lighting initiative
- **38,221 kWh** of energy generated from solar panels from October 2020 to March 2021, which offset approximately **22.36 metric tonnes** of carbon emissions for FY2021



Total Electricity Consumption									
Entities	FY2019 (Restated)			FY2020			FY2021		
	RM ('000)	kWh ('000)	tCO ₂ e	RM ('000)	kWh ('000)	tCO ₂ e	RM ('000)	kWh ('000)	tCO ₂ e
AmBank	14,024	29,883	16,765	12,422	26,687	14,881	10,946	23,977	13,350
AmBank Islamic	7	14	8	5	11	6	26	51	30
AmInvestment	772	1,625	889	729	1,534	840	601	1,274	686
AmFunds	67	135	79	66	134	78	62	125	73
AmIslamic Funds Management	4	8	5	4	8	5	4	7	4
Total	14,874	31,665	17,745	13,226	28,374	15,810	11,639	25,434	14,142

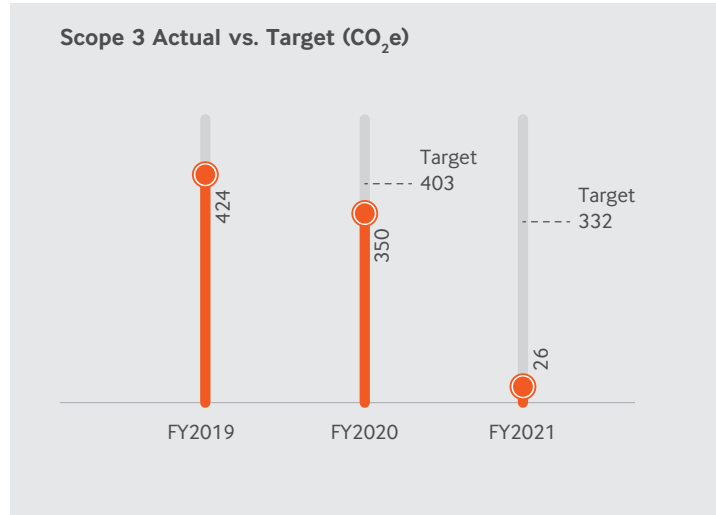
Head Office Buildings						
Building	Building Code	RM ('000)	kWh ('000)	kWh/m ²	kWh/FTE	tCO ₂ e
Menara AmBank, Jalan Yap Kwan Seng	MAB	782	1,550	52	815	907
Bangunan AmBank Group, Jalan Raja Chulan	BAG	709	1,429	52	822	836
Menara MBF, Jalan Sultan Ismail	MBF	126	230	32	994	134
Plaza See Hoy Chan, Jalan Raja Chulan	PSC	17	35	24	1,006	21
Damansara Fairway 3	DF3	1,680	4,268	637	4,353	2,497
Wisma AmFirst, Kelana Jaya	WAF	260	515	60	528	301
Wisma AmBank, Jalan Pudu	WAB	73	146	21	N/A	85
Total		3,648	8,172	93	884	4,781

Buildings and Branches					
Building/Location	RM ('000)	kWh ('000)	kWh/m ²	kWh/FTE	tCO ₂ e
Main Buildings	3,648	8,172	93	884	4,781
Branches	7,991	17,262	157	8,173	9,362
Total	11,639	25,434	128	3,056	14,142

SUSTAINABILITY THEME 2: CONSCIOUS SELF-CONDUCT

4. SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL

- **91.0% reduction** in Scope 3 emissions, which is **90.0%** higher than the set target primarily due to the travel restriction imposed during COVID-19
- Replaced **59,917** single-passenger car trips with shuttle service, saving a net of **56,851 km** of distance travelled by individual vehicles
- Approximately **5.39 tonnes of CO₂** emissions equivalent saved through shuttle service
- **97.0% reduction** in CO₂ emissions from business-related air travel

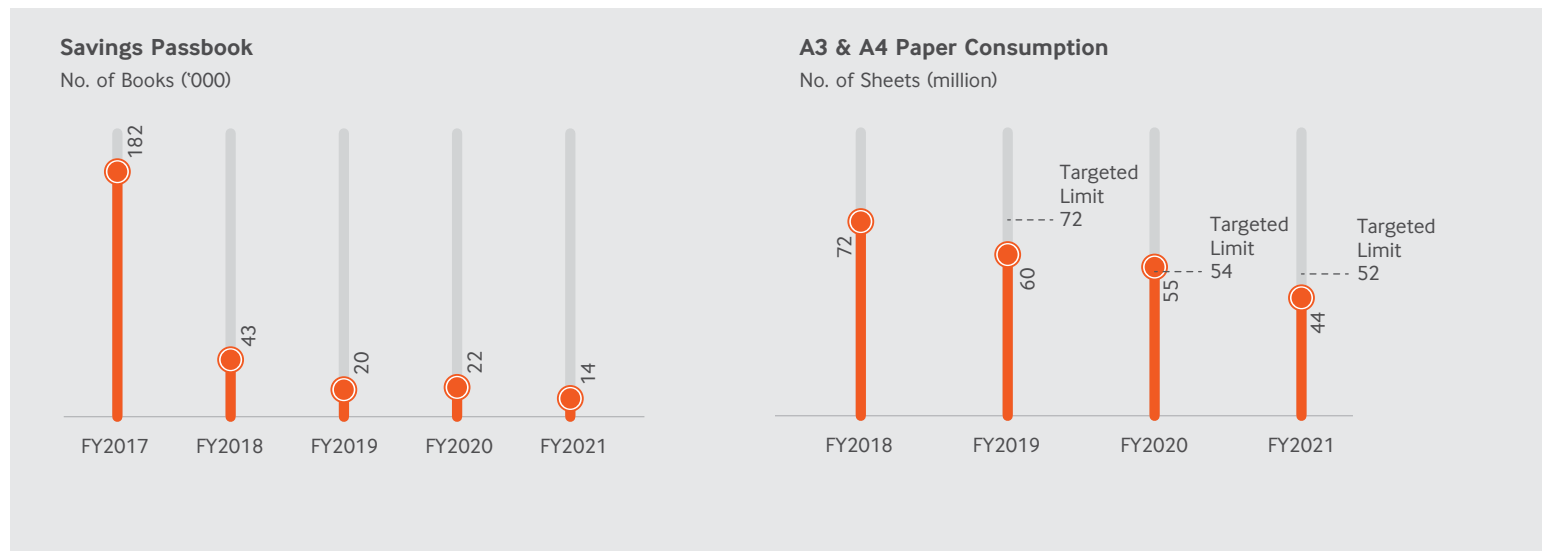


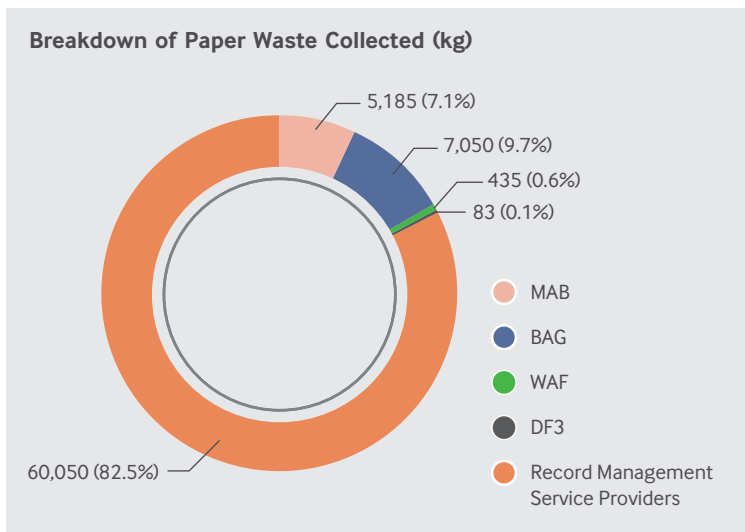
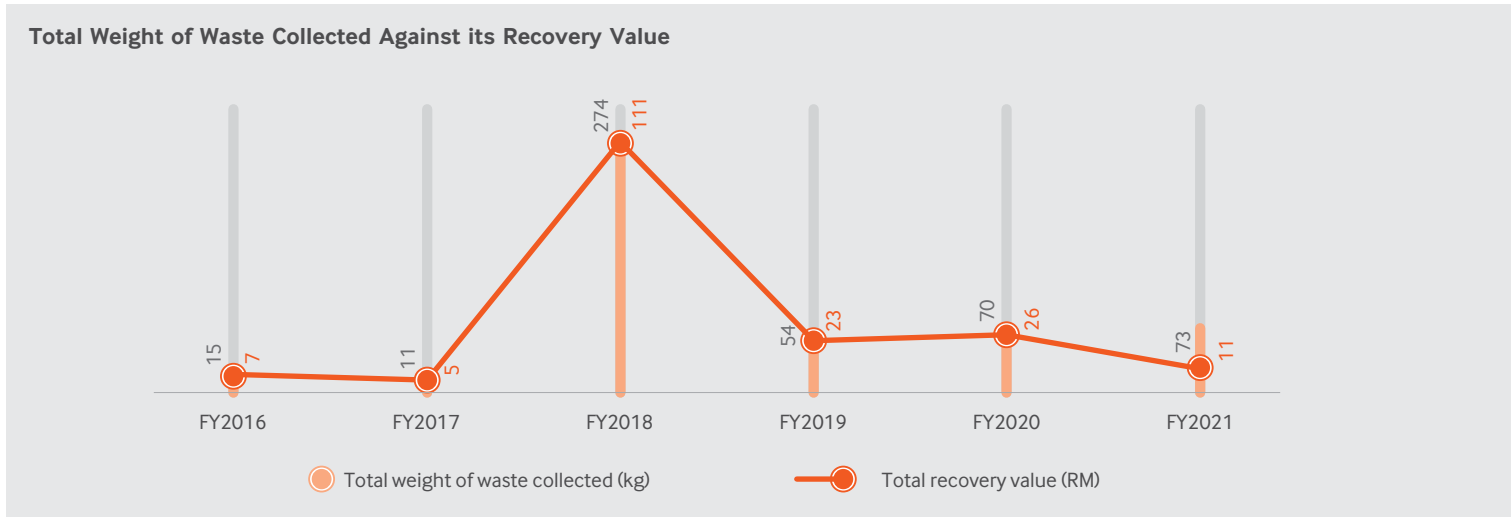
Scope 3 Emissions by Business Unit

Business Unit	tCO ₂ e		
	FY2019 (Restated)	FY2020	FY2021
AmBank & AmBank Islamic	298	212	21
Am General	88	113	4
AmInvestment	23	17	1
AmFunds	15	7	-
AmIslamic Funds Management	1	1	-
Total	424	350	26

5. RESPONSIBLE WASTE MANAGEMENT

- **36.0% reduction** in the number of savings passbooks as more customers opt for paperless transactions
- **20.0% reduction** in paper consumption, which is **16.0% higher** than our set target
- **RM11,000 in recovery value** for paper waste recycled by the third-party recycling vendor
- **Collected 3,593 kg** of recyclable waste from our Recycling Bins in Menara AmBank in FY2021 and recycled the waste through third-party recycling vendors





Type of Recyclable Waste	Weight (kg)
Plastics	150
Paper	1,977
Cardboard	1,348
Can	52
Metal	66
Total	3,593

6. ENVIRONMENTAL ACHIEVEMENTS

- **Zero environmental** non-compliances recorded

Environmental Milestones:			
FY2018	FY2019	FY2020	FY2021
<ul style="list-style-type: none"> a) Established the Environmental Commitment Statement b) Disclosure of initiatives under Energy Management and GHG Emissions c) Initiated GHG Emissions reporting for Scopes 1 and 2 	<ul style="list-style-type: none"> a) Established Group Environmental Policy b) Introduced full GHG emissions reporting for Scopes 1, 2 and 3 c) Launched the Energy Efficiency Plan d) Introduced Scope 2 emissions reduction target 	<ul style="list-style-type: none"> a) Established the Environmental Practice Guides (i.e., GHG Accounting and Reporting) b) Realignment of GHG Boundaries and Scope c) Introduced GHG Performance Indicators d) Introduced overall GHG emissions reduction target e) Launched the No Single-Use Plastic Programme 	<ul style="list-style-type: none"> a) Established the Group Energy Policy b) Established an Energy Management Forum c) Introduced carbon offsetting through the generation of renewable energy through solar panels d) Launched the Environmental Awareness Broadcast e) Introduced Sustainability KPIs

SUSTAINABILITY THEME 3: POSITIVE SOCIETAL IMPACT



We contribute to a more sustainable future by considering how we interact with our wider communities. As a strong advocate of inclusive economic growth and shared prosperity, we take a leading role in uplifting and empowering underserved communities. Our programmes are specifically cultivated to address social challenges, enabling us to give back to the communities in which we operate.



M10: Community Investments & Development

Why Is This Important?

Community empowerment benefits everyone because it provides the foundation for inclusive socio-economic growth. Investing in community development creates strong, diverse communities that can work together and overcome social issues that may arise. Effective community development programmes can lead to more job opportunities, less disparity and a higher standard of living. Real social progress comes with the economic empowerment of all communities.

From a business perspective, Corporate Social Responsibility (CSR) projects demonstrate our commitment to shared prosperity and sustainable development. It serves as an invaluable platform to promote our company values, improve corporate legitimacy and build strong relationships with stakeholders and the greater community. CSR programmes also offer employees an opportunity to volunteer and give back to society, thus fostering a sense of fulfilment that leads to a happier, more engaged work culture. This is particularly important in recruiting Millennial and Gen Z employees, who increasingly report sympathy for the needs of others in their local communities and across the globe¹⁴. Ultimately, a good CSR strategy contributes to positive business and socio-economic outcomes.

What Is Our Approach?

We actively invest in programmes that address common development issues faced by communities. We reach out to communities to understand their needs and circumstances, which we integrate into our community development programmes. Our CSR investments fall under the AmKasih Programme, which aims to enable social mobility and improve the quality of life across all levels of society. Each year, we channel a reasonable and equitable portion of our profits into our CSR programmes. We also give back to society through Zakat contributions, in which AmBank Islamic distributes funds to associations and charity homes that support underprivileged communities.

In addition to CSR programmes, we also give back to society through AmGroup Foundation. Established in 1985, the foundation receives and administers funds for educational, scientific, medical, charitable, religious and cultural benefits. Over the past 35 years, AmGroup Foundation continues to play a key role in social empowerment, mobility and inclusion. The mandates for AmGroup Foundation include:

Religion

- To subscribe, foster, develop and improve the knowledge of all forms of religion
- To grant donations for the construction of religious schools and places of worship



Research

- To foster, subscribe and contribute to scientific and medical research and teachings
- To provide and grant donations for medical and surgical facilities and services of all kinds



Education

- To foster, develop, and improve education according to the education laws of Malaysia
- To decide from time to time, in such manner, the generality of this provision, the founding and maintaining of scholarships and chairs at schools, colleges and universities in Malaysia



Human Rights

- To subscribe and grant donations to local or national institutions or organisations approved by the Director General of Inland Revenue, Malaysia
- To organise and support schemes for the relief of human suffering, improvement of the standard of human life, and treatment of sickness and disease



14 <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>

What Did We Do?

1. COVID-19 AID & ASSISTANCE

- **AmBank Islamic COVID-19 Assistance Programme:** Allocated RM498,000 of AmBank Islamic's business zakat fund to directly aid low-income groups affected by the ongoing pandemic. The programme aims to alleviate the financial burden of hawkers, small traders/entrepreneurs from among the members of *Amanah Ikhtiar Malaysia* (Sahabat AIM, 278 eligible Sahabat AIM members received cash assistance of RM250-RM300 per month for six months to support their daily expenses and help maintain their business operations.

2. FINANCIAL LITERACY

- **Financial Industry Collective Outreach (FINCO):** Continued to support FINCO's goal of providing underprivileged communities and youth with the guidance and educational tools needed to achieve their life goals. We actively participated in FINCO programmes, such as FINCO Reads, FINCO Mentor, as well as FINCO's new pilot programme, FINCO Good SENS (Social Enterprise Network for Schools), which builds on current efforts of financial industry members and supports Malaysia's national strategy for financial literacy. In view of the current situation, AmBank donated 20 decommissioned laptops for this programme as the sessions will be conducted online during the pandemic.
- **AmBank-USM Financial Literacy Programme:** Began establishing a corporate sustainability module with *Universiti Sains Malaysia* (USM), in line with the government's initiative to increase the awareness and level of financial literacy amongst Malaysians. The module comprises four aspects i.e., Financial Health, Financial Stability, Financial Independence and Entrepreneurship. Through this collaboration, we aim to increase the financial literacy of the B40 community within and surrounding *Universiti Sains Malaysia* (USM), *Universiti Malaysia Sabah* (UMS), International Islamic University of Malaysia (IIUM) and *Amanah Ikhtiar Malaysia* (AIM); preparing them for a better future. Our target is to reach 5,000 people by March 2022.

3. COMMUNITY HEALTH & SAFETY

- **Group OSH CSR Project with Community:** Improved the health and safety awareness for communities in Jalan Hj Taha, Sarawak and Jalan Munshyi, Melaka. The Group OSH personnel held various health and safety activities, including:
 - Setting up an OSH Booth with the Department of Occupational Safety & Health (DOSH), Ministry of Health (MOH) and *Jabatan Kesihatan* Kuching;
 - Providing free health drinks (i.e., Vitagen and Farm Fresh);
 - Organising a Blood Donation with Blood Bank and Normah Medical Specialist Centre;
 - Offering free health screening at Normah Medical Specialist Centre (Sarawak) and Beacon Hospital (Melaka); and
 - Organising a DOSH Talk on OSH Laws, Ergonomic and Noise Requirements (Industrial Code of Practice-ICOP).

4. COMMUNITY OUTREACH & WELFARE

- **AmKasih Urban Hard-Core Poor Food Aid Programme:** Collaborated with Mydin Mohamed Holdings Berhad to reach out to communities across the country and conduct food aid initiatives. We provided an allowance to 100 families from targeted groups to help offset the cost of their essential daily food items. Through this programme, we will also be carrying out a series of empowerment programmes for the 500 families from the food aid programme to educate them on critical topics, such as women empowerment, entrepreneurship, financial literacy and motivational talks. This is in addition to providing the children with free tuition and an English proficiency class to enhance their education standards.



Syed Anuar Syed Ali, Executive Vice President, Group Corporate Communications and Marketing, AmBank Group (6th from right) presenting the mock card to Encik Ahimmat Mydin, Executive Director, Mydin Mohamed Holdings Berhad (5th from left) to signify the official launch of AmBank E-Wallet Food Aid Programme for Urban Hard-Core Poor Families in collaboration with MYDIN on 7 October 2019. Also present were Cik Hajah Alimah Salam, Vice President, PERTIWI (5th from right) and Encik Yaacob Omar, Director, Corporate Communications, Amanah Ikhtiar Malaysia (3rd from left) along with the staff of AmBank Group and MYDIN.

* Images used in the Annual Report may have been taken before physical distancing SOP came into force. COVID-19 SOPs such as obligatory face masks and 1-meter physical distancing are observed after rules are in place. As some images may have been taken prior to these measures, they may not reflect this.

SUSTAINABILITY THEME 3: POSITIVE SOCIETAL IMPACT

- Malaysian Zoological Society:** Pledged our continued support for the upkeep and maintenance of the three Dromedary Camels at Zoo Negara through its renewal of Camel Sponsorship.
- AmBank-The Lost food Project (TLFP) Food Bank Collaboration:** Partnered with TLFP to reduce food wastage and be part of a collective effort to eliminate hunger among the B40 Community. Through our contribution, we aim to increase the food surplus collection to 18,000 kg per month for one year, reaching out to 55 charity organisations, including charity homes, community centre and *Program Perumahan Rakyat* (PPR) in Klang Valley. To date, our contribution has helped TLFP in their total collection of 101,312 kg food surplus in March 2021. Additionally, we are enabling our clients to donate to TLFP via the redemption of AmBonus and Bonuslink points to cash, as well as direct contributions via AmOnline.



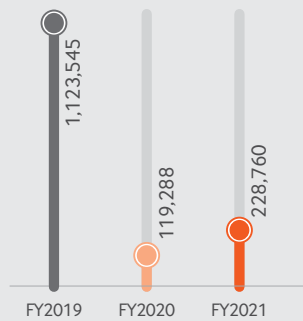
From left – Dato’ Sulaiman Mohd Tahir, Group Chief Executive Officer, AmBank Group, Tan Sri Azman Hashim, Chairman, AmBank Group and Mr Mohd Syazwan Mokhtar, General Manager, TLFP in support of collective effort to eliminate hunger among the underprivileged community arising from the pandemic.

- The Malaysian Armed Forces:** In recognition of the Malaysian Armed Forces, we prepared a special 'Hari Raya Food Package' for 20,000 of their personnel that were on duty during the festive period.

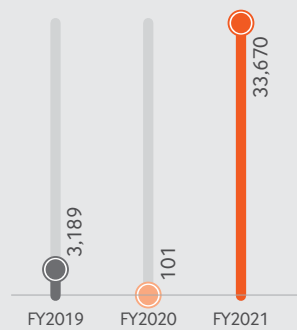
What Did We Achieve?



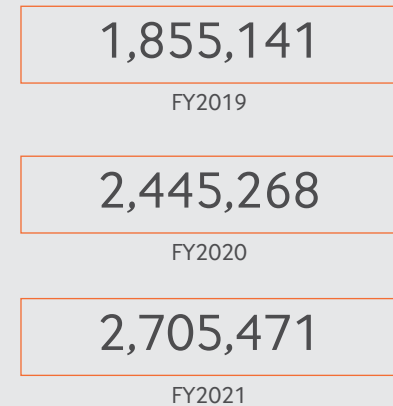
Total Investments (RM)



Total People Reached & Institutions Sponsored



Total Zakat Contributed (RM)



ADDITIONAL INFORMATION

WORKPLACE STATISTICS

Age Distribution	FY2020	FY2021
20-25 years old	3.0%	2.0%
26-30 years old	14.0%	14.0%
31-35 years old	19.0%	18.0%
36-40 years old	19.0%	18.0%
41-45 years old	18.0%	18.0%
46-50 years old	14.0%	15.0%
> 50 years old	13.0%	15.0%
Total	100%	100%

Employee Breakdown by Business Unit	Female		Total	Male		Total
	FY2020	FY2021		FY2020	FY2021	
AmAssurance-General	9.0%	9.0%	861	6.0%	6.0%	524
Business Banking	2.0%	2.0%	191	2.0%	2.0%	156
Investment Banking (incl. Subsidiaries)	3.0%	2.0%	213	2.0%	2.0%	212
Islamic Banking	<1.0%	<1.0%	43	<1.0%	<1.0%	36
Retail Banking	28.0%	29.0%	2,761	15.0%	15.0%	1,448
Wholesale Banking	3.0%	3.0%	307	2.0%	2.0%	192
Group Information & Ops Div	9.0%	9.0%	829	6.0%	6.0%	593
Group Shared Services	8.0%	8.0%	722	5.0%	4.0%	414
Total	62.0%	62.0%	5,927	38.0%	38.0%	3,575

Seniority Years of Service (YOS)	Female		Male	
	FY2020	FY2021	FY2020	FY2021
Less 2 years	56.0%	56.0%	44.0%	44.0%
> 2-5 years	59.0%	59.0%	41.0%	41.0%
> 5-10 years	66.0%	67.0%	34.0%	33.0%
> 10-15 years	70.0%	66.0%	30.0%	34.0%
> 15-20 years	61.0%	67.0%	39.0%	33.0%
> 20 years	63.0%	63.0%	37.0%	37.0%
Total	62.0%	62.0%	38.0%	38.0%

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Employment Contract	Female		Male	
	FY2020	FY2021	FY2020	FY2021
Contract	1.0%	<1.0%	1.0%	1.0%
Permanent	62.0%	62.0%	37.0%	37.0%
Total	62.0%	62.0%	38.0%	38.0%

Percentage of workforce by working level	Female		Male	
	FY2020	FY2021	FY2020	FY2021
Top Management/Senior Management	<1.0%	<1.0%	<1.0%	<1.0%
Mid Management	8.0%	8.0%	8.0%	8.0%
Professional/Specialist	44.0%	45.0%	24.0%	25.0%
Non-Executive	10.0%	10.0%	5.0%	5.0%
Total	62.0%	62.0%	38.0%	38.0%

INDEPENDENT ASSURANCE STATEMENT



SIRIM QAS INTERNATIONAL SDN. BHD. (410334-X)
 SIRIM Complex,
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 40700 Shah Alam, Selangor Darul Ehsan, Malaysia.
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INDEPENDENT ASSURANCE STATEMENT (PARTIAL)

Scope and Objective










SIRIM QAS International Sdn. Bhd., a Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by AMMB Holdings Berhad (hereafter referred to as AmBank Group) to perform an independent verification and provide partial assurance of AmBank Group Sustainability Statement 2021. The main objective of verification process is to provide assurance to AmBank Group and its stakeholders of the accuracy and reliability of the selected information presented in the Sustainability Statement. This was confirmed through reviewing and verifying claims made in the statement. The verification audit by SIRIM QAS International covered only sustainability-related activities selected by AmBank Group (as listed in page two of this statement) which had been included in AmBank Group Sustainability Report of the Integrated Annual Report 2021.

The management of AmBank Group was responsible for the preparation of the Sustainability Statement. The objectivity and impartiality of this verification statement 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 the AmBank Group Integrated Annual Report 2021.

Verification team

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Ms. Kamini Sooriamoorthy : Team Member
- 3) Ms. Farhanah Md. Shah : Team Member

ISO/IEC 17024:2018 QAS 00121990 CB 01 ISO/IEC 17025:2018 QAS 00121990 CB 02 ISO/IEC 17065:2013 PC 00102004 CB 01 ISO/IEC 17021:2015 QAS 00121990 CB 01 ISO/IEC 17024:2018 QAS 00121990 CB 02 ISO/IEC 17025:2018 QAS 00121990 CB 01 ISO/IEC 17021:2015 QAS 00121990 CB 02 ISO/IEC 17025:2018 QAS 00121990 CB 01 ISO/IEC 17021:2015 QAS 00121990 CB 02	MS ISO/IEC 17025 CALIBRATION TESTING SAMM NO.080 SAMM NO.086 SAMM NO.088 SAMM NO.098 SAMM NO.235 SAMM NO.242 SAMM NO.238 SAMM NO.277	MS ISO/IEC 17025 MIBAS NO. 903 074	
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Methodology

The verification process was carried out by SIRIM QAS International in May 2021. It covers the selected sustainability-related activities as follows:

No.	Topic	Page no. Sustainability Report of the Integrated Annual Report 2021
1	Materiality Matters: Sustainability @ AmBank	133
2	Governance: Sustainability Governance	136 – 137
3	Occupational Safety & Health: Conducive, Safe & Healthy Workplace	162 – 164, 167 & 185
4	Human Resource: Capability Development	165 – 166 & 168 – 173
5	Procurement: Responsible Procurement	173 – 175
6	Environment: Energy, Plastic & Waste Management	175 – 183

The verification involved the following activities:

Reviewing and verifying the accuracy of data collected from various sources and that are presented in the statement;

Reviewing of internal and external documentation and displays such as awards, press releases, media publications, internal newsletters, internal systems, etc.;

Interviewing of key personnel responsible for collating information and writing various parts of the Sustainability Report in order to substantiate the veracity of the claims;

Evaluating the adequacy of the Sustainability Statement of AmBank Group and its overall presentation against the GRI Standards.

During the verification process, issues were raised and clarifications were sought from the management of AmBank Group relating to the consistency of some of the data and statements provided. The Sustainability Statement was subsequently reviewed and revised by AmBank Group in response to the findings of the verification team. It can be confirmed that the changes

INDEPENDENT ASSURANCE STATEMENT

that have been incorporated into the final version of the Sustainability Statement satisfactorily addressed the issues that had been raised.

Limitations

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in AmBank Group Integrated Annual Report 2021;
- The verification was designed to provide limited assurance irrespective of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- The verification process did not include physical inspections of any of AmBank's corporate offices and operating assets. It has been carried out through remote assessment during Malaysia Movement Control Order; and
- The verification team did not verify any contractor or third-party data.

Materiality Matters

AmBank Group continued prioritizing and focusing their sustainability journey in areas relevant to their material matters concluded from the materiality assessment together with that finalized as material in view of the global trends and risks. From the latest materiality assessment conducted within the reporting period, AmBank Group has identified ten matters that are substantial to their sustainability agenda, with one new topic from the last financial year.

Greenhouse Gases (GHG) emissions and Carbon footprint

AmBank Group has maintained the reporting of Direct GHG Emissions (Scope 1), Indirect GHG Emissions from imported energy (Scope 2), and Indirect GHG Emissions from other sources (Scope 3). The GHG emission identification and quantification has been carried out internally with reference to ISO 14064-1:2018 requirements with the following boundaries. The verification of data reported was carried out in reference to the requirements of ISO 14064-3:2019.

- The Scope 1 emissions from fuel consumption by company-owned vehicles;
- The Scope 2 emissions resulting from electricity consumption by the Group;
- The Scope 3 covers emissions from employee's travel resulted from air travelling and the provision of outsourced shuttle service for employee commuting to and fro Wisma AmFirst to Glenmarie LRT station and Damansara Fairway 3 to Kelana Jaya LRT station.

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AmBank Group has continued to implement numbers of GHG programs as measures to manage their GHG emissions with the goal to reduce and minimize the organization carbon footprints. AmBank Group has established a plausible target for GHG emissions reduction and/or overall saving towards FY2023. Apart from the ongoing reduction programs, AmBank Group has instigated the installation of solar panels in one their buildings as their commitments towards generating cleaner energy and offsetting portions of their current carbon emissions.

Conclusion

Based on the selected topics and information provided during the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of relevant data included in the AmBank Group Sustainability Statement 2021 is fair and acceptable;
- The selected content and quality were well established. The level of sustainability performance information in the statement was found to be acceptable;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the statement;
- AmBank Group has satisfactorily addressed, in the final version of the Sustainability Statement 2021, all issues that had been raised during the assessment.

Prepared by:



AERNIDA ABDUL KADIR

Verification Team Leader
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date: 28 May 2021

Approved by:



MOHD HAMIIM BIN IMAM MUSTAIN

Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.
Date: 28 May 2021

Note:

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

GRI CONTENT INDEX

The AmBank's 2021 Sustainability Statement has been prepared in accordance to the **Global Reporting Initiative (GRI) Sustainability Reporting Guidelines: Core Option**. The following table presents the GRI Content Index prepared by AmBank Group.

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, Reference	Page Numbers	Full or Partial Disclosure
ORGANISATIONAL PROFILE				
102-1	Name of organisation [®]	AMMB Holdings Berhad.	a	Full
102-2	Activities, brands, products, and services [®]	Delivering Values to Our Customers & What We Do.	05 & 11	Full
102-3	Location of headquarters [®]	Kuala Lumpur, Malaysia.	03	Full
102-4	Location of operations [®]	Where We Operate.	10	Full
102-5	Ownership and legal team [®]	AMBB Holdings Berhad.	05	Full
102-6	Markets served [®]	AmBank Group serves 170 branches and 15 regional offices, with over three million customers all over Malaysia.	05 & 10	Full
102-7	Scale of organisation [®]	Circa 10,000 AmBankers, 170 number of operations, RM8,412.6 million operation revenue, RM9.0 billion in market capitalisation, with different products and services offered under our core business segments.	05, 11 & 65	Full
102-8	Information on employees and other workers [®]	Workplace Statistics In FY2021, AmBank Group have 62.0% permanent female and 37.0% male employees.	187	Full
102-9	Supply chain [®]	M8: Responsible Procurement – What Did We Achieved? 1,225 total suppliers with 1,129 active local suppliers and RM539.1 million total contributions to suppliers.	175	Full
102-10	Significant changes to the organisation and its supply chain [®]	There were no significant changes in the organisation and supply chain in FY2021.	128 – 129	Full
102-11	Precautionary Principle or approach [®]	Sustainability Framework We are guided by AmBank Group's Sustainability Framework, which supports a precautionary approach to environmental risks and impacts.	131	Full
102-12	External initiatives [®]	M10: Community Investment and Development – What Did We Do? We continue to contribute and support FINCO's goal, as well as actively participated in FINCO's programmes to supports Malaysia's national strategy for financial literacy.	185	Full
102-13	Membership of associations [®]	Memberships & Associations We actively participate in various associations and memberships to share our resources and gain industry insights on sustainability best practices. The list of memberships & associations is included within the report.	142	Full
STRATEGY				
102-14	Statement from senior decision maker [®]	Leadership Commitment on Sustainability by the GCEO	128 – 129	Full
102-15	Key impacts, risks, and opportunities	The importance, risks and opportunities of AmBank Group's sustainability matters are further elaborated within the report.	134 – 135	Full
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour [®]	We are guided by AmBank's Group Vision and Mission as well as Values: Principled, Proactive, Appreciative, Connected, Evolving.	04, 37	Full
GOVERNANCE				
102-18	Governance Structure [®]	Sustainability Governance Our sustainability governance structure ensures strong oversight and execution of sustainability-related strategies.	136	Full

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STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder group [®]	AmBank's list of stakeholder groups is included within the Integrated Report.	38 – 39	Full
102-41	Collective bargaining agreement [®]	M7: Employee Development & Well-being – What Did We Do? 12% of total employees covered by collective bargaining agreements.	166	Full
102-42	Identifying and selecting stakeholders [®]	We identify and select our stakeholders based on their influence on the business, and their impact of the business on the stakeholders.	38 – 39	Full
102-43	Approach to stakeholder engagement [®]	Our approach to key stakeholder groups are all undertaken as part of the report preparation process.	38 – 39	Full
102-44	Key topics and concerns raised [®]	We take into account the feedback received from our stakeholders, which is elaborated in the Integrated Report.	38 – 39	Full
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements [®]	All entities are covered in our in our Financial Statements for the 2020 financial year.		Full
102-46	Defining report content and topic boundaries [®]	Sustainability Disclosures This sustainability statement covers information pertaining to our three main subsidiaries: AmBank (M) Berhad; AmBank Islamic Berhad; and AmInvestment Bank Berhad.	130	Full
102-47	List of material topics [®]	Sustainability Q AmBank Group We have identified ten Sustainability Matters that are material to our sustainability agenda, which are referred to as "Sustainability Matters".	134	Full
102-48	Restatements of information [®]	Employee data for total compensation was corrected for FY2020.	165	Full
102-49	Changes in reporting [®]	Sustainability Q AmBank Group Following a materiality assessment, we have revised, regrouped and reprioritised our Sustainability Matters.	133	Full
102-50	Reporting period [®]	Sustainability Disclosures The AmBank Sustainability Statement includes information for the period 1 April 2020 to 31 March 2021 (FY2021), unless stated otherwise.	130	Full
102-51	Date of most recent report [®]	Sustainability Disclosures The previous report was published in April 2020.	130	Full
102-52	Reporting cycle [®]	Annual.	130	Full
102-53	Contact point for questions regarding the report [®]	Please contact our sustainability team at +603-2167 3661.	130	Full
102-54	Claims of reporting in accordance with the GRI Standards [®]	This Sustainability Statement has been prepared in accordance with the GRI Standards: Core option'.	130	Full
102-55	GRI content index [®]	This document.	193 – 199	Full
102-56	External assurance [®]	Independent Assurance Selected areas in this Sustainability Statement was verified by an external auditor, SIRIM QAS International.	189 – 192	Full

TOPIC-SPECIFIC DISCLOSURES

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, Reference	Page Numbers	Full or Partial Disclosure
 RESPONSIBLE BANKING				
 M1: Customer Satisfaction & Responsible Sales and Marketing				
103-1	Explanation of the material topic and its Boundary	M1: Customer Satisfaction & Responsible Sales and Marketing – Why is This Important?	145	Full
103-2	The management approach and its components	M1: Customer Satisfaction & Responsible Sales and Marketing – What is Our Approach?	145	Full
103-3	Evaluation of the management approach	M1: Customer Satisfaction & Responsible Sales and Marketing – What Did We Do?	145	Full
417-2	Incidents of non-compliance concerning marketing communications	M1: Customer Satisfaction & Responsible Sales and Marketing – What is Our Approach? We did not receive any non-compliances with relevant regulations concerning marketing communications.	145	Partial
Non-GRI Disclosure	Net Promoter Score (NPS)	M1: Customer Satisfaction & Responsible Sales and Marketing – What Did We Achieve? Ranked 1st in CSAT score and NPS amongst AmBank Group customers.	147	–
	Customer Compliments	M1: Customer Satisfaction & Responsible Sales and Marketing – What Did We Achieve? We received a 45.0% YoY increase in Customer Compliments.	147	–
 M2: Brand & Market Presence				
103-1	Explanation of the material topic and its Boundary	M2: Brand & Market Presence – Why is This Important?	148	Full
103-2	The management approach and its components	M2: Brand & Market Presence – What is Our Approach?	148	Full
103-3	Evaluation of the management approach	M2: Brand & Market Presence – What Did We Do?	148	Full
Non-GRI Disclosure	Solid Branding Strategy	M2: Brand & Market Presence – What Did We Achieve? The Group’s branding strategy encompasses our branding, communications, and marketing activities governed by our Brand Governance.	148	–
 M3: Data Security & Digital Transformation				
103-1	Explanation of the material topic and its Boundary	M3: Data Security & Digital Transformation – Why is This Important?	149	Full
103-2	The management approach and its components	M3: Data Security & Digital Transformation – What is Our Approach?	149	Full
103-3	Evaluation of the management approach	M3: Data Security & Digital Transformation – What Did We Do?	149	Full
203-1	Infrastructure investments and services supported	M3: Data Security & Digital Transformation – What Did We Do? We offer cashless solutions via JomPAY, DuitNow and mTAP in support of BNM’s cashless agenda, which are offered to government agencies, universities and religious institutions.	150	Full
Non-GRI Disclosure	Online Customer Growth	M3: Data Security & Digital Transformation – What Did We Achieve? 137.0% increase in AmAccess Biz customers, 28.0% increase in AmOnline customers. 35.0% and 2,782% increase in transaction volume for AmOnline and AmAccess Biz, respectively.	151	–
	Cybersecurity	M3: Data Security & Digital Transformation – What Did We Achieve? Scored 100.0% on SC Capital Market Cyber Drill Simulation.	152	–

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 RESPONSIBLE BANKING (CONT.D')				
 M4: Responsible Lending & Source of Funds				
103-1	Explanation of the material topic and its Boundary	M4: Responsible Lending & Source of Funds – Why is This Important?	153	Full
103-2	The management approach and its components	M4: Responsible Lending & Source of Funds – What is Our Approach?	153	Full
103-3	Evaluation of the management approach	M4: Responsible Lending & Source of Funds – What Did We Do?	154	Full
203-1	Infrastructure investments and services supported	M4: Responsible Lending & Source of Funds – What is Our Approach? & What Did We Do? Through our COVID-19 Financing, Empowering SMEs and Start-ups initiatives, we offer funding opportunities for SMEs, start-ups, micro-SMEs. With our Financial Literacy programmes, we help communities to improve their financial, credit and debt management knowledge.	153	Full
203-2	Significant indirect economic impacts	M4: Responsible Lending & Source of Funds – What Did We Achieve? RM22.60 billion contributed to the SME sector through loans and financing, RM60.00 million channelled for start-ups via SME Biz Start-up-I, close to 12,000 SME leaders engaged since AmBank BizCLUB's inception.	156	Partial
 M5: Responsible Investment & Advisory Services				
103-1	Explanation of the material topic and its Boundary	M5: Responsible Investment & Advisory Services – Why is This Important?	157	Full
103-2	The management approach and its components	M5: Responsible Investment & Advisory Services – What is Our Approach?	157	Full
103-3	Evaluation of the management approach	M5: Responsible Investment & Advisory Services – What Did We Do?	157	Full
Non-GRI Disclosure	Sustainable and Responsible Investment	M5: Responsible Investment & Advisory Services – What is Our Approach? We adopted the ASEAN Green Bonds Standards (GBS), and the first financial institution to raise the ASEAN Green Bond, and the first GREEN SRI Sukuk for a listed Group. We are guided by both Securities Commission's SRI Roadmap and BNM's VBIAF.	157	–
 CONSCIOUS SELF-CONDUCT				
 M6: Ethics, Governance & Compliance				
103-1	Explanation of the material topic and its Boundary	M6: Ethics, Governance & Compliance – Why is This Important?	158	Full
103-2	The management approach and its components	M6: Ethics, Governance & Compliance – What is Our Approach?	158 – 159	Full
103-3	Evaluation of the management approach	M6: Ethics, Governance & Compliance – What Did We Do?	160	Full
102-17	Mechanisms for advice and concerns about ethics	M6: Ethics, Governance & Compliance – What is Our Approach? Through our Whistleblower Protection Policy (WPP), stakeholders are encouraged to report any corruption or malpractices, with the whistleblowing process outlined in the report.	159	Partial
102-25	Conflicts of Interest	Sustainability Governance – M6: Ethics, Governance & Compliance Our Management on Conflict-of-Interest Policy ensures that any conflict of interests is properly managed and/or mitigated with high standards of professionalism, integrity and fair dealing.	140	Partial

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, Reference	Page Numbers	Full or Partial Disclosure
 CONSCIOUS SELF-CONDUCT (CONT.D')				
 M6: Ethics, Governance & Compliance (cont.d')				
419-1	Non-compliance with laws and regulations in the social and economic area	M6: Ethics, Governance & Compliance – What Did We Do & What Did We Achieve? With our strong compliance culture, we reported zero fines and penalties against regulatory compliance.	160	Partial
205-1	Operations assessed for risks related to corruption	M6: Ethics, Governance & Compliance – What Did We Achieve? In FY2021, a total of 277 internal audits was conducted, with 90.0% satisfactory in audit rating.	160	Partial
205-2	Communication and training about anti-corruption policies and procedures	M6: Ethics, Governance & Compliance – What Did We Do & What Did We Achieve? We organised 72 compliance training and awareness sessions, with a total of 18,331 employees reached.	160	Partial
Non-GRI Disclosure	Governance-related ratings	M6: Ethics, Governance & Compliance – What Did We Achieve? 4.3 out of 5.0 on FTSE4Good and 5.5 out of 10.0 on MSCI ESG Rating.	160	–
 M7: Employee Development & Well-being				
103-1	Explanation of the material topic and its Boundary	M7: Employee Development & Well-being – Why is This Important?	161	Full
103-2	The management approach and its components	M7: Employee Development & Well-being – What is Our Approach?	161	Full
103-3	Evaluation of the management approach	M7: Employee Development & Well-being – What Did We Do?	161	Full
401-1	New employee hires and employee turnover	M7: Employee Development & Well-being – What Did We Achieve? Employee retention rate is 97.0% and employee turnover rate is 10.0%. A breakdown of these figures is provided in the report.	171	Full
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	M7: Employee Development & Well-being – What Did We Do? Full-time employees are provided with healthcare through a digital health app, as well as parental leave benefits.	166	Partial
401-3	Parental leave	M7: Employee Development & Well-being – What Did We Achieved? A total of 100% retention rates of employees took parental leave, with details provided in the report.	172	Full
403-1	Occupational health and safety management system	M7: Employee Development & Well-being – What is Our Approach? We have OSH measures in place to mitigate safety risks. We also conduct OSH inspection audits, Virtual Wellness Talk Series, Groupwide OSH communication and regular training seminars.	161	Partial
403-2	Hazard identification, risks assessment, and incident investigation	M7: Employee Development & Well-being – What Did We Do? We conduct Hazard Identification, Risk Assessment & Determine Control (HIRADC) Virtual Training to help employees identify OSH risks associated in their activities.	162	Partial
403-3	Occupational health services	M7: Employee Development & Well-being – What Did We Do? We have a stringent OSH policy that protects our employees against OSH risks, accidents and injuries. We also conduct OSH inspection audits, training and wellness talk for our employees.	162	Full
403-4	Worker participation, consultation, and communication on occupational health and safety	M7: Employee Development & Well-being – What Did We Do? Group OSH committee plans and publish periodic OSH memorandums, prohibitions and updates within AmConnected. We also conduct a biannual OSH Feedback Solicitation initiative, and upload Group OSH Manual, SOP, Procedures and New Revise Group OSH Policy in the OSH Portal.	163	Full

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 CONSCIOUS SELF-CONDUCT (CONT.D')				
 M7: Employee Development & Well-being (cont.d')				
403-5	Worker training on occupational health and safety	M7: Employee Development & Well-being – What Did We Do? In FY2021, we conducted various OSH-Related Virtual Training Programmes.	162	Full
403-6	Promotion of workers health	M7: Employee Development & Well-being – What Did We Do? We held Virtual Wellness Talk Series for all employees, covering a range topic including Workplace Ergonomic, Mental Health, Healthy Eating, Lifestyle Disease and others.	163	Full
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	M7: Employee Development & Well-being – What Is Our Approach? We adopt a 'Prevention Is Better Than Cure' approach to OSH, as elaborated in the report.	161	Full
403-9	Work-related injuries	M7: Employee Development & Well-being – What Did We Achieve? OSH Incidents/Data is reported within the report.	167	Full
404-1	Average hours of training per employee	M7: Employee Development & Well-being – What Did We Achieve? Average training hours per employee: 47 hours. Details of employee category is within the report.	169	Full
404-2	Programs for upgrading employee skills and transition assistance programs	M7: Employee Development & Well-being – What Did We Achieve? We have several Talent Development & Succession Planning programmes for our employees.	169	Partial
405-1	Diversity of governance bodies and employees	M7: Employee Development & Well-being – What Did We Achieve? 59.0% Top/Senior Management are held by women, whilst 22.0% of Board Directors are female.	172	Full
405-2	Ratio of basic salary and remuneration between male & female employees	M7: Employee Development & Well-being – What Did We Achieve? Average monthly basic salary and total compensation data are included within this report.	173	Partial
102-38	Annual total compensation ratio	M7: Employee Development & Well-being – What Did We Achieve? Total compensation for different groups of employees: 45.0%.	172	Partial
 M8: Responsible Procurement				
103-1	Explanation of the material topic and its Boundary	M8: Responsible Procurement – Why is This Important?	173	Full
103-2	The management approach and its components	M8: Responsible Procurement – What is Our Approach?	173	Full
103-3	Evaluation of the management approach	M8: Responsible Procurement – What Did We Do?	174	Full
204-1	Proportion of spending on local suppliers	M8: Responsible Procurement – What Did We Achieved? RM449.3 million contributed to local suppliers (83.3% of procurement spending).	175	Full
308-1	New suppliers that were screened using environmental criteria	M8: Responsible Procurement – What Did We Achieved? Suppliers are assessed based on the Environmental Sustainability criteria.	175	Partial
414-1	New suppliers that were screened using social criteria	M8: Responsible Procurement – What Did We Do? New suppliers are assessed based on the Supplier Code of Conduct & Anti-Bribery and Corrupt Practices, Business Integrity & Governance, Safety & Social Performance criteria.	174	Partial

GRI Standards	Brief Description of the Disclosures	Brief Information on Key Disclosures, Reference	Page Numbers	Full or Partial Disclosure
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CONSCIOUS SELF-CONDUCT (CONT.D')



M9: Energy, Plastics & Waste Management

103-1	Explanation of the material topic and its Boundary	M9: Energy, Plastics & Waste Management – Why is This Important?	175	Full
103-2	The management approach and its components	M9: Energy, Plastics & Waste Management – What is Our Approach?	175	Full
103-3	Evaluation of the management approach	M9: Energy, Plastics & Waste Management – What Did We Do?	177	Full
302-1	Energy consumption within the organisation	M9: Energy, Plastics & Waste Management – What Did We Achieved? Total energy consumption: 25,434,000 kWh.	181	Full
302-4	Reduction of energy consumption	M9: Energy, Plastics & Waste Management – What Did We Achieved? 10.4% reduction in energy consumption.	181	Full
305-1	Direct (Scope 1) GHG emissions	M9: Energy, Plastics & Waste Management – What Did We Achieved? Scope 1 emissions: 57.84 tCO ₂ e (43.0% reduction).	180	Full
305-2	Energy indirect (Scope 2) GHG emissions	M9: Energy, Plastics & Waste Management – What Did We Achieved? Scope 2 emissions: 14,142 tCO ₂ e (10.4% reduction).	181	Full
305-3	Other indirect (Scope 3) GHG emissions	M9: Energy, Plastics & Waste Management – What Did We Achieved? Scope 3 emissions: 32 tCO ₂ e (91.0% reduction).	182	Full



POSITIVE SOCIETAL IMPACT



M10: Community Investment and Development

103-1	Explanation of the material topic and its Boundary	M10: Community Investment and Development – Why is This Important?	184	Full
103-2	The management approach and its components	M10: Community Investment and Development – What is Our Approach?	184	Full
103-3	Evaluation of the management approach	M10: Community Investment and Development – What Did We Do?	185	Full
203-1	Infrastructure investments and services supported	M10: Community Investment and Development – What Did We Do & What We Achieved? RM228,760 total investment in community development programmes.	186	Full
413-1	Operations with local community engagement, impact assessment, and development programs	M10: Community Investment and Development – What Did We Do? Through AmKasih and AmGroup Foundation, we engage and contribute to the development of local communities.	185 – 186	Partial

1 Overview of Ambank Group

2 Key Messages

3 Value Creation at Ambank Group

4 Management Discussion and Analysis

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5 Leadership

6 Responsible Governance

7 Sustainability Statement

8 Other Information