

# CREATING A POSITIVE IMPACT

GROWING TRUST, CONNECTING PEOPLE



# ABOUT OUR REPORT

AMMB Holdings Berhad's Sustainability Report (AmBank Group Sustainability Report 2022) presents our sustainability progress and performance. It provides disclosures on how we create positive environmental and social impacts for the betterment of the broader society. This Sustainability Report acts as a supplement to our Integrated Report 2022, which demonstrates how we create value and balance the needs of all our stakeholders.

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

## Reporting Framework



Integrated Report



Sustainability Report



Financial Report

### Integrated Report

#### CONTENT

Provides a comprehensive overview of AmBank Group's performance, Corporate Governance Statements, milestones and achievements as well as demonstrates how we create value and balance the needs of all its stakeholders for the financial year ended 31 March 2022 (FY2022), and its outlook for the financial year ending 31 March 2023 (FY2023).

#### FRAMEWORKS & GUIDELINES

- International Integrated Reporting Framework (IIRF) of the International Integrated Reporting Council (IIRC)
- Main Market Listing Requirements (MMLR) of Bursa Securities Malaysia Berhad (Bursa Securities)
- Corporate Governance Guide (3<sup>rd</sup> Edition) issued by Bursa Securities
- Companies Act 2016
- Securities Commission Malaysia (SC) Malaysian Code on Corporate Governance 2021
- Global Reporting Initiative (GRI) Standards

### Sustainability Report

#### CONTENT

Presents our sustainability progress and performance. It provides disclosures on how we create positive environmental and social impacts for the betterment of the broader society.

#### FRAMEWORKS & GUIDELINES

- Global Reporting Initiative (GRI) Standards
- Bursa Securities Sustainability Reporting Guide
- The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- Limited Assurance by SIRIM QAS International Sdn Bhd

### Financial Report

#### CONTENT

Provides detailed reporting of Financial Statements and the Audited Annual Financial Results for FY2022 and our outlook for FY2023.

#### FRAMEWORKS & GUIDELINES

- Malaysian Code on Corporate Governance April 2021 issued by Securities Commission Malaysia
- MMLR of Bursa Securities
- Corporate Governance Guide (3<sup>rd</sup> Edition) issued by Bursa Securities
- Companies Act 2016
- Bank Negara Malaysia (BNM) Policy Documents and Guidelines
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards
- Financial Services Act (FSA) 2013
- Islamic Financial Services Act (IFSA) 2013

## REPORTING PERIOD

All the data and information included in this Sustainability Report cover the period from 1 April 2021 to 31 March 2022 (FY2022) unless stated otherwise. Where possible, we also provide data from the past three (3) years to demonstrate our year-on-year (YoY) sustainability progress. Our previous Sustainability Report was published to cover the period from 1 April 2020 to 31 March 2021 (FY2021).

## REPORTING BOUNDARY

This Sustainability Report 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.

This Sustainability Report outlines the progress of the nine (9) Sustainability Matters that impact our long-term business and stakeholder value creation. Throughout this Sustainability Report, the impacts of our sustainability initiatives are labelled with the following icons:



## PRINCIPLES OF REPORTING

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



## 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 82-86*

## INDEPENDENT ASSURANCE

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

*The assurance report is shown on pages 79-81*

## 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 Department on +603 2167 3000.

## Navigation Icons

### Our Impact

-  Environmental Well-Being
-  Positive Social Impact
-  Strong Governance

### Sustainability Matters

-  Customer Satisfaction
-  Financial Inclusion
-  Responsible Procurement
-  Digital Transformation & Data Security
-  Anti-Money Laundering & Anti-Corruption
-  Responsible Consumption
-  Mitigating ESG & Climate Related Risks
-  Employee Well-being and Development
-  Community Empowerment

### Stakeholders

-  Customers
-  Shareholders & Investors
-  Employees
-  Business Partners
-  Government & Regulators
-  Community/NGO/  
Civil Society
-  Suppliers
-  Sustainability-  
Certified Bodies
-  Media

### UN Sustainable Development Goals



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

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## **31<sup>st</sup>** Annual General meeting

### Broadcast Venue

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

### Date

Thursday,  
18 August 2022

### Time

10.00 a.m.

## **AMMB HOLDINGS BERHAD**

### **SUSTAINABILITY REPORT**

# **2022**

## LEADERSHIP COMMITMENT

### Dear Stakeholders,

**Sustainability is a central component of our strategic vision of ‘Growing Trust, Connecting People’ and a core consideration in all that we do as a trusted partner on the financial frontier. In tandem with strengthening trust and yielding long-term value for our stakeholders, we are committed to fulfilling our sustainability aspirations of building a prosperous society and leaving behind a better planet for future stakeholders.**

With adherence to environmental, social and governance (ESG) standards as a key strategic focus, the Group consciously embarks on inculcating responsible and inclusive practices as part of our fiduciary duties, in the delivery of sustainable financial products and services as well as through the conscious allocation of capital towards positive socio-economic outcomes.

Through our ESG-focused actions, we are able to realise our full potential as a financial institution, improve business sustainability and protect our stakeholders from ESG risks.

In the following pages of AmBank Group’s 2022 Sustainability Report, we articulate the milestones we have reached as part of our journey to embed sustainable practices into our business, towards creating a more sustainable tomorrow.

### TRANSITIONING CUSTOMERS TO A LOWER CARBON ECONOMY

Climate change presents, by far, the greatest challenge of our time, with major consequences for the environment, our local communities as well as the global economy.

As a financial institution, climate change bears upon the way we conduct our business as well as the way in which we decide on investments and financing decisions. To this end, we are strengthening our climate risk management capabilities, whilst accelerating efforts to support our customers in their transition to a low-carbon economy.



To ensure that our portfolios are aligned with our focus on sustainable financing, we are expanding our exclusion list for new loans and financing. With the exception of the national energy company, we are no longer providing new or additional loans and financing to businesses where coal or coal-related activities constitute at least 20% of the business’ total revenue or cost of production.

Building on the foundation we have laid out, we have also enhanced our ESG Risk Assessments (ESGRA) for loans and financing to include climate change considerations. Customers who are accorded with a high ESG risk grade are required to submit a mitigation plan. This not only unlocks new opportunities for AmBank to further accelerate our sustainable financing practices, but it also aids in empowering our customers to achieve their decarbonisation targets.

## MINIMISING CARBON FOOTPRINT

Collective resolve and action are imperative in addressing climate change. While our responsible banking practices foster our customers' transition to lower carbon business models, we firmly believe that change should always start at home.

This is why, as part of our long-term strategy to achieve Net Zero Carbon, we have transitioned to green and renewable energy. Coupled with the use of solar panels, we have offset more than 1,786 metric tonnes of carbon emission. Testament to this, we are the first financial institution in Malaysia to be awarded with the Energy Management Gold Standard Certification for Menara AmBank in May 2022.

Through our efforts, we lowered our carbon emissions by 11%, and are on track to achieving our carbon reduction target of 24% by FY2023 against our FY2019 baseline.

## CREATING POSITIVE IMPACT ON THE COMMUNITY

We see ourselves as partners to society at large and we take pride in being a responsible and productive member of society that strives to contribute to the social and economic development of Malaysia. The communities we serve are an integral component of who we are and our long-term success. The Group maintains active engagement with our community in order to better understand their needs and empower inclusive growth within the society.

Despite the nation's transition to the COVID-19 endemic phase, many are still struggling with the repercussions of the pandemic as well as the devastating floods that took place during the year. Cognisant of our responsibility to society, this year, a significant portion of our community empowerment programmes were focused on providing necessary assistance to the hardest-hit communities.

We provided financial and non-financial aid to vulnerable groups, including medical supplies and food as well as gadgets that support remote learning and working. Overall, we channelled approximately RM1.4 million into social impact projects that benefited over 500,000 people.

Our commitment to empowering the community goes beyond aid; we also pride ourselves in providing inclusive banking in the form of repayment assistance packages. For FY22, AmBank Group approved total loans and financing amounting to RM6.1 billion for SME customers and RM6.0 billion for non-SME customers.

## FOSTERING A SUSTAINABLE WORK CULTURE

The protracted pandemic has also impacted employees the world over, with disruptions altering our view on work. In this context, it was important for us to strengthen our efforts to foster a culture that is nurturing and promotes inclusivity.

Empowering employees is fundamental to the sustainability of the Group and our strategic objectives and goals. To this end, we focused on employee well-being and growth while addressing their evolving needs and aspirations. We also placed emphasis on improving employee adaptability while, most importantly, ensuring that AmBankers are healthy, happy and safe.

During the year, we implemented measures and protocols to keep employees safe during the pandemic. At the same time, we also focused on protecting employees' physical and mental health by organising wellness programmes to help employees cope with the drastic change to their work environment.

The Group also expedited efforts in terms of continual upskilling and reskilling opportunities in order to equip our employees with the necessary skills required to be future-ready. We invested a total of RM17.7 million in training and development programmes designed to help employees thrive over the long term. Our capability development efforts not only provide a strong talent pool to drive our strategies forward, but they also offer employees professional growth and fulfilment.

Building trust is a journey that begins within. We believe in inculcating a strong work culture defined by trust, integrity and ethical behaviour. Our commitment to stringent corporate governance is evident in our actions, strong processes, procedures and guidelines.

## CLOSING REMARKS

We take pride in the efforts taken by our people in driving our sustainability agenda forward. AmBank's achievements this year reflect our Group-wide commitment to sustainability.

In closing, we would like to express our sincere gratitude to Tan Sri Azman Hashim, our Chairman Emeritus who has set a strong foundation for AmBank Group. We hope to continue fulfilling his strong vision for a sustainable AmBank.

Together with the support of our stakeholders and with our resolute commitment to strengthen sustainability, we look forward to building a sustainable future which entails a cleaner, fairer and more inclusive world for everyone.

### **DATO' SULAIMAN MOHD TAHIR**

Group Chief Executive Officer

# OVERVIEW OF AmBank Group



## OUR VISION

# GROWING TRUST, CONNECTING PEOPLE

## OUR PURPOSE

**To help individuals and businesses in Malaysia grow and win together.**



We are not transactional. We focus on deepening relationships by acting as advisors and long-term partners to our customers. We earn the trust of our customers by being professional, reliable and efficient, and providing the best possible service.



We believe in supporting the growth of our customers, our people, and our business. We empower our stakeholders to achieve their aspirations. We will continue to help our customers, both individuals and businesses, with financial and non-financial assistance to weather through the uncertainties of the COVID-19 pandemic.



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



Externally, we focus on helping our customers to become winners. Internally, we emphasise performance, teamwork and collaboration to achieve our goals.



We leverage opportunities to revolutionise our business and to help our customers grow and win together through our Focus 8 strategy.

## WHO WE ARE

AmBank Group is a leading financial services group with **over 40 years** of expertise in supporting the economic development of Malaysia. We have over three million customers and employ **over 9,000 employees**.

We are the sixth-largest banking group, with a market capitalisation of more than **RM12 billion** as at 31 March 2022.

## Delivering Value to Our Customers



# 2022 KEY HIGHLIGHTS

## FINANCIAL HIGHLIGHTS



TOTAL INCOME

**RM4,665.0**  
Million



PROFIT AFTER TAX AND MINORITY INTEREST (PATMI)

**RM1,502.7**  
Million



COST-TO-INCOME RATIO

**44.9%**



RETURN ON EQUITY (ROE)

**9.3%**



GROSS LOANS, ADVANCES AND FINANCING

**RM120.0**  
Billion

## BUSINESS HIGHLIGHTS



### Innovative & Digital Banking

We continue to make further enhancements to deliver fast and convenient services by embracing technology as we digitalise our services.

- Tabung Haji online transaction services are now accessible via AmOnline, enabling a seamless customer experience.
- Enhanced AmEquities mobile app for seamless online trading experience with real-time BURSA Malaysia quotation.

### Strong Talent Pool

We helped our employees navigate drastic work changes while developing them to thrive as future leaders.

- Invested over **RM17.7 million** in employee training and development programmes.
- Achieved a High Performer Retention Rate of **95.5%**.

### Customer Excellence

We consistently delivered customer value through competitive products and solutions that meet their financial needs and expectations.

- **Ranked 1<sup>st</sup>** in Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers.
- **231%** increase in total customer compliments received.

### Sustainability Journey

We continue to embed our sustainability agenda and integrate environmental, social and governance (ESG) considerations into every aspect of our business.

- Launched **3** ESG Funds: Positive Change Fund, Climate Tech Fund and Sustainable Series-Nutrition Fund.
- **RM3.7 billion** of loans/financing disbursed were categorised as green loans/financing.



CURRENT ACCOUNT SAVINGS ACCOUNT (CASA) GROWTH

**20.6%**



DEPOSITS FROM CUSTOMERS

**RM122.6 Billion**



LIQUIDITY COVERAGE RATIO (LCR)

**158.5%**



COMMON EQUITY TIER 1 (CET1) CAPITAL

**12.2%**

## SUSTAINABILITY HIGHLIGHTS



**231%** increase in total customer compliments received



**RM6.0 billion** contributions to the small and medium-sized enterprise (SME) through loans and financing



**Zero** environmental non-compliances recorded



**RM1,069.6 million** contributed to local suppliers



**11%** reduction in total carbon emissions



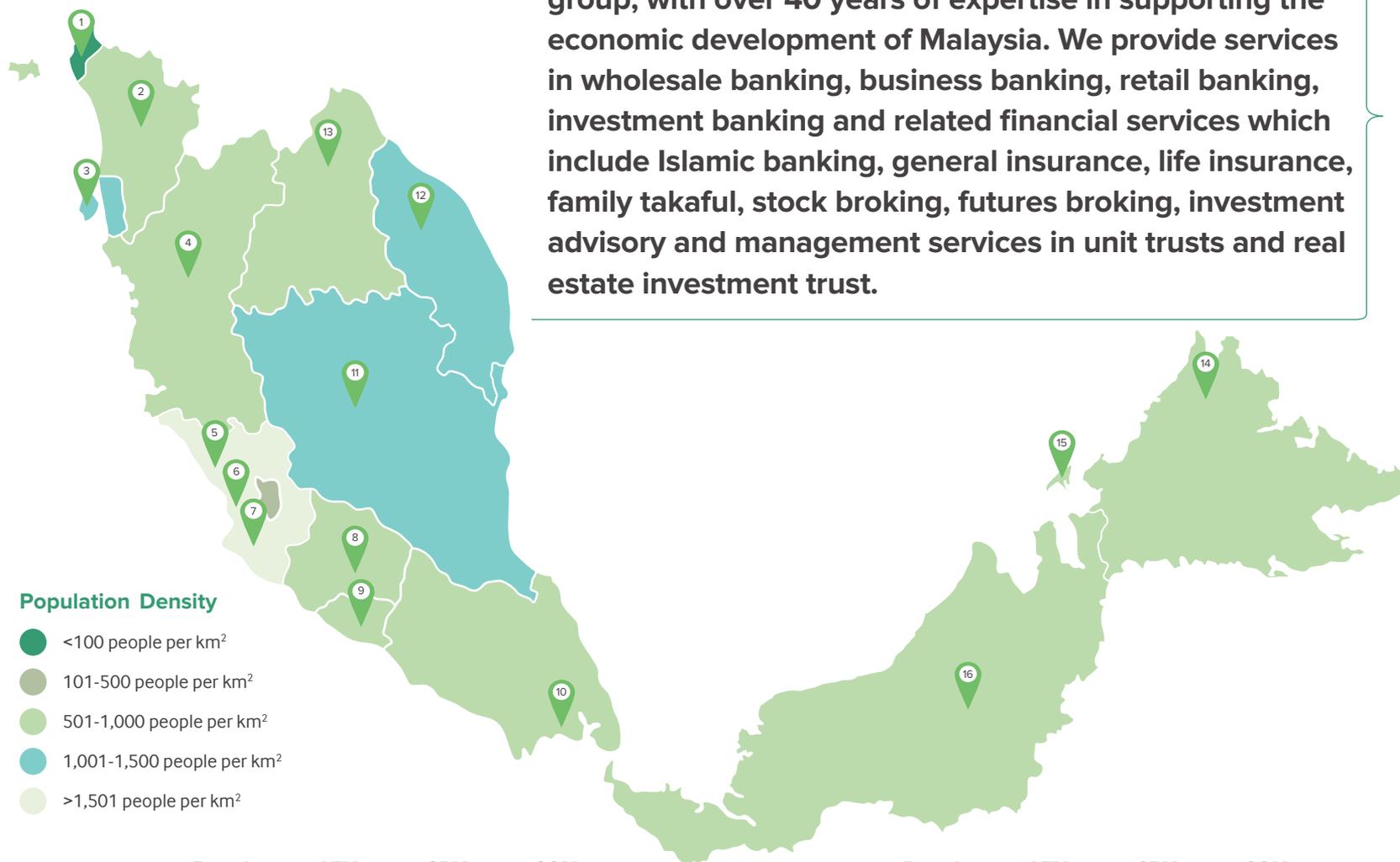
**RM991,087** total Zakat contributions



**550,286** community members reached

## WHERE WE OPERATE

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



### Population Density

- <100 people per km<sup>2</sup>
- 101-500 people per km<sup>2</sup>
- 501-1,000 people per km<sup>2</sup>
- 1,001-1,500 people per km<sup>2</sup>
- >1,501 people per km<sup>2</sup>

	Branches	ATMs	CRMs	CQMs
① Perlis	1	3	1	1
② Kedah	5	20	9	5
③ Pulau Pinang	14	38	17	16
④ Perak	18	42	24	19
⑤ Selangor	35	168	50	47
⑥ Kuala Lumpur	23	72	30	36
⑦ Putrajaya	1	4	2	1
⑧ Negeri Sembilan	7	40	10	7

	Branches	ATMs	CRMs	CQMs
⑨ Melaka	6	26	9	8
⑩ Johor	21	70	32	22
⑪ Pahang	8	20	13	6
⑫ Terengganu	2	13	4	2
⑬ Kelantan	2	13	4	3
⑭ Sabah	9	34	13	9
⑮ Labuan	1	3	1	1
⑯ Sarawak	15	56	25	15

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

<b>TOTAL</b>	<b>168</b>	<b>622</b>	<b>244</b>	<b>198</b>
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## WHAT WE DO: CORE BUSINESS SEGMENTS



### AmBank

#### AmBank (M) Berhad

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

*Read more on page 84 of our Integrated Report 2022.*



### AmBank Islamic

#### AmBank Islamic Berhad

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

*Read more on page 88 of our Integrated Report 2022.*



### AmInvestment Bank

#### AmInvestment Bank Berhad

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

*Read more on page 74 of our Integrated Report 2022.*



### AmGeneral Insurance

#### AmGeneral Insurance Berhad

AmGeneral Insurance Berhad (AmGen) is one of the largest motor and general insurance companies in Malaysia, with over four million policy holders. It is a Member of the Persatuan Insurans Am Malaysia.

*Read more on page 92 of our Integrated Report 2022.*

### AmMetLife

#### AmMetLife Insurance Berhad

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

*Read more on page 96 of our Integrated Report 2022.*

### AmMetLife Takaful

#### AmMetLife Takaful Berhad

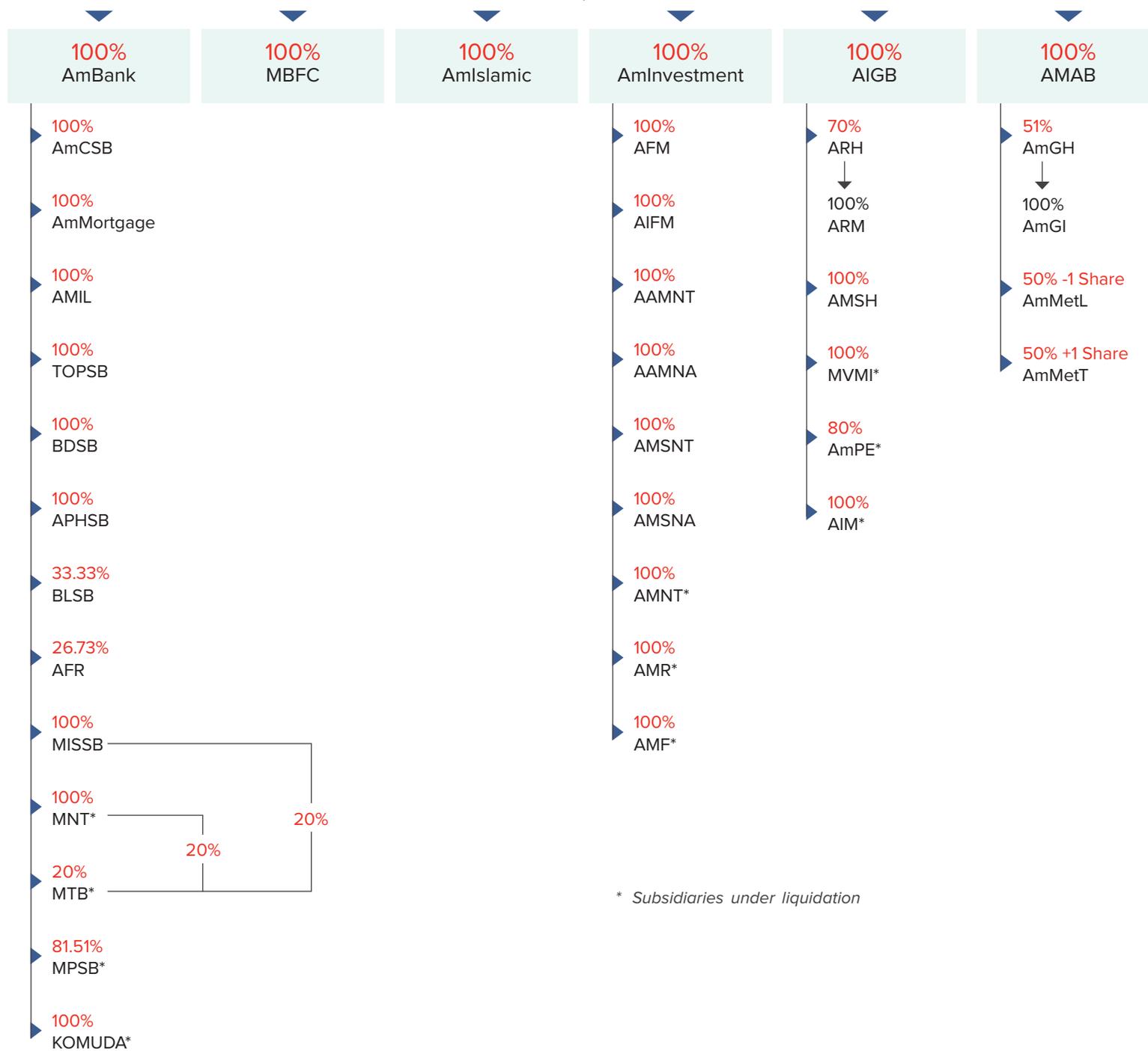
AmMetLife Takaful Berhad (AmMetLife Takaful) is a strategic partnership between AmBank Group and MetLife. The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group. It is a Member of the Malaysian Takaful Association.

*Read more on page 98 of our Integrated Report 2022.*

# CORPORATE STRUCTURE

As at 31 March 2022

## AMMB HOLDINGS BERHAD



\* Subsidiaries under liquidation

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

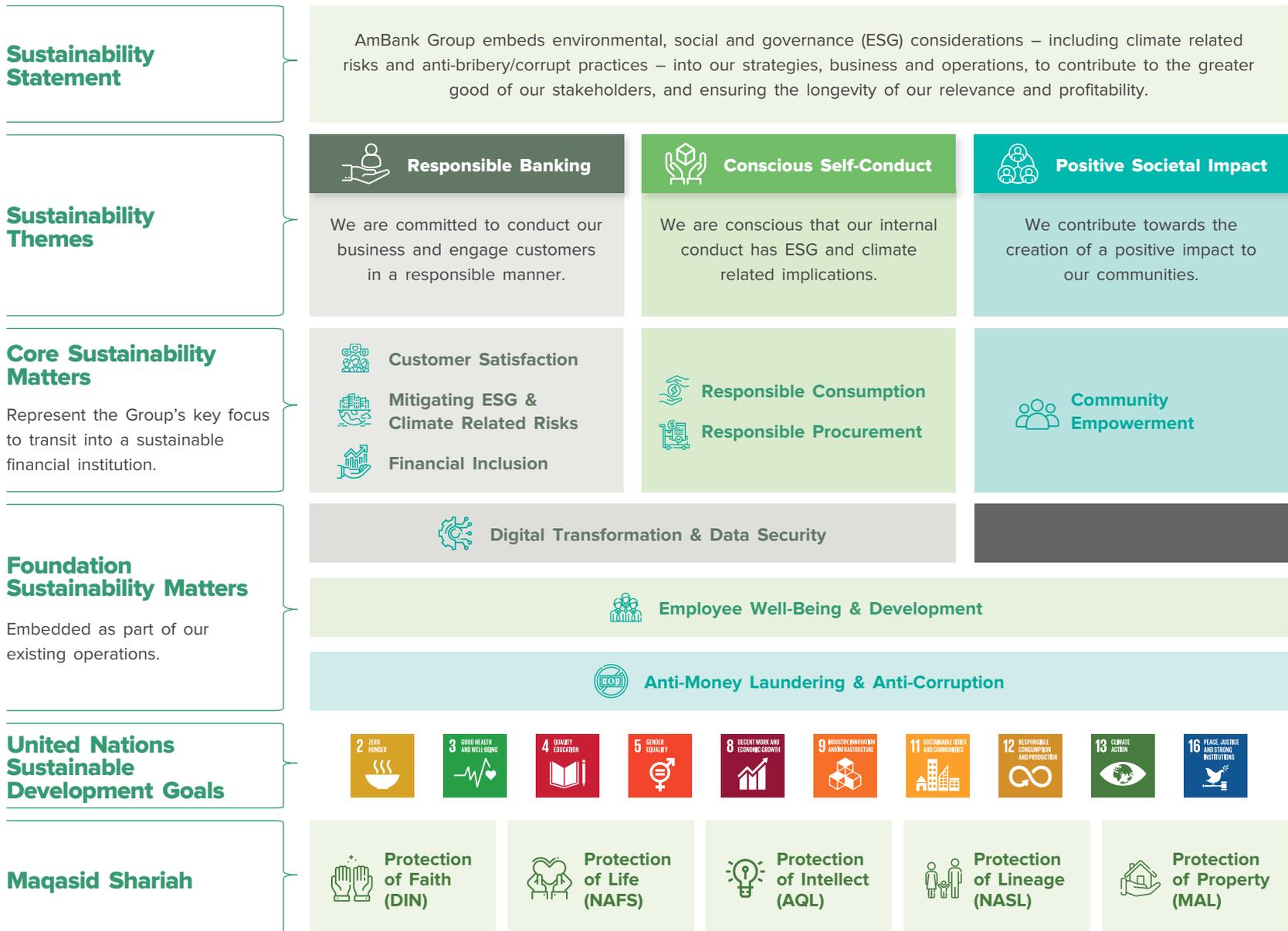
# SUSTAINABILITY @ AmBank

## SUSTAINABILITY FRAMEWORK

Sustainability @ AmBank means creating value that extends beyond business profits. As a financial institution, we understand our responsibility and influence in invoking positive changes vis-à-vis ESG outcomes that align with stakeholder expectations. We strive to deliver socio-economic prosperity while taking care of our shared planet. This ensures sustainable business growth as well as creates stakeholder value in the many years to come.

Our sustainability agenda is underpinned by AmBank Group’s Sustainability Framework, which outlines the broad parameters of our sustainability efforts. The framework aligns 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.

### AmBank Group’s Sustainability Framework



## UN SUSTAINABLE DEVELOPMENT GOALS

As part of the financial ecosystem, we are conscious of the critical role that we play in meeting the ambitious targets of the United Nations (UN) Sustainable Development Goals (SDGs). The interrelated global ambitions of the SDGs are closely linked to our efforts in improving environmental and social outcomes. We play our part in the global goals by enhancing the lives and livelihoods of Malaysians, focusing particularly on sustainable economic growth, environmental protection, social inclusion and good governance practices. 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 resources.

**Methodology on UN SDG Alignment:** To optimise our SDG contributions, we prioritise the goals which are directly or indirectly impacted by our business 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 ten priority SDGs, as shown below:



## SUSTAINABILITY @ AmBank

### STAKEHOLDER ENGAGEMENT ON SUSTAINABILITY

Our sustainability agenda considers balancing our diverse stakeholders' near and long-term interests. We take into account various stakeholders, including civil society, to better serve their needs. By establishing meaningful and relevant stakeholder relationships, we create value for both our business and non-business stakeholders, thus enabling a more sustainable future for everyone.

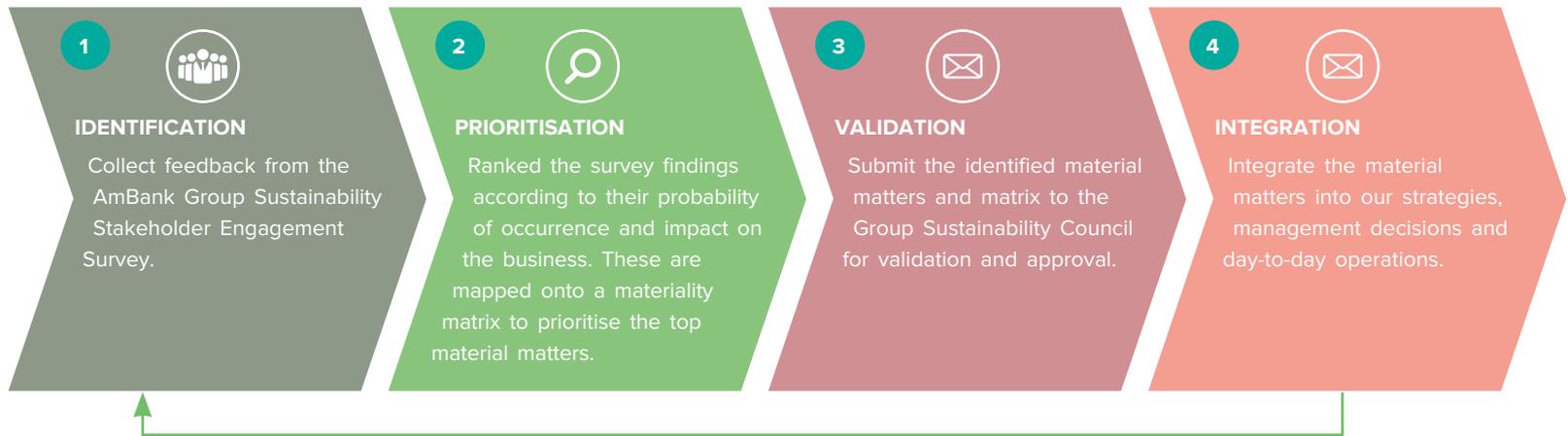
STAKEHOLDER	FREQUENCY OF COMMUNICATION	MODE OF COMMUNICATION	KEY EXPECTATIONS
 <b>Customers</b>	<b>D M</b>	Survey, Mystery Shopping, Digital solution, Contact Centre	Survey, Mystery Shopping, Digital solution, Contact Centre
 <b>Employees</b>	<b>D M Q</b>	Townhalls, AmConnected Portals, HR E-mails, Meetings, Performance Review	Work-life balance, safe & productive work environment, career development opportunities
 <b>Suppliers</b>	<b>P</b>	Onboarding Process, Performance Evaluation, Adhoc Engagements	Ethical procurement, guidance and effective communication
 <b>Government &amp; Regulators</b>	<b>Q</b>	Meetings, Seminars and Workshops, Feedback on consultation papers	Responsible banking practices, good governance and compliance, socio-economic growth
 <b>Civil Society/ NGO</b>	<b>M</b>	FINCO, Focus Groups, Volunteering programmes, zakat contribution, CSR	Financial inclusion and literacy, community development and outreach
 <b>Shareholders/ Investors Community</b>	<b>Q A</b>	Annual General Meeting, Analyst and Fund Manager Briefing, Investor Roadshow, Media Briefings/Release, Meetings, Corporate Website, IR Mailbox	Strategic priorities, sustainable earnings growth and stable dividends, prudent cost management, proactive management of asset quality and credit exposure, digital initiatives, ESG consideration in business decisions
 <b>Business Partners</b>	<b>M</b>	Meetings, Webinars, Seminars/ Workshops, Roadshows	Ethical business practices, strong financial performances
 <b>Media</b>	<b>M</b>	Events, Media Releases, Interviews, Engagements	Accurate and relevant information, fair and transparent content
 <b>Sustainability-Certified Bodies</b>	<b>A</b>	Meetings, Audit, Assessment	ESG performance, Sustainable financing

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

## SUSTAINABILITY THEMES AND SUSTAINABILITY MATTERS

AmBank Group’s sustainability agenda is defined by our nine (9) Sustainability Matters which are grouped into three (3) Sustainability Themes.

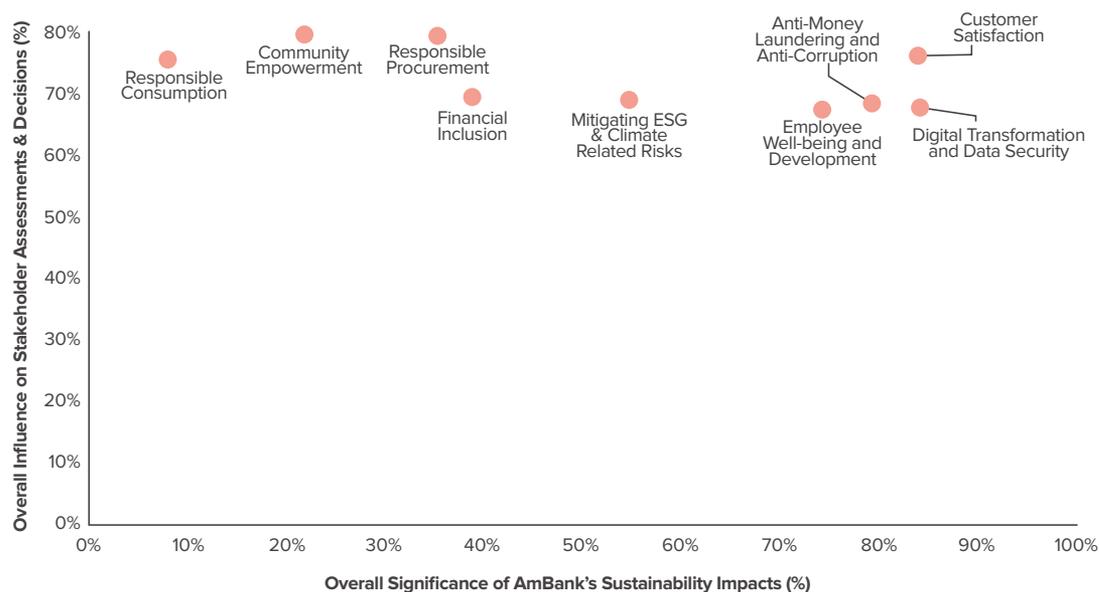
### Methodology on Sustainability Matters



Based on our methodology, we have identified nine (9) Sustainability Matters, which in turn are grouped into the following three (3) 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 that our Sustainability Matters are continuously relevant. Following our recent assessment in FY2022, the ten (10) Sustainability Matters in the previous financial year have been streamlined into nine (9) Sustainability Matters. The level of importance (ranking) of the identified Sustainability Matters is shown in the matrix below:



## SUSTAINABILITY @ AmBank

### Why Do They Matter?

#### CORE SUSTAINABILITY MATTERS

Sustainability Matter	Business Context	Risks
 <p><b>Customer Satisfaction</b></p>	Customer loyalty and trust are based on our ability to meet customers' changing needs and protect their financial interests.	Marketing communication that misleads or financially exploits customers would result in the loss of customers' trust and sales or attract regulatory action.
 <p><b>Mitigating ESG &amp; Climate Related Risks</b></p>	Stakeholders are increasing expectations for financial institutions to incorporate responsible business practices and contribute towards socio-economic resilience as well as incorporate climate risk-related management.	Supporting businesses that adversely impact the environment or society, or have poor governance practices, tarnishes our reputation and affects our long-term performance, potentially affecting customer repayment capabilities and collateral values adversely.
 <p><b>Financial Inclusion</b></p>	Providing access to useful and affordable financial products and services which are delivered in a responsible and sustainable way.	Challenges in managing the credit risk in the underserved and unserved markets require balancing profitability with responsible banking.
 <p><b>Responsible Consumption</b></p>	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.
 <p><b>Responsible Procurement</b></p>	Our procurement impacts the sustainability and responsibility of our business activities and our growth as a sustainable organisation.	Unethical practices and regulatory breaches by suppliers may lead to business disruption and reputational damage.
 <p><b>Community Empowerment</b></p>	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.

#### FOUNDATION SUSTAINABILITY MATTERS

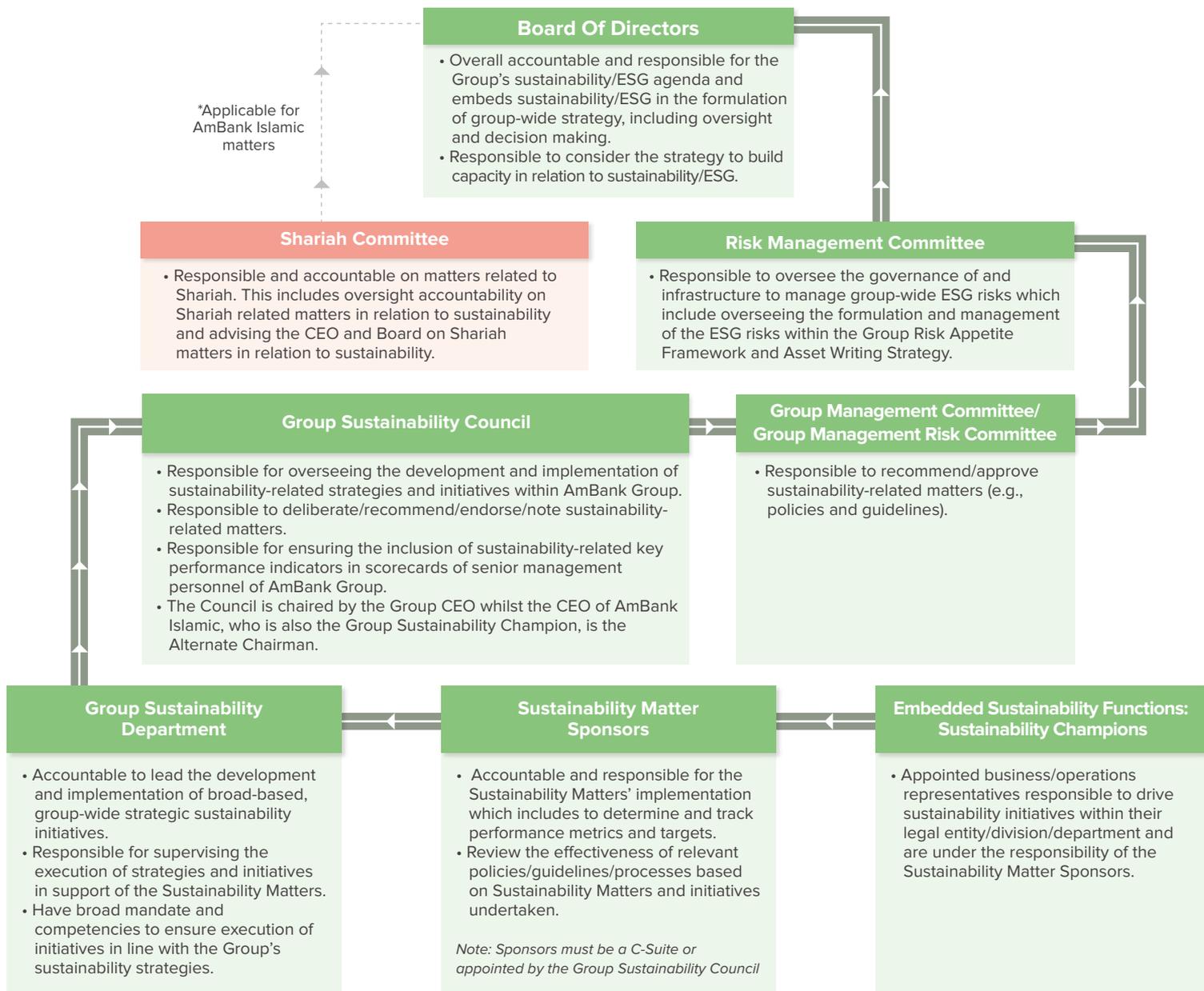
 <p><b>Digital Transformation &amp; Data Security</b></p>	Emerging technology and digital advancements continue to disrupt and transform the financial industry and concurrently increase data security risk.	Cyberattacks and data breaches result in business disruption and loss of stakeholder trust and confidence. We are also cognisant of the potential threats posed by the new digital banks.
 <p><b>Employee Well-being &amp; Development</b></p>	Employees are the drivers of our growth and resilience. A skilled and resilient talent pool is crucial for the business to thrive far into the future.	An unconducive work environment leads to a disengaged workforce, resulting in poor productivity and high employee turnover.
 <p><b>Anti-Money Laundering &amp; Anti-Corruption</b></p>	Our sustainability objectives and business growth rely on good corporate governance, transparency, compliance with laws, regulations and Shariah requirements, accountability and integrity across all levels.	Breaches, corruption and unethical behaviour within our operations could result in regulatory fines, penalties and loss of stakeholder trust.

Opportunities	Our Approach	Stakeholders Affected
A seamless customer experience improves our brand value and competitive advantage.	See page 30	
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.	See page 33	
The underserved and unserved markets could be a new growth segment subject to enabling infrastructure and risk management, and financial inclusion initiatives.	See page 37	
Investments in resource-efficient initiatives result in lower consumption of resources and improved operational costs.	See pages 39-40	
Sourcing from local businesses and SMEs, and avoiding unethical/corrupt practices contribute towards the country's socio-economic growth and well-being.	See page 50	
Developing the surrounding community aligns with the well-being of the financial ecosystem.	See page 52	
Digitisation enables us to develop innovative financial solutions to meet changing customer demands, attract new customer segments, and improve market share. Improving processes via digitalisation would enhance customer experience and improve employee productivity.	See page 56	
Regularly training employees with future-ready skills and a safe and healthy work environment increases our long-term performance and readiness to cope with rapid changes.	See page 60	
A well-established grievance mechanism enables stakeholders to safely report against potential malpractices or misconduct.	See pages 73-74	

# SUSTAINABILITY GOVERNANCE

## FUNCTIONS & DECISION-MAKING

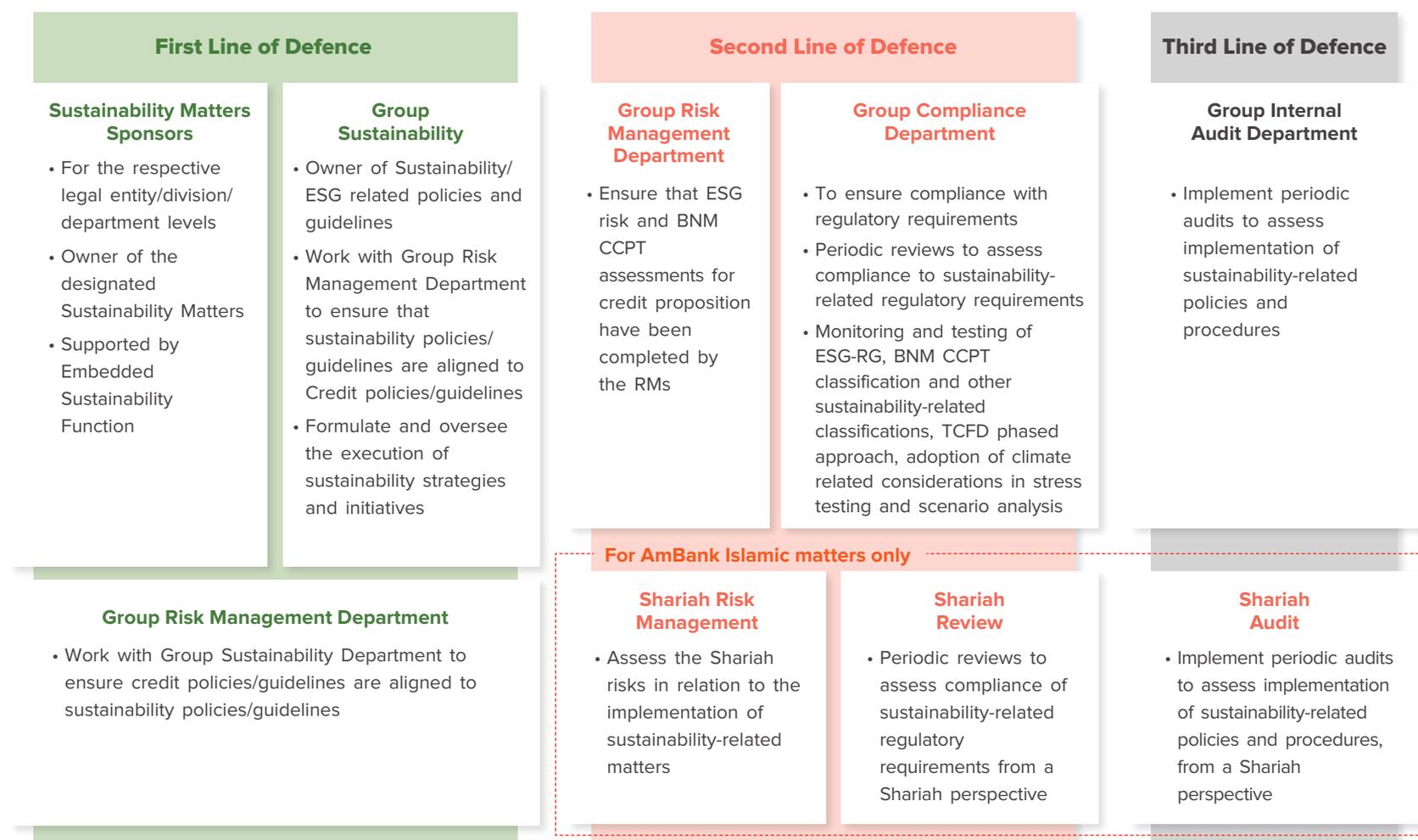
Through our governance structure, clear functions have been established, with specific roles and responsibilities to address our sustainability risks and opportunities. The Board has the overall accountability and responsibility for the Group’s sustainability agenda and embeds sustainability in the formulation of group-wide strategies, including oversight and decision making. The Board is also responsible to consider the strategy to build capacity in relation to sustainability. Sustainability is not just an extension of our business activities and portfolio, 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. The governance structure also sets forth the responsibilities of senior management for the implementation of the Group’s sustainability strategy, as well as for climate related risks and opportunities relevant to the Group’s activities and roles. It also details the responsibilities of the various departments, committees or teams involved in achieving our sustainability aspirations.



## SUSTAINABILITY RISK MANAGEMENT

We recognise the threats posed by ESG risks to our long-term value creation and overall performance. In addition to adverse impacts on business continuity and growth, ESG risks are increasingly scrutinised by stakeholders, which renders effective ESG risk management to become more critical.

We protect our business and stakeholder value from ESG risks through specific measures and controls. We have established internal controls, and identified the relevant departments within each line of defence in relation to ESG risk management, which is summarised below:



As a financial institution, we recognise that amongst the top ESG risks faced by the Group are concerns that customers' business operations give rise to adverse impacts on people and the planet. This is because when we extend loans/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 imposed hefty fines, which may impact business continuity and the financial standing of our customers. Furthermore, financing customers with poor sustainability practices could lead to adverse reputational issues for the Group.

To mitigate this risk, we have adopted an Exclusion List where the Group would not extend new/additional loans/financing to customers who fall under our Exclusion List, which is set forth on pages 33-34.

## SUSTAINABILITY GOVERNANCE

Additionally, we assess ESG risks of non-individual customers based on our ESG Risk Assessment (ESG-RA) Guideline. As of January 2022, we have enhanced the assessment to include Climate Change Risk Assessment and eight (8) sector-specific checklists.

Relationship managers and business units conduct the assessment using the sector-specific ESG-RA Checklist to generate the ESG risk grade (ESG-RG) and Climate Change Classification as per BNM CCPT. The ESG-RG outcomes influence the decisioning by the approval authority.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK ASSESSMENT

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

#### Environmental assessment includes:

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

#### Social assessment includes:

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

#### Governance includes:

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

### SECTOR-SPECIFIC ESG RISK ASSESSMENTS

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



#### Palm Oil

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



#### Forestry

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



#### Quarrying

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



#### Mining

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



#### Construction & Infrastructure

- Assess if the customer has a no burning policy



#### Oil & Gas

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



#### Manufacturing

- Assess if the customer has a no burning policy



#### Logistics

- Excludes assessment of
  - Availability of deforestation policy which includes land clearance methods
  - Availability of riparian management policy and mitigation plans are in place

### KEY SUSTAINABILITY POLICIES & GUIDELINES

We embed sustainability into our business with the relevant 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 the relevance of our policies and guidelines.



SUSTAINABILITY MATTER	LIST OF POLICIES/GUIDELINES	
<b>CORE SUSTAINABILITY MATTERS</b>		
<b>Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>Code of Conduct – Treating Customers Fairly</li> <li>Customer Service Charter – Service Standards</li> </ul>	<ul style="list-style-type: none"> <li>Product Approval and Management Policy</li> <li>Code of Conduct – Speaking on Behalf of AmBank Group</li> </ul>
<b>Mitigating ESG &amp; Climate Related Risks</b>	<ul style="list-style-type: none"> <li>Green Financing Guideline</li> <li>Environmental, Social and Governance Risk Assessment and Climate Change Classification Guideline</li> </ul>	<ul style="list-style-type: none"> <li>Non-Retail Credit Policy (NRCP) which includes Exclusion List</li> </ul>
<b>Financial Inclusion</b>	<ul style="list-style-type: none"> <li>Retail Credit Policy (RCP)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Retail Credit Policy (NRCP)</li> </ul>
<b>Responsible Consumption</b>	<ul style="list-style-type: none"> <li>Group Environmental Policy</li> <li>Environmental Monitoring and Measurement Practice Guide</li> <li>Environmental Objectives, Targets and Plans Practice Guide</li> <li>Environmental Resource Management Practice Guide</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Waste Management Practice Guide</li> <li>Greenhouse Gas (GHG) Accounting and Reporting Practice Guide</li> <li>Group Energy Policy</li> <li>Energy Management Practice Guide</li> </ul>
<b>Responsible Procurement</b>	<ul style="list-style-type: none"> <li>Supplier Code of Conduct (SCOC)</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct – Managing Supplier Relationships</li> </ul>
<b>Community Empowerment</b>	<ul style="list-style-type: none"> <li>Code of Conduct – Positive Social Impact</li> </ul>	
<b>FOUNDATION SUSTAINABILITY MATTERS</b>		
<b>Digital Transformation &amp; Data Security</b>	<ul style="list-style-type: none"> <li>Privacy Notice on Personal Data Protection Act (PDPA) 2010</li> </ul>	<ul style="list-style-type: none"> <li>AmBank Group Web Portal Security Statement</li> </ul>
<b>Employee Well-being &amp; Development</b>	<ul style="list-style-type: none"> <li>Code of Conduct – Employer of Choice</li> <li>Code of Conduct – Fair and Respectful Workplace</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Safety and Health (OSH) Policy Statement</li> <li>Incident, Non-Conformity and Corrective Action Procedure</li> </ul>
<b>Anti-Money Laundering &amp; Anti-Corruption</b>	<ul style="list-style-type: none"> <li>Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework</li> <li>Know Your Customer (KYC), Customer Identification and Due Diligence Policy</li> <li>Politically Exposed Persons (PEP) Policy</li> <li>Customer Relationship Review and Exit Relationship Guideline</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Bribery &amp; Corrupt Practices Policy</li> <li>Whistle-blower Protection Policy (WPP)</li> <li>Code of Conduct – Code of Ethics</li> <li>No Gift Policy</li> <li>Management on Conflict of Interest Policy</li> <li>Related Party Transaction Policy</li> <li>Markets Conduct Policy</li> </ul>

## SUSTAINABILITY GOVERNANCE



### Customer Satisfaction

- **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. Customer complaints received via our various feedback channels must also be resolved in a friendly, expeditious, fair and effective manner.
- **Customer Service Charter – Service Standards:** Outlines our commitments and service standards in providing excellent service to our customers. Our employees are expected to understand the customer's profile to deliver products and services according to their needs. The service team is required to deliver transparent and personable service and ensure that the customer is kept aware of our multi-channel options and accessibility.
- **Product Approval and Management Policy:** Articulates the overarching principles and minimum requirements in product development throughout the product 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.



### Mitigating ESG & Climate Related Risks

- **Green Financing Guideline:** Guidance on how we categorise our green loans/financing.
- **Environmental, Social and Governance Risk Assessment and Climate Change Classification Guideline:** Provides the guidance that the customer's business activities pose to the environment and society, and the risk that the customer may not adhere to good governance practices, by using information obtained from the customer and available public information. It also provides guidance to categorise the impact of the customer's activities to climate change.
- **Exclusion List:** Outlines the sensitive activities that are not accepted by universal convention. Businesses and activities under the exclusion list will not receive new/additional loans/financing from the Group. The complete list of activities is shown on pages 33-34.



### Financial Inclusion

- **Retail Credit Policy (RCP):** Represents the 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, and supports the Group Risk Appetite Framework (GRAF) and overall business strategy. The Group Risk Management Department provides independent oversight and risk assessments, as per BNM's Risk Governance standards and guidelines. Whilst we strive to provide access to funding for the underserved segment, our underwriting standards must adhere to the RCP.
- **Non-Retail Credit Policy (NRCP):** Sets out the high-level credit principles that we adopt to ensure a consistent approach to managing credit risks for non-retail portfolios. It outlines the credit management standards required to be observed throughout the lifecycle of credit exposure, including credit assessment standards, annual review and review of problematic accounts and independent credit review requirements.



## Responsible Consumption

- **Group Environmental Policy:** Describes the key principles to better manage the environmental impact of our operations and activities. Employees and suppliers need to meet all environmental compliance obligations and strive to continuously improve our environmental performance.
- **Environmental Monitoring and Measurement Practice Guide:** Helps employees monitor, measure, analyse and evaluate the environmental performance of our operations. The key requirements stipulated in this guide include establishing, measuring and monitoring Environmental Performance Indicators (EPIs).
- **Environmental Objectives, Targets and Plans Practice Guide:** Provides direction in developing, implementing, monitoring and evaluating environmental objectives and targets. These objectives and targets are set according to an Environmental Management Plan (EMP).
- **Environmental Resource Management Practice Guide:** Outlines the best practices in effectively managing the consumption of resources such as electricity, water, paper and materials. The guide includes Environmental Resource Management Principles; Resource Classification; Electricity and Energy Management; and the Management of Renewable and Non-Renewable Recyclables, Recoverable or Reusable Materials.
- **Environmental Waste Management Practice Guide:** Helps effectively manage both solid and scheduled 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 are elaborated on page 39.
- **Energy Management Practice Guide:** Provides guidance in effectively managing energy consumed by AmBank Group in accordance to the Group Energy Policy.



## Responsible Procurement

- **Supplier Code of Conduct (SCOC):** Aims to create a sustainable future through responsible procurement. Suppliers must act with integrity, responsibility, honesty, and respect and maintain ethical, safe and environmentally responsible practices.
- **Code of Conduct – Managing Supplier Relationships:** Requires employees to abide by the guidelines that help build trust, cooperation and long-term relationships. It emphasises the oversight of the procurement processes to ensure we maintain integrity and honesty across the supply chain.

## SUSTAINABILITY GOVERNANCE



### Community Empowerment

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



### Digital Transformation & Data Security

- **Privacy Notice on Personal Data Protection Act (PDPA) 2010:** Reflects our commitment to protect and safeguard customers' personal data when entering into any transaction with the Group. The document describes the type of customer data obtained, how it is processed, and the customers' right to withdraw consent to the use or processing of their data.
- **AmBank Group Web Portal Security Statement:** Highlights our aim to maintain strict procedures and standards against unauthorised access to personal information. It applies to our website page regarding the security of users' personal information collected and/or processed through the web portal and the obligations of the user.



### Employee Well-being & Development

- **Code of Conduct – Employer of Choice:** Outlines our broad focus areas to become an Employer of Choice. Firstly, to provide a work environment in which our people are valued and 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 of discrimination and harassment and the shared responsibility of fostering a diverse and inclusive workforce.
- **Occupational Safety and Health (OSH) Policy Statement:** Stipulates our commitment to mitigate any workplace accident, injury and disease with the following OSH measures: maintain premises and equipment in a condition that is safe and constitutes a minimal risk to health, including the means of access and exit; provide the necessary information, instruction, training and supervision to all employees to sustain a safe and healthy workplace; and provide a monitoring mechanism for compliance with OSH and other relevant statutory requirements. These health and safety procedures extend to all employees, visitors and other persons within our premises.
- **Incident, Non-Conformity and Corrective Action Procedure:** Guides the reporting, recording, investigation and correction of workplace incidents and non-conformities. This procedure is reviewed periodically by the OSH unit according to ISO 45001 Standards, ensuring that the contents reflect the current operating procedures.



## Anti-Money Laundering & Anti-Corruption

- **Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework:** Defines the standards and procedures for the prevention and detection of suspicious transactions, such as money laundering and other financial crimes. Thorough investigation procedures help identify suspicious money flows and prevent the use of our banking channels and products to conduct illicit/illegal transactions.
- **Know Your Customer (KYC), Customer Identification and Due Diligence Policy:** Stipulates stringent procedures to ensure that the Group only manages customers who have been properly verified and approved. It ensures proper customer identification through reliable information and documentation, which allows for the proper assessment of a customer's risk profile.
- **Politically Exposed Persons (PEP) Policy:** Identifies and manages potential risks associated with onboarding and maintaining our dealings with PEPs, Politically Exposed Corporations (PECs), and Relatives and Close Associates (RCAs). These politically associated groups are subject to Enhanced Customer Due Diligence processes, which involve robust assessment of, inter alia, reputational risk issues and risk mitigation.
- **Customer Relationship Review and Exit Relationship Guideline:** Provides guidance on customer relationship reviews where there are AML/CFT concerns and the process to further monitor or exit a relationship, should evidence indicate that AML/CFT issues exceed AmBank risk tolerance levels.
- **Anti-Bribery & Corrupt Practices Policy:** Sets the standards of integrity demanded of all its employees in their day-to-day business dealings and operations. It represents our zero-tolerance stance on bribery and corruption in all forms. The policy is modelled after the requirements of adequate procedures emanating from the Malaysian Anti-Corruption Commission Act Section 17A.
- **Whistle-blower Protection Policy (WPP):** Provides a safe and reliable channel for stakeholders, including customers, suppliers, and employees, to voice grievances and report against unethical conduct without fear of repercussions. They are encouraged to voice out any misconduct such as dishonesty, fraud, corruption, bribery or illegal practices, abuse of power, or conflict of interest involving the Group.
- **Code of Conduct – Code of Ethics:** Reflects our firm commitment to maintaining a high level of integrity, professionalism and ethical conduct. It applies to all employees across all levels and provides a clear direction in conducting business, interacting with the community, Government and business partners, as well as general workplace behaviour.
- **No Gift Policy:** Strictly prohibits employees from offering, soliciting, or receiving gifts in any form – between current or potential customers, vendors, agents and business partners – which could influence impartial judgement during decision-making. This protects us from potential conflicts of interest, bribery and corruption, as well as ensure that practices and dealings are conducted ethically and professionally.
- **Management on Conflict-of-Interest Policy:** Outlines how to manage situations where an individual's personal interest conflicts with the professional interest owed to the Group and its customers. It describes the identification and prevention of such conflict, including managing Inside Information. The policy promotes high standards of professionalism, integrity and fair dealing by establishing procedures to ensure that Conflict of Interest is properly managed and/or mitigated.
- **Related Party Transaction Policy:** Ensures all related party transactions and recurrent party transactions are made on standard commercial terms and do not favour the related party over those generally made to the public. The policy defines, among other things, associated parties, related party transactions and persons connected, and sets out the approval requirements.
- **Markets Conduct Policy:** Establishes the overarching principles in managing market activities to ensure compliance with all relevant regulations and uphold high standards of integrity and professional conduct. We have zero tolerance for market misconduct and expect all authorised persons to have sound knowledge and understanding of market regulations.

## 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 ROLES & CONTRIBUTIONS	MEMBERSHIP
<b>Association of Banks Malaysia</b>	<ul style="list-style-type: none"> <li>Actively participate in various initiatives that promote and strengthen the commercial banking industry to become more resilient, effective and efficient.</li> </ul>	AmBank (M) Berhad
<b>Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)</b>	<ul style="list-style-type: none"> <li>Serve as members of the AIBIM Council and Shariah Governance Committee.</li> <li>Represent the voice of the Islamic Finance industry, underpinning the VBI thrust in serving the community.</li> </ul>	AmBank Islamic Berhad
<b>Malaysian Investment Banking Association (MIBA)</b>	<ul style="list-style-type: none"> <li>Actively participate in programmes and initiatives that improve and strengthen the Investment Banking Industry in Malaysia.</li> <li>Sit on various committees in MIBA, which act as a forum for industry dialogue between practitioners and Malaysian regulators.</li> <li>Discuss and address issues affecting the industry, which provides for smooth functioning of capital markets and aims to push innovation and adopt best practices promptly.</li> </ul>	AmInvestment Bank Berhad
<b>Financial Industry Collective Outreach (FINCO)</b>	<ul style="list-style-type: none"> <li>Support FINCO's goal to provide underprivileged and youth with the guidance and educational tools they need to achieve their life goals.</li> <li>Actively participate and volunteer in FINCO programmes, such as FINCO Reads, FINCO Mentor and FINCO Good SENS (Social Enterprise Network for Schools), which builds on the current efforts of financial industry members and supports Malaysia's national strategy for financial literacy.</li> <li>Contributed tablets and a one-year internet data subscription to students from 12 FINCO Schools in Johor to facilitate online learning during the pandemic.</li> </ul>	AmBank Group
<b>Malaysian Investor Relations Association (MIRA)</b>	<ul style="list-style-type: none"> <li>Actively participate in knowledge-sharing sessions between other public-listed companies and the investment community to promote corporate governance and transparency, and enhance shareholder value.</li> </ul>	AmBank Group
<b>Joint Committee on Climate Change (JC3)</b>	<ul style="list-style-type: none"> <li>Help pursue collaborative actions for building climate resilience within the financial sector.</li> <li>Collaborate with other financial players to build industry capacity through sharing knowledge, expertise and best practices in managing climate related risks.</li> <li>Actively support the identification of issues and priorities facing the financial sector in managing the transition towards a low-carbon economy.</li> <li>Collaborate with stakeholders in advancing coordinated solutions to address climate related challenges.</li> </ul>	AmBank (M) Berhad
<b>Association of Stockbroking Companies (ASCM)</b>	<ul style="list-style-type: none"> <li>Promote the interest of stockbroking companies by providing a broker's voice to the relevant regulators and the public.</li> <li>Participate in all issues directly related to the development and progress of the stockbroking industry and help realise the Government's vision of transforming Malaysia into a regional financial centre.</li> <li>Work closely with the Ministry of Finance, the Securities Commission Malaysia and Bursa Malaysia Securities Berhad on a diverse range of operational and policy issues.</li> </ul>	AmInvestment Bank Berhad
<b>Community of Practitioners (CoP) of Bank Negara Malaysia's Value-Based Intermediation (VBI)</b>	<ul style="list-style-type: none"> <li>Actively contribute to the development of the industry's VBI scorecard, framework, guidelines and strategy.</li> <li>The CEO of AmBank Islamic was the 1<sup>st</sup> Chairman of the VBI Sectoral Guideline Working Group, which developed sector guide documents pertaining to the Palm Oil, Renewable Energy and Energy Efficiency sectors and activity.</li> <li>For Cohort 2, AmBank Islamic was also part of the VBI Sectoral Guideline Working Group to develop a sector guide pertaining to the Construction &amp; Infrastructure sector.</li> </ul>	AmBank Islamic Berhad

# SUSTAINABILITY PERFORMANCE

## CORE SUSTAINABILITY MATTERS



### Customer Satisfaction

**235%** increase in total customer compliments received

**627%** increase in compliments for branches

Ranked 1<sup>st</sup> in Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers



### Mitigating ESG & Climate Related Risks

**RM950 million**

raised for new SRI/ ESG capital market funds

**RM3.715 billion**

disbursed for New Green financing

**RM11.0 billion**

disbursed with Low ESG Risk Grade



### Financial Inclusion

**RM24.9 billion**

of loans/financing disbursed to SMEs

**RM21.1 million**

of e-Commerce Financing approved

**RM200 million**

disbursed under the affordable home financing schemes



### Responsible Consumption

**11%** reduction in total carbon emissions

**29%** reduction in Scope 1 emissions

**10.7%** reduction in Scope 2 emissions

**31%** drop in paper consumption

**Zero environmental** non-compliances recorded



### Responsible Procurement

**89%** of active suppliers are local

**RM1,069.6 million** contributed to local suppliers

**88%** of suppliers passing AmBank's pre-qualification ESG questionnaires



### Community Empowerment

**RM1,359,650** investments in community initiatives

**550,286** people reached and institutions sponsored

**RM991,087** total Zakat allocation

## FOUNDATION SUSTAINABILITY MATTERS



### Digital Transformation & Data Security

Scored **66.67%** and ranked **4<sup>th</sup>** under new participants category in SC Capital Market Cyber Drill Simulation

**34%** increase in Non-Retail Digital Penetration



### Employee Well-Being & Development

**47%** top Management/Senior Management are women

**12%** of employees are unionised



### Anti-Money Laundering & Anti-Corruption

**Zero** major regulatory fines or penalties

**42.12%** increase in compliance-related training completed by employees

# CORE SUSTAINABILITY MATTERS

## CUSTOMER SATISFACTION

### Why Is This important?

Customers are at the heart of what we do. Our long-term success and competitiveness depend on the trust and loyalty of our customer base. Therefore, it is crucial to deliver beyond customers' expectations, which are constantly evolving in today's fast-paced environment. We are expected to not only deliver competitive products and services, but also provide a seamless banking experience that makes their lives easier. In the near term, a good customer experience results in increased sales and lower cost-to-serve, thus contributing to improved financial performance. In the long run, excellent customer experience results in sustainable revenue growth and shareholder returns, with a majority of organisations that focus on improving customer experience reporting an increase in revenue.

To gain customer support, particularly in driving our sustainability objectives, we need to establish ourselves as a trustworthy financial solutions provider for our customers. We have a moral obligation to deliver fair and transparent information in marketing, thus allowing our customers to make well-informed decisions. In doing so, we protect our customers' financial interests and maintain their confidence in our ability to serve them. Furthermore, regulators are also monitoring the marketing activities of financial institutions to better protect people against financial exploitation and mis-selling.

### What Is Our Approach?

Our customer strategy seeks to set ourselves apart from other financial institutions by continuously improving our customer experience. We conduct frequent customer engagements to identify common pain points in their customer journey, thus allowing us to implement effective measures and controls to address these issues and consequently, improve customer satisfaction. The aim is to shift our customer interactions from the traditional transactional mindset to build more personalised, meaningful and mutually-beneficial relationships.

We also have policies and measures in place that ensure that our customers consistently receive honest and transparent information. Ethical marketing practices are a key aspect of the customer experience as it protects their best interests, keep them well informed, and demonstrate 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 the organisation. 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. THE "NEW NORM" OF CUSTOMER EXPERIENCE (CX)

- **Digital Experience:** Improved user interface and experience on our mobile and digital platforms and enhanced access to self-service machines, thus enabling remote banking to minimise bank visits when movements were restricted due to COVID-19.
- **Employee Training:** Trained our front-line staff on specially crafted emotional intelligence (EQ) training to provide emphatic services to customers who may be facing pandemic-related stress.
- **Robotic Process:** Leveraged AmOnline, Robotic Process Application and other digital channels to implement Know Your Customer (KYC) Refresh for new and existing customers.

#### 2. ENHANCING CX

- **Conducted Surveys:** Conducted surveys to identify key improvement areas for enhancing the digital banking experience.
- **Mystery Shopping:** Organised Branch Mystery shopping sessions to ensure consistency, accuracy and compliance with the loan/financing moratorium processes, knowledge and service competency. These were held from Q1 to Q3 of FY2022, covering 138, 126 and 144 branches, respectively.

- **CX Workshops:** Conducted internal workshops in relation to feedback received from the various surveys regarding processes, procedures, service excellence and customer pain points. Action plans were developed based on the feedback received.
- **Process Improvement Campaign:** Launched Ideation Campaigns to encourage staff to provide solutions that create a better working environment, and promote more effective and efficient processes. Similarly, implemented the ART of Winning campaign to improve the processing time of our Auto Finance applications.
- **Customer Feedback:** Launched Amazing CX and Overall Customer Compliments campaign across the various distribution channels.

#### 3. REWARD RECOGNITION

- Conducted the following awards programmes to demonstrate appreciation for exceptional customer service employees:
  - > **STAR Awards:** Enabled internal employees to recognise their colleagues, staff and/or supervisors as an Engaged Employee, Shining Star or CX Excellence.
  - > **Compliance Culture Awards:** Recognised staff who exhibited fast, proactive initiatives of going beyond to prevent losses for us and our customers.

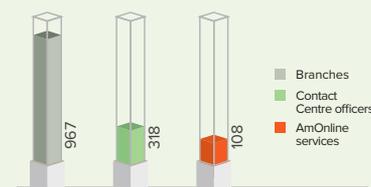


## What Did We Achieve?

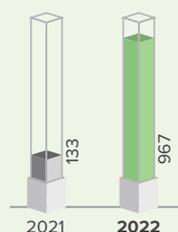


**Ranked 1<sup>st</sup>** in Net Promoter Score (NPS) and Customer Satisfaction (CSAT) amongst AmBank Group customers.

**235% increase** in total customer compliments received, from 416 compliments in 2020 to **1,393 compliments** in 2021.



**627% increase** in compliments for branches (i.e., 967 compliments in 2021 compared to 133 compliments in 2020).



**100% of our branches** passed the Mystery Shopping test.

**90% of our Auto Finance** applications were processed within the same day.

**Five** employees were awarded for outstanding behaviour in support of our compliance culture, saving our clients and us from fraud losses.

**40** branches recognised with Strong audit or compliance ratings from the Group Internal Audit and Group Compliance Monitoring and Testing Unit.

**1.5 million** customer records maintained using robotics.

One-time KYC Refresh conducted on all our **2.2 million** Retail Banking customer base during FY2022.

**RM6.4 million** of savings from hiring additional talents to perform manual data inputs.

### Overall Customer Satisfaction

	FY2020	FY2021	FY2022
Net Promoter Score (NPS)	-6	14	<b>19</b>
NPS rankings amongst industry competitors for AmBank customers only	2	1	<b>1</b>
Customer Satisfaction (CSAT)	72%	74%	<b>79%</b>
Percentage of improvement from the previous year	11%	2%	<b>5%</b>

### Customer Complaints

	FY2020	FY2021	FY2022
Number of customer complaints	2,929	2,343	<b>2,119</b>
Percentage (%) Customer Complaints	4%	2%	<b>3%</b>

## CORE SUSTAINABILITY MATTERS

### Marketing & Labelling

	FY2020	FY2021	FY2022
Percentage of products/services covered and assessed for compliance (%)	47	80	36
Total number of products/services	17	10	11
Number of products/services covered and assessed for compliance	8	8	4
Number of incidents of non-compliance with regulations concerning product and services	0	0	1
Number of incidents of non-compliance with regulations concerning marketing communications	0	0	0

### Business Customers Reached

	FY2020	FY2021	FY2022
Large Corporate	1,733	1,708	1,649
Mid Corporate	1,868	1,931	1,893
Financial Institution	296	305	305
Business Banking	8,795	10,111	12,286
SMEs	22,122	43,146	34,807
<b>TOTAL</b>	<b>34,814</b>	<b>57,201</b>	<b>50,940</b>

Note: Restated due to restructuring of Wholesale Banking Mid Corp Region to Business Banking Region.



### AWARDS

- **International Business Magazine Awards:**
  - > Best Islamic Bank of Malaysia 2021
  - > Banking CEO of the Year Malaysia 2021
- **Global Banking and Finance Review:**
  - > Best Islamic Corporate Bank Malaysia 2022 (3<sup>rd</sup> consecutive year)
  - > Best Islamic Banking CEO Malaysia 2021 (3<sup>rd</sup> consecutive year)
- **Global Islamic Finance Awards:**
  - > Best Islamic Wholesale Banking Solutions Award 2021
  - > CEO of the Year 2021

## MITIGATING ESG & CLIMATE RELATED RISKS

### Why Is This important?

Over the past couple of years, ESG factors are increasingly gaining focus from stakeholders, including customers, investors, policy-makers and society as a whole. Recently, the COVID-19 pandemic has rendered effective ESG risk management to be more pronounced. Businesses are expected to make decisions that contribute to the broader society and combatting climate change. The financial sector is facing particular scrutiny as we have the ability and influence to mobilise capital away from potentially detrimental short-term investments towards long-term projects that address sustainability issues, with additional emphasis on climate action. The rising expectations for sustainable financing have resulted in significant demand amongst investors for sustainability-linked funding. By incorporating ESG considerations into our lending/financing, investment and advisory practices, we strengthen our position as a responsible financial institution and help the global effort in combatting climate change.

### What Is Our Approach?

Our primary role as a credit intermediary is supplemented by our sustainability agenda, whereby our lending/financing practices embed ESG and climate related considerations. We are also guided by the principles of VBI and we are able to refine our products and services that also promote entrepreneurship, community development and environmental well-being. We adopt 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 (e.g. from the International Finance Corporation of the World Bank), provided guidance in crafting our Exclusion List, which describes the businesses and activities excluded from new and additional loans/financing.

ESG and climate considerations are also embedded in our investment and advisory practices. Our investments in financial assets would consider the impact of climate change, whilst our fund management business embeds ESG risks in their decision-making process. Our fund management business has launched a number of sustainable funds whilst our debt markets practice has assisted our customers with ESG-related fund-raising exercises.

### What Did We Do?

#### 1. Exclusion List

- As of 2022, ceased to provide new or additional loans/financing to coal-fired power plants and businesses where coal or coal-related activities contribute at least 20% of the business' total revenue or cost of production. However, new or additional loans/financing is allowed provided that the:
  - > purposes for such loan/financing are for capital expenditure (CAPEX) that precludes coal-related activities, investments, or transactions;
  - > purposes for such loan/financing are for contract-specific loans/financing that is clearly identified to preclude coal-related activities, investments, or transactions; or
  - > use of the loan/financing can be controlled such that the loan/financing would not be used for coal-related activities, investments, or transactions.

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

## CORE SUSTAINABILITY MATTERS

### ... Exclusion List

- Cease to knowingly engage in providing additional or new loans/financing to customers or directly towards activities, investments or transactions that are deemed to be incongruent with AmBank Group's sustainable loan/financing aspiration.
- Existing contractual loan/financing commitments will be honoured, but no additional or new loans/financing would be provided.



#### Notes

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

## 2. ESG Risk Grade and Climate Change Classification

- Assessed ESG risks of selected non-individual customers based on our ESG Risk Assessment (ESG-RA) Guideline. The ESG risk grade (ESG-RG) outcomes influence the decisioning approval authority and depth of assessment.
- Made mandatory escalation of High ESG-RG transactions to the Credit and Commitments Committee (CACC). Such customers are required to develop a mitigation plan with time-bound monitoring triggers, where appropriate.
- Implemented the Climate Change Classification in accordance with the BNM CCPT issued on 30 April 2021.
- Enhanced the annual review process, which included reassessing customers' ESG-RG and Climate Change Classification, tracking customers' mitigation plans and scrutinising deteriorated ESG-RG, where appropriate. We will further enhance the process to give time for customers and the market to transition towards better practices to manage their ESG risks and impact on climate change.

### Climate Change Risk Assessment Questions

- Q1 (GP5)** Does the Customer comply with relevant environmental laws?  
*If non-compliant, loans/financing cannot be granted*
- Q2 (GP1)** Does the company have any plan/procedure to:
  - avoid/reduce their own GHG; or
  - help others to reduce GHG,
 in relation to the transaction/business activity for which the loan/financing is being applied
- Q3 (GP2)** Does the Customer have any measures to:
  - increase resilience to withstand adverse physical impacts of climate change; or
  - enable others to increase resilience to withstand adverse physical impacts of climate change,
 in relation to the transaction/business activity for which the loan/financing is being applied?
- Q4 (GP3)** Does the Customer implement measures to:
  - prevent pollution of air, water and land,
  - protect ecosystem and biodiversity, and
  - use energy, water and other natural resources sustainably and efficiently?
- Q5 (GP4)** Does the Customer have any
  - investigative efforts or identification methodologies to assess the company's negative impact on climate and environment? Or
  - GHG emission reduction target/plan?

### 3. Green Products

- Offered preferential rates for green-certified properties, electric vehicles and solar panel financing.
- Launched sustainable and responsible investments (SRI)/ESG-linked funds, which are managed by AmlInvest and focus on environmental and socially responsible investments.

### 4. Advisory and Capital Markets

- Assisted customers to raise funds which comply with SRI/ESG principles.

### 5. Renewable Energy Collaboration

- Partnered with leading players in renewable energy to supply AmBank Group's customers with free solar system installation and lower tariffs for solar power.

### 6. Protecting Customers' Financial Health from COVID-19

- Set up a task force consisting of senior management to ensure an organisation-wide effort, to assist individual and non-individual customers in overcoming the challenges arising from the COVID-19 pandemic.
- Revised our credit criteria whereby we adopted the customer's financial performance during normal business activities period, instead of during the periods when movements were restricted, for purposes of credit underwriting during the COVID-19 pandemic phase.
- Announced measures to assist individuals, SMEs and corporates impacted by COVID-19, including extending the Repayment Assistance Programme to eligible SMEs to alleviate cash flow challenges until 31 December 2021.
- Provided assistance to B50 customers through the Financial Management and Resilience Programme (URUS) in collaboration with the Credit Counselling and Management Agency (AKPK). It is a holistic programme that emphasised financial planning assistance for customers to allow them to take remedial steps as they work towards bettering their financial position.
- Participated in financing commitment reliefs such as BNM SME relief fund, Penjana SME financing, Prihatin GGS, Danajamin and TRRF.
- Offered RM62.5 million worth of loans/financing in collaboration with Sabah Development Bank Berhad, to help SMEs in Sabah adversely affected by the pandemic.
- Collaborated with Credit Guarantee Corporation (CGC) to extend financing facilities through the SME Portfolio Guarantee (SPG) Revival Scheme/-i by offering financing facilities of up to RM1 million with a loan/financing tenure of seven years, to revive and support the post-pandemic recovery of SMEs.

### 7. Flood Relief Programme

- Provided assistance to eligible customers struggling with the after-effects of the floods. Customers were offered a moratorium of up to six (6) months for all loans/financing, including credit card facilities, with no late or penalty charges imposed during the moratorium period.

### 8. Creating Awareness

- Held our inaugural virtual ESG Day, a platform to bring together perspectives and insights from customers and investors to help elevate the key themes in the transition to a more sustainable future. Themed 'Forward Thinkers: Journeys That Converge', the ESG Day also helped stakeholders understand our sustainability agenda by sharing our roadmap and progress.
- AmlInvestment Bank acted as the Joint Lead Manager for both Small Medium Enterprise Development Bank Malaysia Berhad's RM500 million ASEAN Sustainability Islamic Medium Term Notes and Bank Pembangunan Malaysia Berhad's RM450 million Sustainability Sukuk Wakalah over the last year. These AAA-rated Sukuk were primarily issued to assist businesses affected by COVID-19 and such related economic stimulus. AmlInvestment Bank was actively involved in the marketing and raising the awareness among investors for the inaugural Sustainability Sukuk by these development financial institutions (DFIs), targeting funds that are looking to support the ESG agenda where the use of proceeds for the Sukuk are to directly support the financing of Shariah compliant financing and/or refinancing of eligible projects which include (but are not limited to) both green and social projects.
- The CEO of AmBank Islamic presented a paper on "Application and Operationalisation of the BNM Climate Change and Principle-based Taxonomy" during the inaugural JC3 Conference: #FinanceForChange in June 2021, which was jointly organised by BNM and Securities Commission Malaysia (SC).

## CORE SUSTAINABILITY MATTERS



### What Did We Achieve?



**RM3.7 billion** of loans/financing disbursed were categorised as green loans/financing.

**RM11.0 billion** of loans/financing disbursed were assessed as having Low ESG Risk Grade.

**RM950 million** raised for new SRI/ESG capital market funds.

Launched **three (3)** SRI-compliant: Positive Change Fund, Climate Tech Fund and Nutrition Fund.

Developed **eight (8)** sector-specific ESG checklists.

Approved more than **200** applications from B50 customers under URUS.

Approved more than **1,800** applications (with loan/financing value totalling **RM6.1 billion**) from SMEs for Repayment Assistance.

Approved more than **300** applications (with loan/financing value totalling **RM6.0 billion**) from non-SME customers for Repayment Assistance.

Attracted **837** participants to AmBank's inaugural ESG day.

### Credit Counselling and Debt Management Agency

	FY2020	FY2021	FY2022
Active customers enrolled with AKPK	32,254	32,486	<b>131,471</b>
Value of active customers enrolled with AKPK	RM765.4 million	RM852.3 million	<b>RM870.5 million</b>
Total monthly payments from AKPK customers	RM6.0 million	RM3.8 million	<b>RM4.8 million</b>



### AWARDS

- **Sustainable Business Awards Malaysia 2020/21**
  - > "Highly Commended" for the strength and quality of sustainability programmes and progress vis-à-vis peers

## FINANCIAL INCLUSION

### Why Is This important?

Access to financial services is crucial for inclusive and equitable social progress. Unserved or underserved populations have limited access to financial products and services, thus making it difficult to break the cycle of poverty. Without access to finance, vulnerable groups remain exposed to a range of issues and challenges. As a responsible financial institution, it is important that we help underserved individuals and businesses to have access to the funding and knowledge which are necessary to grow their income. Financial inclusion enables all segments of society to plan for a better and more prosperous life. It acts as a bridge between economic opportunity and outcome, and is recognised as a key pillar of socio-economic development. By nurturing SMEs in particular, which are the backbone of Malaysia's economy, we create a catalytic effect that creates more job and income opportunities. At the same time, financial inclusion may improve our long-term performance as we expand into untapped and underserved markets.

### What Is Our Approach?

Our role as a responsible financial institution with the influence to invoke change, involves the promotion of financial inclusion and shared prosperity. To help underserved businesses, we focus on providing loans/financing and capacity-building initiatives to SMEs, including business start-ups, e-commerce and micro-SMEs.

Our capacity-building initiatives, such as the AmBank BizCLUB, AmBank BizCONFERENCE and AmBank BizRACE, provide the platform to upskill and enhance the business network of our SME customers. We also provided businesses with access to alternative sources of funding such as government grants, and also the road to capital markets where customers are provided consultation and advice towards obtaining funding from the capital markets. Meanwhile, we support vulnerable communities by providing loans/financing to procure affordable homes.

### What Did We Do?

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

- Continued our focus on providing loans/financing to SMEs, as a manifestation of our commitment towards financial inclusion.
- Participated in various government-backed schemes to support the SME sector.
- Enabled an integrated digitalisation in Supply Chain Finance (SCF) for SMEs. With the digitalisation of the SCF, we can expand our market to include micro-SMEs and SMEs along the supply chains to improve their trade activities and cash flow.
- Rolled out the SME Deposits Cash Rewards Campaign, offering SMEs cash rewards of up to RM320,000 when using their AmBank's Business Account for their daily transactions.
- Provided consultation and advice towards obtaining funding via initial public offering (IPO), bonds, sukuk or other capital market instruments.

#### 2. e-Commerce Financing

- In line with the accelerated rise in the volume of businesses conducted via online channels due to the COVID-19 pandemic, launched the e-Commerce Biz-i, a new financing scheme by AmBank Islamic, for businesses which are involved in buying/selling of goods and services or the transfer of funds/data digitally.

#### 3. SME Sector – Capacity Building

- Organised events through the AmBank BizCLUB for SMEs and private business owners to engage directly with top trainers and business leaders on topics directly which are relevant to their business (e.g., leadership, business health, employee readiness, business culture).
- Helped customers develop in key areas of IR 4.0 and Digitalisation through the AmBank BizRACE programme. Formed strategic partnerships with various government agencies and other organisations to offer participating SMEs the opportunity to gain better insights through a series of development sessions, one-to-one consultations and grant application guidance.
- Launched AmBank Biz Halal Quest, an initiative to create awareness of Halal-related business. With the support of government agencies such as Halal Development Corporation, the content provided in the AmBank Biz Halal Quest provided insights in relation to the Halal market and Halal certification process.
- Signed a memorandum of understanding with the Malaysian Investment Development Authority (MIDA) to offer SMEs and Mid-Tier Companies (MTC) the opportunity to be part of MIDA's Smart Automation Grant (SAG).
- Launched AmBank BizHUB, an online marketplace for SMEs to support small and micro-businesses by providing an e-commerce platform that will help businesses connect to buyers.
- Supported continuous learning for SMEs through seminars, forums and events organised by BNM, AIBIM and SME Corporation.

#### 4. Affordable Housing

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

## CORE SUSTAINABILITY MATTERS



### What Did We Achieve?



**RM24.9 billion** of loans/financing disbursed to SMEs.

**RM21.1 million** of e-Commerce Financing approved.

More than **200** SMEs participated in the IR4.0, Digitalisation and Halal Quest.

More than **RM18 million** worth of grants for AmBank BizRACE participants approved by MIDA.

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

Held **40** virtual events for SMEs across Malaysia.

**RM200 million** disbursed under the affordable home financing schemes.

### Empowering SMEs

	FY2020	FY2021	FY2022
Contributions to the SME sector through loans and financing (RM billion)	20.8	22.8	<b>24.9</b>
Total loan portfolio made up of SMEs (%)	19.4	20.2	<b>20.8</b>
Numbers of SMEs and entrepreneurs engaged via AmBank BizCLUB (cumulative)	~ 5,000	~7,000	<b>~12,000</b>



### AWARDS

- **The Asset Triple A Islamic Finance Awards 2021**
  - > Best Islamic SME Bank
- **Alpha Southeast Asia Islamic Finance Awards 2021**
  - > Best Islamic SME Bank Malaysia (3<sup>rd</sup> consecutive year)
- **Asian Banking and Finance 2021**
  - > SME Bank of the Year
- **Global Banking & Finance Awards 2022**
  - > Best Islamic SME Bank Malaysia (3<sup>rd</sup> consecutive year)

## RESPONSIBLE CONSUMPTION

### Why Is This important?

The climate emergency has already started impacting businesses and stakeholders worldwide. The last couple of years have shown the perils of climate change, with dangerous weather events becoming more frequent and severe. In addition to climate change, the increasing volumes of waste, particularly plastic waste, are affecting natural resources such as water, land and air quality.

The concern over environmental issues and environmental degradation has led to focused attention on businesses and institutions and their role in helping curb the problem. Company reputation and stakeholder loyalty are increasingly influenced by the environmental footprint of their operations and activities. Responsible consumption and proactive environmental action are fundamental to our sustainable growth and shareholder returns. By implementing a holistic approach to managing our consumption responsibly, we create a positive impact and play our part in preserving the planet for future generations.

### What Is Our Approach?

AmBank Group recognises the scientific consensus on climate change and other environmental challenges. With this in mind, we strive to minimise our business's environmental impact continuously. Through responsible consumption practices and policies, we actively identify and implement ways to reduce our environmental footprint. Our environmental practices are governed by 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 impacts resulting from our lending, financing and investment activities.

##### PRINCIPLE 6

Environmental protection is the responsibility of all our employees.

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

#### Scope 1



Direct emissions from the fuel consumption of company-owned vehicles

#### Scope 2



Indirect emissions from electricity consumption

#### Scope 3



Indirect emissions from employee travel

We track our carbon reduction progress on a year-to-year basis. We are on track to achieve our target to reduce our overall carbon emissions by 24.0% by FY2023 when compared with FY2019 baseline year. The Group Energy Policy is the foundation for successful energy management across our buildings and assets. The policy formalises our commitment to responsible energy management and sustainable development. Additionally, the Energy Management Practice Guide was issued in November 2021 to provide guidance on the effective management of the Group's energy consumption in accordance with the Group Energy Policy.

## CORE SUSTAINABILITY MATTERS

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

- PRINCIPLE 1** We are committed to promoting energy efficiency management continuously.
- PRINCIPLE 2** We are committed to improving cost effectiveness continuously.
- PRINCIPLE 3** We are committed to improving environmental preservation and conservation
- PRINCIPLE 4** We encourage innovation through the usage of Green Technology and Renewable Energy whenever possible.
- 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.
- 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 9** We ensure that energy management related data is filed, analysed, and updated continuously in order to achieve the objectives and targets set for the energy management programme carried out by AmBank Group.
- PRINCIPLE 10** We are committed to carrying out an energy-management related programme within AmBank Group to cultivate an energy-management culture continuously.
- PRINCIPLE 11** We are committed to providing the necessary resources to carry out any of AmBank Group's Energy Management Programme.

While we continue to generate clean energy from our solar panels at our Damansara Fairway 3 (DF3) building, we have subscribed to green and renewable energy for our electricity consumption from our operations in Peninsular Malaysia and Sarawak. This enables us to offset our carbon emissions as part of our long-term strategies and targets to achieve Net Zero Carbon.

## What Did We Do?

### 1. SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION

- **Shuttle Service:** Continued inter-building movement restriction to minimise the spread of COVID-19. Hence, the shuttle service between Menara AmBank and Bangunan AmBank Group has been temporarily stopped. The lack of movement between buildings has contributed to lower carbon emissions.
- **Vehicle Rationalisation:** Decreased the total number of vehicles belonging to AmBank Group from 29 to 27.
- **Electric Vehicles:** Continued to transition towards hybrid vehicles, making up three (3) out of our 27 vehicles. We will continue to convert more of our fleet to hybrid vehicles over time, complying with the Group Environmental Policy.

### 2. SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

- **Energy Management Practice Guide:** Introduced a practice guide as guidance for AmBank Group to manage energy consumption effectively in line with the Group Energy Policy.
- **Energy Management Forum:** Conducted quarterly Energy Management Forum meetings to monitor energy consumption and performance and discuss energy management measures and initiatives.

- **LED Lighting:** Completed the replacement of conventional lights with an energy-efficient LED lighting system for our head office buildings and branches.
- **Renewable Energy:** Generated clean energy and offset our carbon emissions from the solar panels at the DF3 building.



*(Standing on the right) Dato' Sulaiman Mohd Tahir, Group Chief Executive Officer of AmBank Group, and Datuk Ir. Megat Jalaluddin Megat Hassan, Chief Retail Officer of TNB (on the left) announcing the Green Electricity Tariff agreement between both parties to help AmBank Group achieve its Sustainability Framework agenda.*



- **Energy Management Gold Standard (EMGS) Certification:** We are the first financial institution in Malaysia to be awarded the Energy Management Gold Standard Certification, where Menara AmBank was awarded with the 1-star rating on 17 May 2022.

- **Green Electricity Tariff (GET):** Subscribed to GET offered by TNB in February 2022 and offset our carbon emissions.
- **Renewable Energy Certificate (REC):** Subscribed to REC for our electricity consumption supplied by Sarawak Energy in Sarawak.
- **Efficient Air-Conditioning:** Implemented the standardisation of procurement of new air-conditioners to 3- to 4-star energy efficiency ratings for branches and buildings.
- **Energy Saving Staff Engagement Activities:** Conducted 'Lights Off' during lunch on Zero Emission Day on 21 September 2021.
- **Earth Hour Campaign:** Participated in the Global Earth Hour Campaign on 26 March 2022 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

## CORE SUSTAINABILITY MATTERS

### 3. SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL

- **Shuttle Service:** Continued outsourced shuttle services to serve employees commuting between Wisma AmFirst and Glenmarie LRT station and 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 low air travel emissions.

### 4. RESPONSIBLE WASTE MANAGEMENT

- **Printing Monitoring:** Tracked top 20 printing users for head offices and branches to reduce printing and paper consumption.
- **Digital Solutions:** Encouraged customers to opt for electronic Fixed Deposit (FD), Term Deposit receipts and 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 use. In addition, AmBank Group has introduced the usage of digital letterhead and digital signatures in its effort to go paperless.
- **Onsite Recycling:** Implemented recycling facilities in Menara AmBank, Bangunan AmBank Group and Wisma AmFirst to encourage waste separation for recyclables. We have also placed additional Recycling bins for Wisma AmFirst and DF3 in March 2022.
- **Third-Party Recycling:** Hired a qualified licensed third-party paper recycling vendor for shredding documents without compromising the confidentiality of the data.

### 5. PROMOTE ZERO SINGLE-USE PLASTIC

- **Water Dispensers:** Reduced office water dispensers made from polycarbonate plastic bottles.
- **Stationeries & Merchandise:** Discontinued supplying mineral bottled water as our merchandise.
- **DIY Soap Making Workshop:** Conducted the workshop on 26 March 2022 for Kelab AmBank Group (KAG) members to create awareness to reduce single-use plastic consumption by making their own soap.

### 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.
- **Environmental Sustainability Webinar Series:** Launched the webinar series in October 2021 and conducted webinars on climate change, e-waste and zero waste lifestyle.



DIY Soap Making Workshop.



AmBank Group's Environmental Performance Broadcast at Branches' TV screens and Menara AmBank's Digital Directory Board.

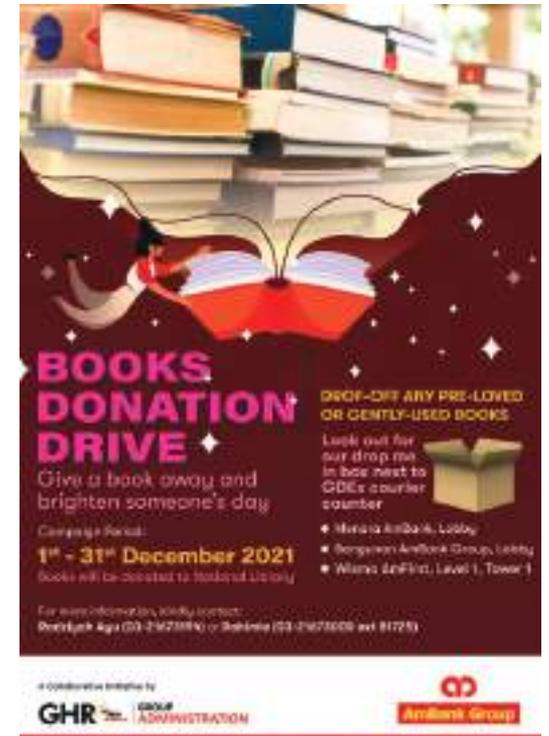


Energy Consumption Impact on Climate Change webinars

- **Energy Consumption Impact on Climate Change Webinars:** Conducted webinars for AmBank Group’s staff on the impact of energy consumption on Climate Change.
- **Virtual Energy Corner:** Created a virtual energy corner in our internal portal to increase staff awareness of AmBank Group’s energy management initiatives and achievements.
- **“Don’t Let Your E-Waste Harm Our Environment” and “Zero Waste Lifestyle” Webinars:** Held webinars for AmBank Group’s staff to create awareness in relation to waste management.



“Don’t Let Your E-Waste Harm Our Environment” webinar and “Zero Waste Lifestyle” webinar.



Books Donation Drive.



Global Recycling Day, Earth Hour and No Single-Use Plastic PC Lockscreens.

- **Environmental Sustainability PC Lock Screens:** Utilised the PC Lock Screen platform to increase staff awareness of environmental and sustainability-related topics.
- **Books Donation Drive:** Collected 1,070 pre-loved books from BAG, MAB & WAF and donated them to the National Library.

## CORE SUSTAINABILITY MATTERS



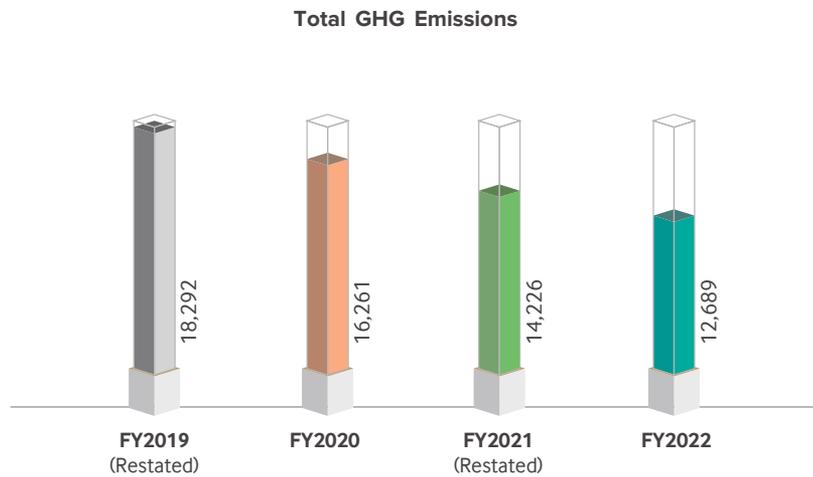
### What Did We Achieve?



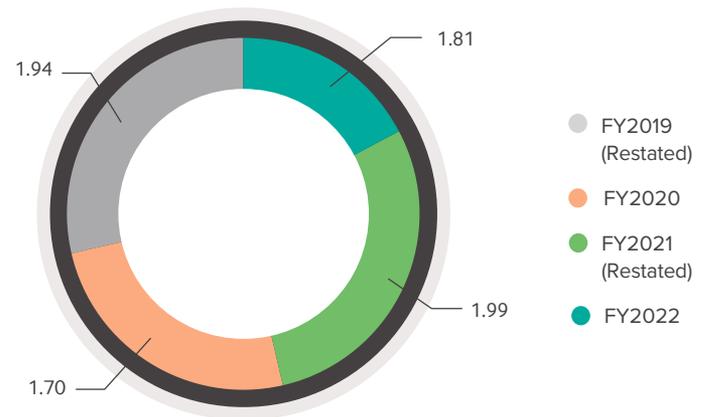
#### 1. OVERALL CARBON EMISSIONS

- **11%** reduction in total carbon emissions

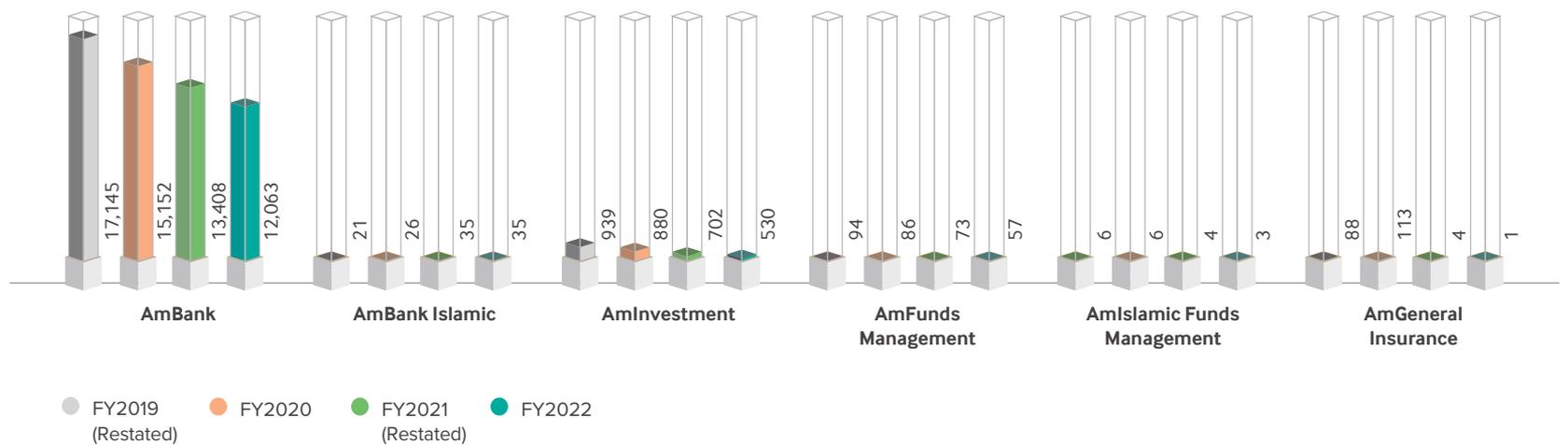
Total GHG Emissions



GHG Emissions/FTE

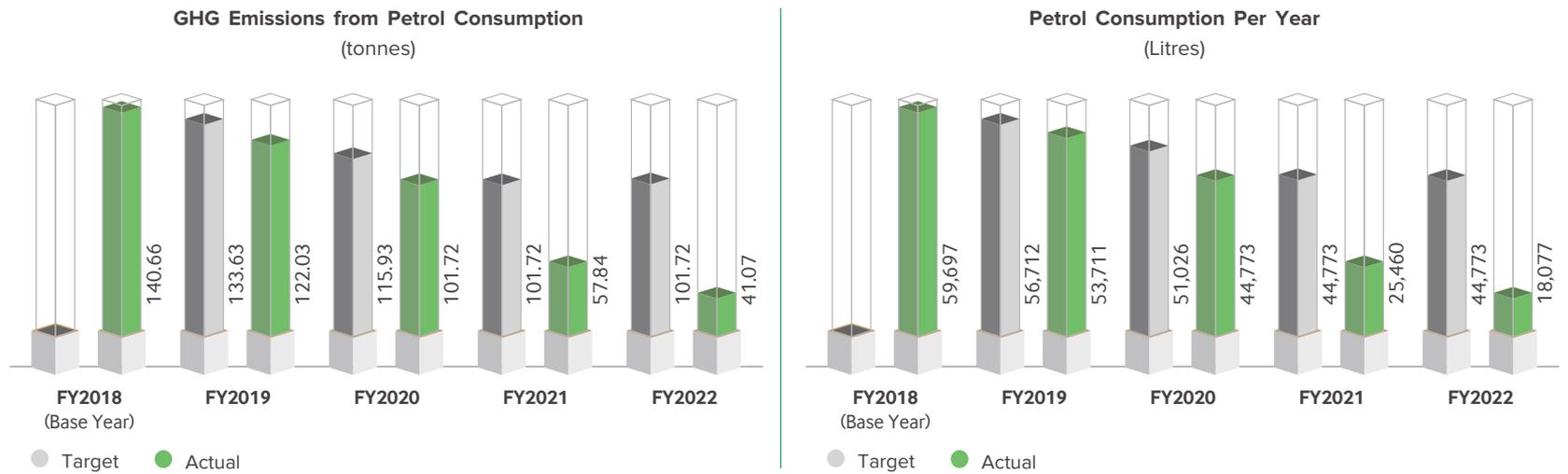


Total GHG Emissions by Entity (tCO<sub>2</sub>e)

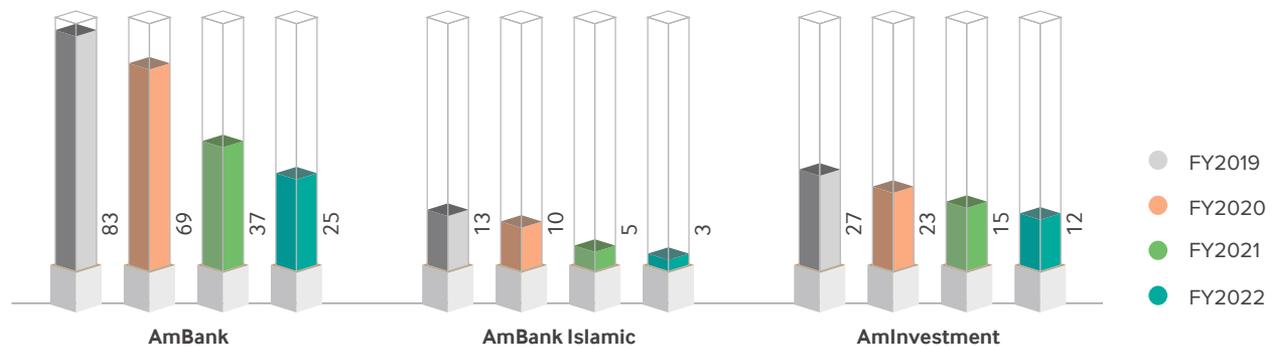


## 2. SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION

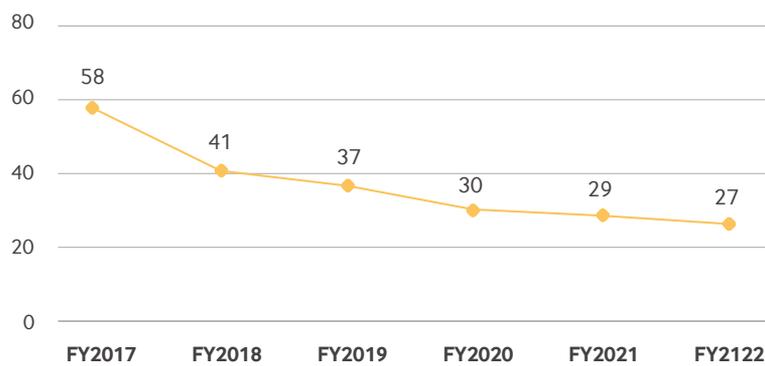
- **29%** reduction in Scope 1 emissions and petrol consumption by vehicle fleet. The significant decrease in fuel consumption is mainly due to the Work-from-Home arrangement and inter-building restrictions imposed to curb the spread of COVID-19.



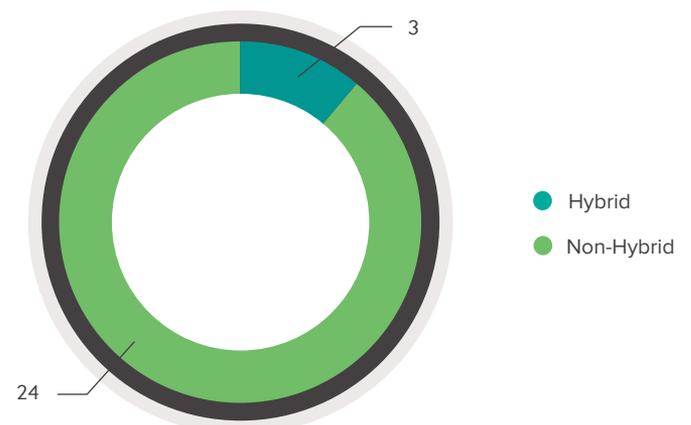
### Scope 1 GHG Emissions By Entity



### No. of Vehicle Fleets



### Vehicles composition (FY2022)

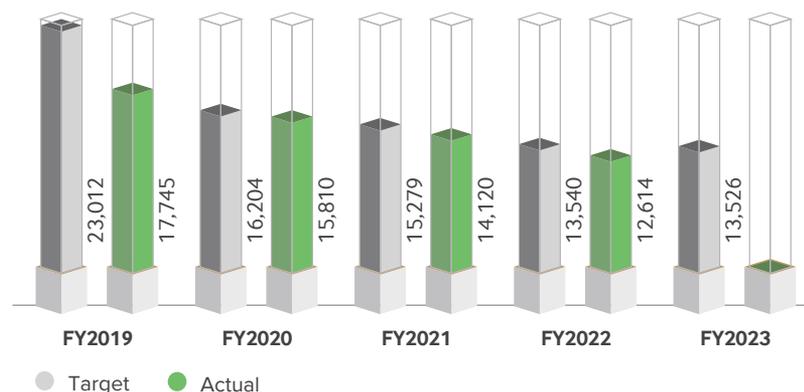


## CORE SUSTAINABILITY MATTERS

### 3. SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

- **10.7% reduction** in carbon emissions which is 6.8% higher than the set target.
- **0.068 tonnes** of tCO<sub>2</sub>e used per square meter of office space.
- **1,468,133 kWh** saved through the LED lighting initiative.
- **86,019 kWh** of energy was generated from solar panels from April 2021 to March 2022, offsetting approximately **50.32 metric tonnes** of carbon emissions for FY2022.
- **1,309,199 kWh** of Green Electricity from TNB for the energy consumption from AmBank Group's operations in Peninsular Malaysia since February 2022, resulting in a carbon offset of **765.88 metric tonnes** of carbon emission for FY2022.
- **2,939,788 kWh** (100%) of energy consumption from operations in Sarawak was supplied from a hydroelectricity source, resulting in a carbon avoidance of 970.13 metric tonnes.

Actual vs. Target of Scope 2 GHG Emissions (tonnes)



#### Total Electricity Consumption

Entities	FY2020			FY2021			FY2022		
	RM ('000)	kWh ('000)	tCO <sub>2</sub> e	RM ('000)	kWh ('000)	tCO <sub>2</sub> e	RM ('000)	kWh ('000)	tCO <sub>2</sub> e
AmBank	12,422	26,687	14,881	10,946	23,939	13,327	9,858	21,831	12,009
AmBank Islamic	5	11	6	26	51	30	24	48	28
AmInvestment	729	1,534	840	601	1,274	686	438	961	518
AmFunds Management	66	134	78	62	125	73	52	98	57
AmIslamic Funds Management	4	8	5	4	7	4	2	5	3
<b>Total</b>	<b>13,226</b>	<b>28,374</b>	<b>15,810</b>	<b>11,639</b>	<b>25,396</b>	<b>14,120</b>	<b>10,374</b>	<b>22,943</b>	<b>12,614</b>

#### Head Office Buildings

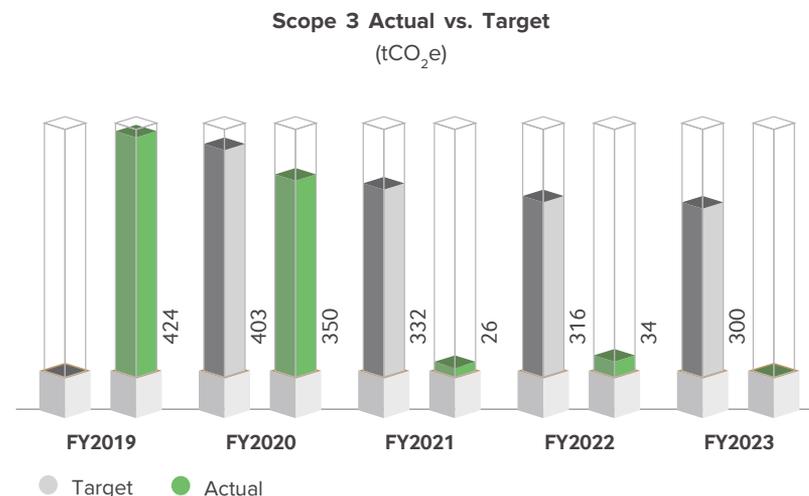
Building	Building Code	RM ('000)	kWh ('000)	kWh/m <sup>2</sup>	kWh/FTE	tCO <sub>2</sub> e
Menara AmBank, Jalan Yap Kwan Seng	MAB	677	1,365	48	627	799
Bangunan AmBank Group, Jalan Raja Chulan	BAG	477	974	35	568	570
Damansara Fairway 3	DF3	1,656	3,913	589	22,358	2,289
Wisma AmFirst, Kelana Jaya	WAF	264	534	62	541	313
Wisma AmBank, Jalan Pudu	WAB	477	974	35	568	121
<b>Total</b>		<b>3,552</b>	<b>7,759</b>	<b>99</b>	<b>1,535</b>	<b>4,091</b>

#### Building and Branches

Building/Location	RM ('000)	kWh ('000)	kWh/m <sup>2</sup>	kWh/FTE	tCO <sub>2</sub> e
Main Buildings	3,552	7,759	99	1,535	4,091
Branches	7,198	15,950	148	8,184	8,524
<b>Total</b>	<b>10,750</b>	<b>23,710</b>	<b>127</b>	<b>3,385</b>	<b>12,614</b>

#### 4. SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL

- **28% increase** in Scope 3 emissions and **56% increase** in carbon emissions from business-related air travel as the travel restrictions were lifted and domestic travels were allowed during the year. However, these figures are still below AmBank Group's pre-COVID targets.
- Replaced **38,668** single-passenger car trips with shuttle service, saving a net of **16,863 km** of distance travelled by individual vehicles. There was an increase in the shuttle trips during the MCO period from May to October 2021 as more staff started to work in the office. Although there is a saving in mileage, the carbon emissions from the shuttles are more significant than the carbon emissions from the individual cars as the shuttles were operating at half of their capacity due to COVID-19 SOP, which leads to no savings in carbon emissions equivalent through the shuttle service this year.



#### Scope 3 Emissions By Entity

Entity	tCO <sub>2</sub> e			
	FY2019	FY2020	FY2021	FY2022
AmBank	298	202	21	<b>28</b>
AmBank Islamic		10	0	<b>4</b>
AmGeneral Insurance	88	113	4	<b>1</b>
AmInvestment	23	17	1	<b>0</b>
AmFunds	15	7	–	–
AmIslamic Funds Management	1	1	–	–
<b>Total</b>	<b>424</b>	<b>350</b>	<b>26</b>	<b>34</b>

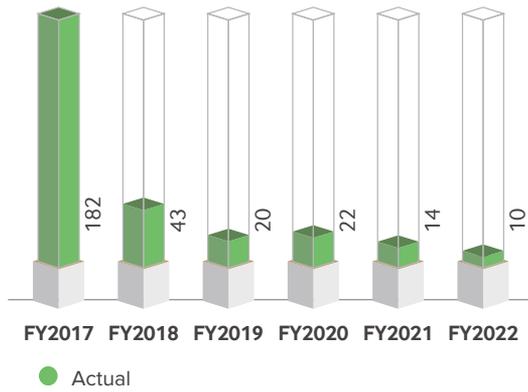
#### 5. RESPONSIBLE WASTE MANAGEMENT

- **25%** reduction in savings passbooks as more customers opt for paperless transactions.
- **31%** reduction in paper consumption, which is **28%** higher than our set target.
- **RM3,231 in recovery value** for paper waste recycled by the third-party recycling vendor. This year, the drop in paper waste recycling is mainly due to the destruction of our records is being managed by our outsourced service providers instead of by AmBank.
- Collected **3,968 kg** of recyclable waste from our Recycling Bins in Menara AmBank, Bangunan AmBank Group and Wisma AmFirst in FY2022 and recycled the waste through third-party recycling vendors.

## CORE SUSTAINABILITY MATTERS

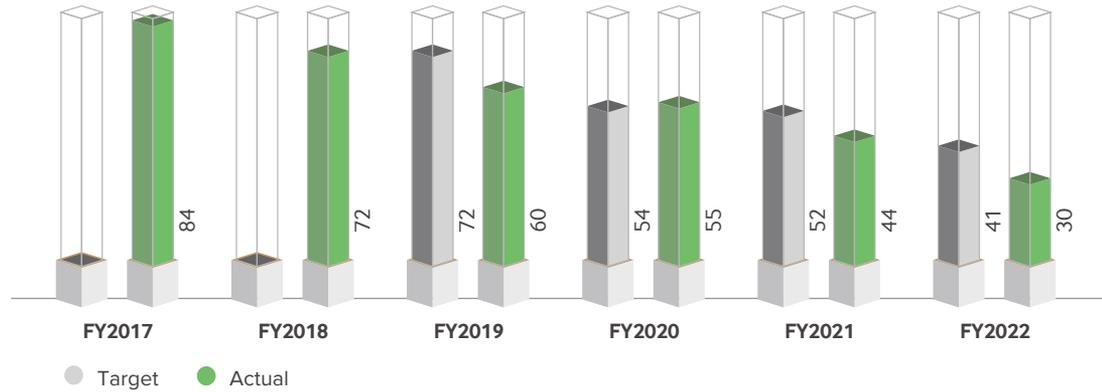
**Savings Passbook**

No. of Books ('000)

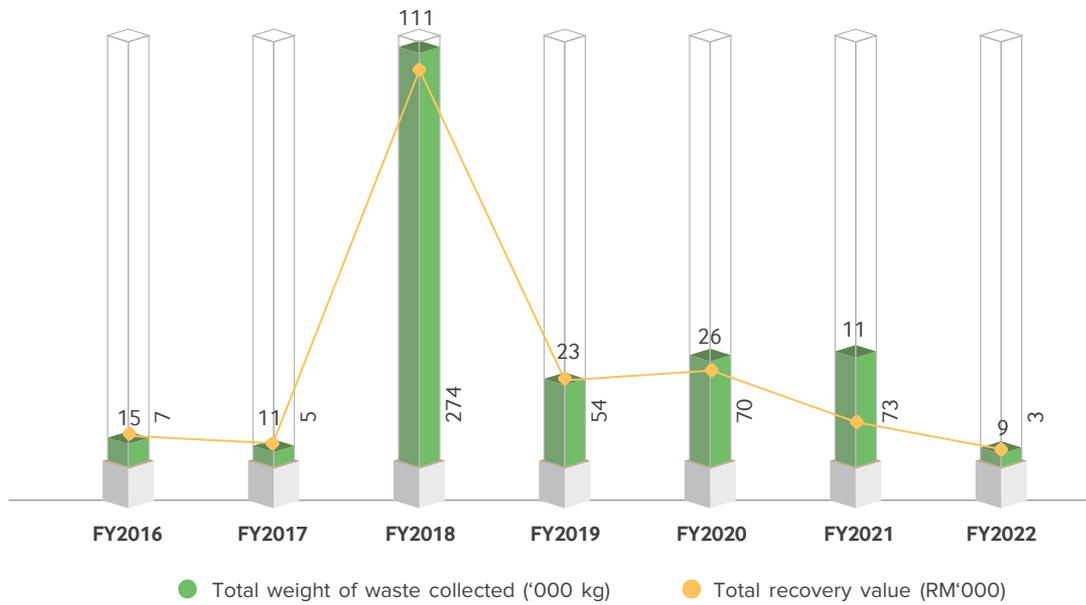


**A3 & A4 Paper Consumption**

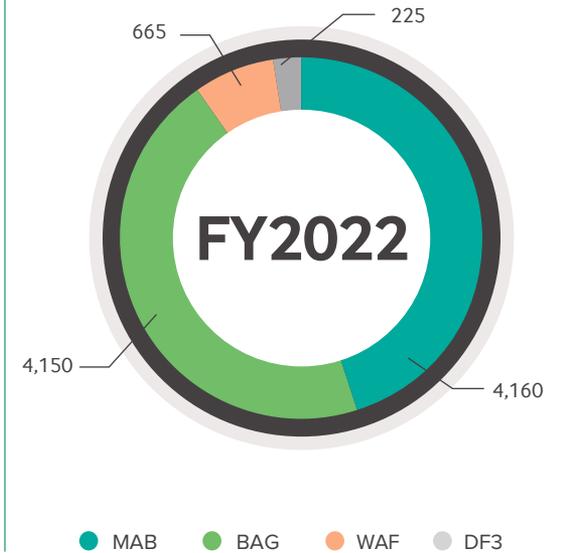
No. of Sheets (mil)



**Total Weight of Waste Collected Against its Recovery Value**



**Breakdown of Paper Waste Collected (kg)**

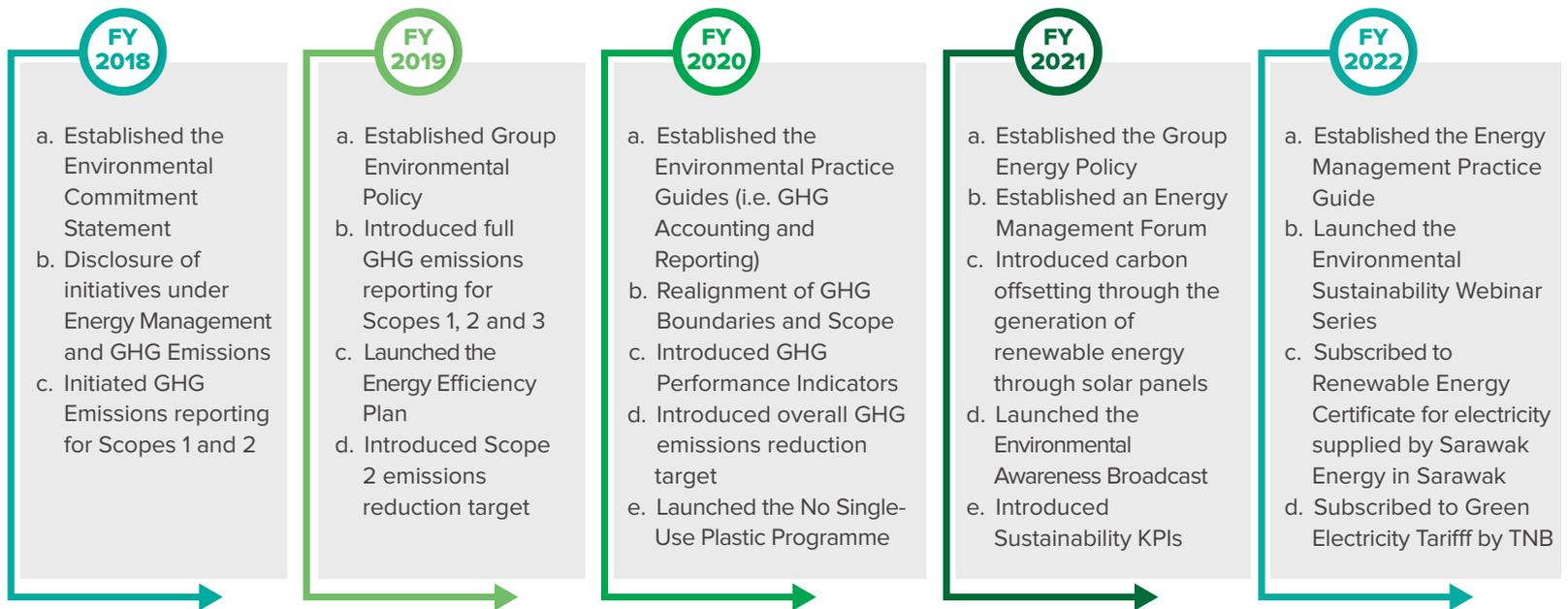


Type of Recycle Waste	Weight (kg)			Total (kg)
	MAB	BAG	WAF	
Plastics	188	12	0	200
Paper	953	634	454	2,041
Cardboard	872	437	365	1,674
Can	40	3	0	43
Metal	10	0	0	10
<b>Total</b>	<b>2,063</b>	<b>1,086</b>	<b>819</b>	<b>3,968</b>

## 6. ENVIRONMENTAL ACHIEVEMENTS

- **Zero** environmental non-compliances recorded

### ENVIRONMENTAL MILESTONES



## CORE SUSTAINABILITY MATTERS

### RESPONSIBLE PROCUREMENT

#### Why Is This important?

Our business and sustainability objectives are dependent on all players across our supply chain as we move towards being a sustainable organisation. The complex nature of supply chains exposes us to a range of ESG risks, which can potentially impact our business through disruption of goods and services, loss of license to operate, high costs from changing suppliers, and an impact on our brand, reputation and customer satisfaction. We have the opportunity to make a positive impact across varied communities by building a resilient and ESG-compliant supply chain.

A holistic perspective of sustainability gives us a deeper understanding of our impact and risk across the broader value chain, enabling us to contribute toward inclusive socio-economic growth and shared prosperity. Through our supply chain and responsible procurement practices, we have the power to create a positive impact, achieve sustainable growth and contribute to combating global sustainability challenges.

#### What Is Our Approach?

We strive to ensure sustainable and responsible procurement practices. We ensure that the product we choose is sourced from responsibly managed resources and from ethical, environmentally friendly and responsible suppliers. By extending our ESG standards onto our supply chain, we strive to create a positive impact for all stakeholders, even outside of our own business activities.

We implement AmBank Group's Responsible Sourcing and Green Procurement for Supplier's Onboarding Programme for new suppliers. New suppliers must respond to a questionnaire that helps us analyse a supplier based on our sustainability expectations and principles. 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.

#### Key Components of Supplier Screening Questionnaire

<b>Business Integrity</b>	Suppliers to adopt a policy governing anti-bribery, extortion, corruption, fraud, money laundering and misconduct.
<b>Safety and Social Performance</b>	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.
<b>Environmental Sustainability</b>	Suppliers to promote the use of sustainable products (e.g. recyclables, reusable, non-toxic etc.) and practices in the delivery of products and services.
<b>Product Performance Testing</b>	Suppliers to adhere to AmBank Group's required performance and technical specifications.
<b>Resource Efficiency and Waste Reduction</b>	Suppliers to take back the products supplied for reuse or recycling, where applicable.
<b>Energy Efficiency</b>	Suppliers to employ energy-saving features to their products and services during use or on standby; where applicable.
<b>Environmentally Hazardous Substance Management</b>	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

- Implemented an e-Procurement system for supplier's self-registration, with suppliers being 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; 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.
- AmBank Group's suppliers are required to sign up the AmBank's Integrity Pledge through its supplier onboarding Supplier Lifecycle and Performance process. In this end-to-end process, all suppliers interested in being qualified as our suppliers must first be pre-qualified and pass modular questionnaires in each section on Business Integrity & Governance, Environmental Sustainability and Safety & Social Performance.
- Conducted awareness and training sessions for existing suppliers.
- Initiated implementation of e-Ariba for existing and new suppliers to reduce hardcopy in Purchase Order.
- Initiated archive of softcopy contracts in Group Procurement centralised system with plans, in due course, to do away with hardcopy contracts archiving. We also encourage e-stamping at Lembaga Hasil Dalam Negeri (LHDN) to reduce the issuance of cheques.

### 2. Socio-Economic Contributions

- Developing Local Suppliers:** Continued to prioritise local suppliers, channelling 91.0% of total procurement spending to local businesses.

### 3. Green Sourcing & Procurement

- Zero-Plastic:** Upheld our procurement commitment to reduce the use of plastic-related stationery such as PVC files, folders, index dividers and fasteners. Sourced stationery made of recyclable material. Further, we reduced the use of 5-gallon plastic bottles of RO drinking water across all AmBank offices.
- Reducing Paper Use:** Encouraged staff to use double-sided printing wherever possible. In FY2022, we launched the use of e-Letterhead and e-Memo across the organisation. We have AmBank consciously reduced the size of our printed festive packets, which run into hundreds of thousands of pieces.
- 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 hazardous materials such as lead, mercury, cadmium and hexavalent chromium.
- Data Centres:** Procured products that are compliant with the 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?



- 181** vendors fully completed pre-registration in the system, with **88%** fully passing AmBank's pre-qualification ESG questionnaires.

Breakdown of Suppliers	FY2020	FY2021	FY2022
Local Suppliers with Active Contracts	94.0%	89.0%	<b>89.0%</b>
Total Number of Local Suppliers	1,541	1,129	<b>1,866</b>
Total Number of International Suppliers	92	96	<b>102</b>
<b>Total</b>	<b>1,633</b>	<b>1,225</b>	<b>1,968</b>

Economic Contribution to Suppliers (RM Million)	FY2020	FY2021	FY2022
Local Suppliers	538.2	449.3	<b>1,069.6</b>
International Suppliers	88.7	89.8	<b>101.4</b>
<b>Total</b>	<b>626.9</b>	<b>539.1</b>	<b>1,170.9</b>

## CORE SUSTAINABILITY MATTERS

### COMMUNITY EMPOWERMENT

#### Why Is This important?

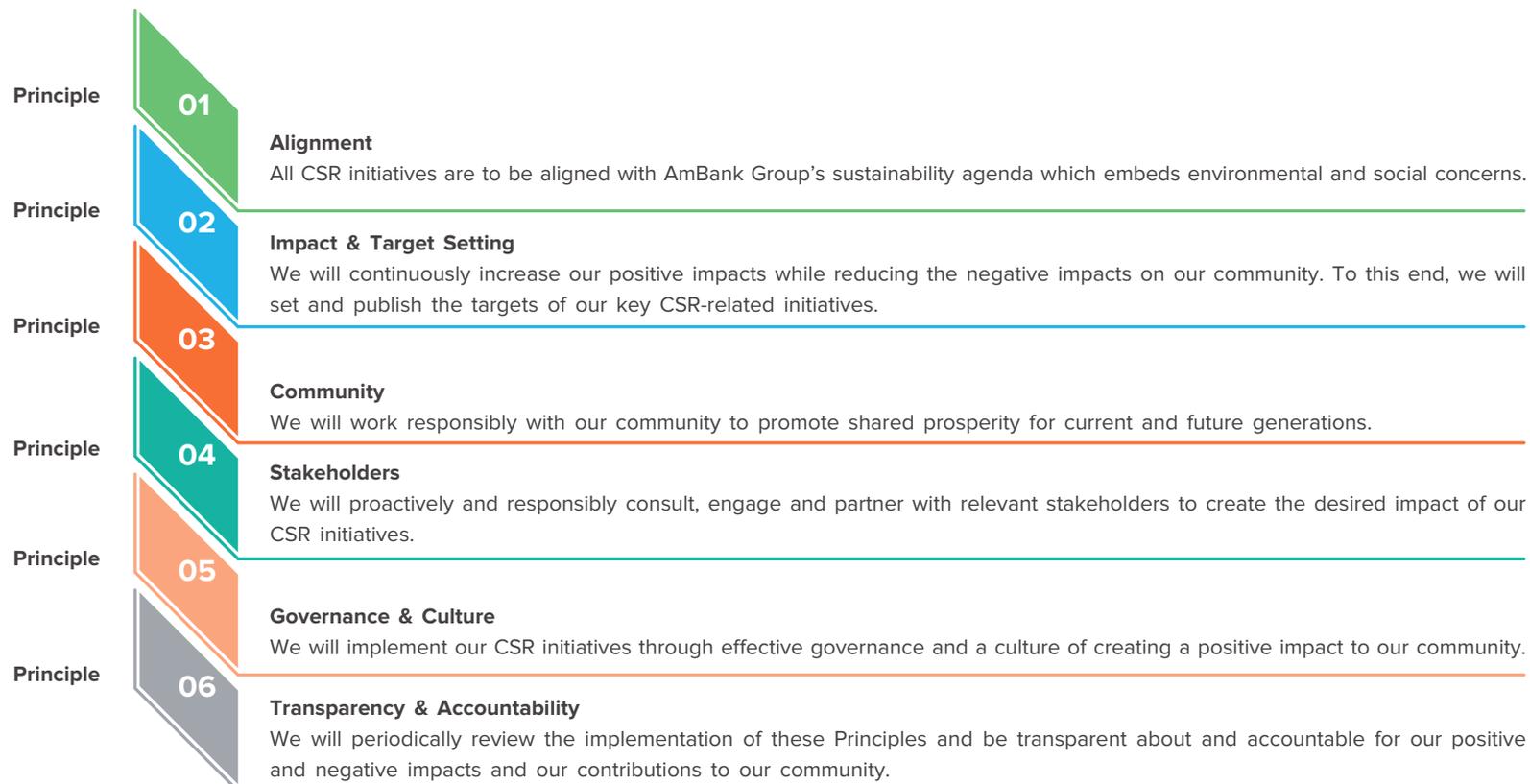
We aspire to create a positive impact to the community in which we operate. The community is an important stakeholder in our sustainability journey, as the long-term growth of our business is linked to the prosperity of society at large. We are conscious of our moral responsibility as a corporate citizen to contribute toward the holistic growth and sustainable development of the community. Community empowerment also contributes to positive business performance. By contributing to social development, we are able to build long-term stakeholder trust and gain further support in driving our sustainability agenda forward. It ensures our corporate legitimacy and strengthens our social and relationship capital. At the same time, corporate social responsibility (CSR) programmes offer employees an opportunity to give back to society, thus fostering a sense of fulfilment and purpose.

#### What Is Our Approach?

Our CSR activities focus on addressing common development issues faced by communities. This involves reaching out to community members and NGOs to understand their needs and circumstances, which enable us to develop more effective and impactful 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. As part of our community commitments, we dedicate 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 support underprivileged communities.

We also support our communities in providing financial literacy programmes. Through financial literacy, we help various communities improve their financial, credit and debt management knowledge, thus avoiding financial pitfalls.

#### AmBank's Principles in Developing Impactful CSR Programmes



## What Did We Do?

### Community Outreach & Welfare

- **Entrepreneurial Stewardship:** RM283,000 was distributed to 71 small traders who fall under asnaf category to upgrade and grow their business. They received assistance in the form of cash grants of up to RM5,000 to purchase items/equipment for their business.
- **Food Aid:** Contributed food hampers worth RM75,000 in collaboration with Amanah Ikhtiar Malaysia (AIM) to 500 Asnaf families with a monthly income of less than RM600.
- **The Lost Food Project (TLFP) Food Bank CSR Collaboration:** Participated in a collective effort of TLFP to reduce food wastage and eliminate hunger among the B40 Community.
- **AmBank AmKasih Flood Relief Programme:** Provided 600 students with back-to-school kits to students from SK Taman Sri Muda, Shah Alam, a school which was badly affected by the floods in December last year. SK Taman Sri Muda is part of our school adoption programme under Bank Negara Malaysia.
- **Sponsorship to Universiti Teknologi Malaysia (UTM):** Supported University Social Responsibility (USR) organised by UTM in assisting flood victims in Yan, Kedah. The programme aimed to install a 4,000-meter polymer pipe in Kampung Pauh, Yan, Kedah so that 500 villagers can receive clean water supply.



AmBank Group contributed food hamper comprises daily necessities such as rice, cooking oil and canned foods, which will benefit 500 families from the asnaf category with monthly income of less than RM600. The distribution was handled by representatives from Amanah Ikhtiar Malaysia nationwide.



From left – Dato' Sulaiman Mohd Tahir, Group Chief Executive Officer, AmBank Group, Tan Sri Azman Hashim, Chairman Emeritus, 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.

### COVID-19 Aid & Assistance

- **Healthcare Assistance to Public Hospitals:** Assisted Hospital Tuanku Ja'afar Seremban with about RM550,000 worth of medical equipment as part of the Group's initiatives to assist medical front liners in coping with the surge in COVID-19 cases in Negeri Sembilan.
- **Remote Learning:** Supported Yayasan Raja Zarith Sofiah Negeri Johor COVID-19 disaster relief initiative by contributing RM50,000 for purchase of online learning devices to students in need. Tablets with one-year internet data subscriptions were also distributed to 55 needy students from 12 primary schools in Johor.
- **AmBank AmKasih COVID-19 Relief Programme Staff Assistance:** Contributed financial assistance of RM500 for three months to 65 AmBank staff affected by the surge of COVID-19 cases and the extension of the movement control order.

## CORE SUSTAINABILITY MATTERS

### Financial Literacy

- **FINCO Good SENS 2021**

- > **FINCO Good SENS 2021:** Participated in FINCO's new pilot programme, FINCO Good SENS (Social Enterprise Network for Schools), in which we acted as a financial mentor to three schools – SK Taman Cendana, Pasir Gudang Johor, SK Parit Haji Adnan, Pekan Nanas, Pontian, Johor and SK Palong 9, Gemas, Negeri Sembilan. We also contributed 20 decommissioned computers to FINCO to be used by the participating schools under this programme.
- > **FINCO COVID-19 Relief Initiative & Financial Literacy Talk:** Conducted financial literacy session in SMK Sg Ara, Bayan Lepas and SMK Tun Syed Sheh Barakbah, Seberang Prai to provide awareness and an overview on various financial skills, including personal financial management, budgeting, and investing.
- > **FINCO CEO Volunteering Month 2021:** Senior Management volunteered as a speaker in FINCO Volunteering Month and shared insights on how to earn more, manage finances, and avoid bankruptcy.



AmBank Group has contributed RM50,000 to Yayasan Raja Zarith Sofiah Negeri Johor (YRZSNJ) for the purchase of 55 tablets bundled with one (1) year internet data subscription for underprivileged students in the State of Johor to facilitate home-based teaching and learning (PdPR) sessions.



Amin Abdullah, CEO, Yayasan Hijau Malaysia (left) and Eghwan Mokhzanee, CEO, AmBank Islamic (right) at the unveiling of collaboration between AmBank Group and Yayasan Hijau Malaysia



Amin Abdullah, CEO, Yayasan Hijau Malaysia, Eghwan Mokhzanee, CEO, AmBank Islamic, Mohd Zaki Mat Noor, Deputy Director, Federal Territory Forestry Department and Datin Zameema Ariff, Head of Sustainability, AmBank Group at the symbolic launch of the tree planting session which was held on 8 January 2022 at Taman Eko-Rimba Bukit Sg Puteh in Cheras.

### Environmental Awareness

- **Greening the Earth:** Collaborated with Yayasan Hijau Malaysia (YHM) in tree planting programme, in which we have committed to planting 780 trees. Through this programme, we aim to increase awareness on the importance of forest conservation.

### Collaborations with Educational Institutions

- **SMK Tun Syed Sheh Barakbah:** AmBank Islamic staff conducted a talk on “Prudent Financial Management/Pengurusan Kewangan Berhemat” to provide awareness on the basics of financial managements, tips and planning, with 130 – 145 teachers involved.
- **Legacy Planning Forum (IIUM):** Co-organised a virtual Legacy Planning Forum for IIUM Ahmad Ibrahim Kulliyyah of Laws (AIKOL) students. Around 100 AIKOL students participated in the forum, with speakers and a moderator from AmBank Islamic Shariah Committee members, and a representative from Amanah Raya Berhad.
- **ELITE@UM:** As a fellow at the Universiti Malaya (UM), AmBank’s Head of Shariah Management participated in the virtual Industrial Guest Lecture ELITE @ UM to talk about the application of Shariah principles in Islamic banking products for UM students under the Department of Syariah & Economics, Academy of Islamic Studies.

### Zoo Negara

- **Adopt Animals from Zoo Negara:** Ran the Adopt Animals programme 2022 to help Zoo Negara sustain the animals’ food, enrichment and veterinary care.



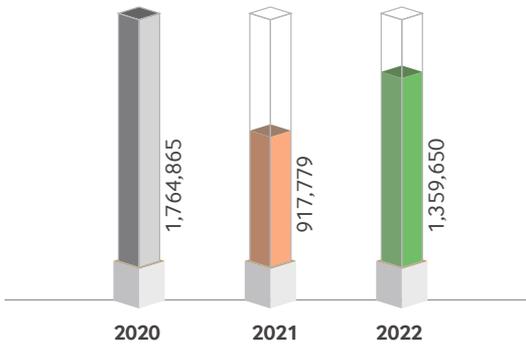
Adopt Animals from Zoo Negara programme



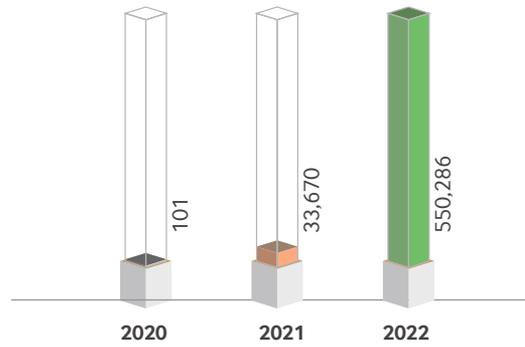
What Did We Achieve?



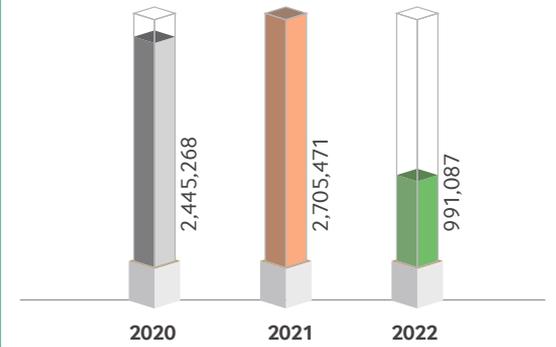
Total Investments (RM)



Total People Reached



Zakat Contributions



AWARDS

- **AsiaMoney**
  - > Best CSR Bank 2021

# FOUNDATION SUSTAINABILITY MATTERS

## DIGITAL TRANSFORMATION & DATA SECURITY

### Why Is This important?

Digital technologies have fundamentally changed the financial services sector, and will continue to shape how we operate and serve our customers. By integrating smart digital solutions, financial institutions are able to deliver a seamless and more accessible customer experience, while contributing to reduced costs and streamlined processes. Moreover, digital transformation allows us monitor customer behaviour for a more engaging and personalised service. Digital banking has been even more crucial amidst COVID-19. With lockdowns and social distancing protocols, more customers are opting for services at the tip of their fingers. By leveraging this digital wave, we are able to distinguish ourselves from competitors and cater to future customers.

However, with customers rapidly adopting digital banking, it is critical that we ensure that all aspects of cybersecurity are in place to protect their data. Data breaches pose a serious threat to business continuity as well as customers' finances and privacy. Recovering from breaches can be time-consuming, stressful and costly to all parties involved. Therefore, by protecting our operations and customers from cybercrime threats, we are able to nurture trust, credibility and loyalty.

### What Is Our Approach?

Our Digital Transformation strategy is anchored on improving customer value while achieving efficiency and cost savings. We invest in smart solutions that cut across multiple customer segments, from retail and SME customers to larger corporations and institutions. While banks generally develop a single, one-size fits all online banking/cash management platform to cater to business customers across the entire spectrum, our differentiated approach was to develop AmAccess Biz, a simple, user-friendly system that addresses the far simpler needs of SMEs. On the flipside, AmAccess Corp meets the needs of larger SMEs and our corporate customers.

The aim is to improve customer outreach via a digital approach as opposed to the traditional way of banking. This includes achieving new streams of income by availing more functionality via digital channels and new digital solutions. Our underlying approach that will propel us forward to meet our Digital Transformation objectives is two-fold:

Driving usage and penetration of existing digital channels through new initiative



Leveraging on strategic partnerships in the marketplace

To protect customers and stakeholder from breaches, we adopt a holistic approach to cybersecurity. We strive to minimise the risk of cyber threats through enhanced and continuous security monitoring via SOC 2.0. This includes evaluating AmBank's readiness in responding to cyber-attacks and data breaches by conducting periodic Cyber Drill. Internally, we have a Risk Posture Dashboard based on established quantitative Risk Control Metrics (RCM), covering three broad categories; Cyber Security, Data Protection, and Identity & Assess Management (IAM).

We continuously strengthen our cybersecurity by:

Incorporating increased visibility, orchestration, automation and intelligence.

Building Threat Hunting capabilities with the usage of forensics tools.

Increasing our ability to collect security threats from multiple sources and respond with little human intervention.

Deploying tools that enhance anomaly detection and predictive analytics for better-automated protection.

## What Did We Do?

### 1. Digital Transformation

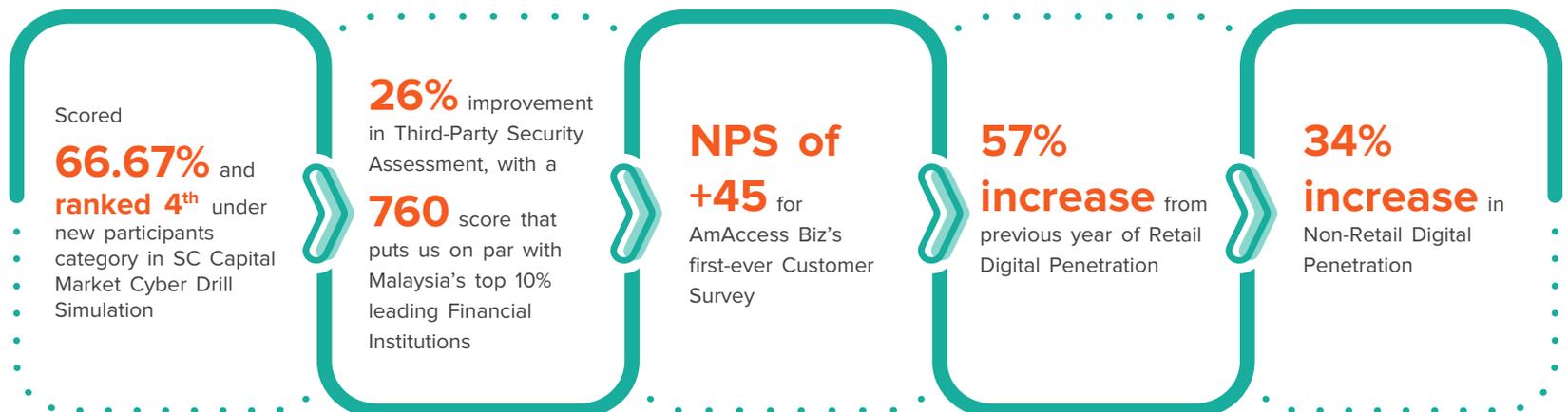
- Relaunched AmOnline app and web with improved user interface and customer experience.
- Enabled the pilot SME Digital Onboarding and Retail Onboarding for a fully end-to-end digital contactless account opening for SMEs and Retail customers.
- Commenced the development of partners' cross-onboarding with AmOnline, which will allow customers to enjoy the convenience of both an AmBank account and our partners' offerings seamlessly.
- Developed a simple, user-friendly system to address the needs of SMEs for their day-to-day operations.
- Formed strong strategic partnerships with brands and organisations such as Luno, Merchantrade and Rakuten to meet the emerging needs and expectations of our customers across the entire value chain.
- Implemented 92 bots to execute 73 processes, which are centrally managed with virtual desktop (VDI) going forward.
- Embarked on digital solutions, i.e. Credit Card on tablet (straight through approval for credit card application) and auto finance to reach the customers faster and deliver instant approval.
- Launched 11 Open APIs for digital solutions and enabled the launch of the nation's first Hybrid Wallet for Transaction Banking with Merchantrade.

### 2. Cybersecurity

- Participated in the first industry-wide cyber drill called BNM RE4CT (Real-time Exercise Against Cyber Threats).
- Completed Groupwide Cyber Drill and security campaign activities.
- Ensured compliance with overall Payment Card Industry Data Security Standard (PCIDSS) requirements.
- Onboarded next-generation network security equipment such as firewall and IPS.
- Completed Endpoint Detection & Respond (EDR) for users' desktops and laptops.
- Integrated File Integrity Monitoring to Security Operation Centre for wider visibility.
- Expanded the SOC 2.0X project, which was completed ahead of schedule. Our SOC now has almost 100% visibility for assets in production and disaster recovery sites.
- Set up an Endpoint DLP, Web DLP and Email DLP to 100% coverage, no data breaches and all DLP alerts reviewed within one month.
- Established data at rest encryption, with  $\geq 90\%$  servers encrypted, disk encryption and data protection review.



## What Did We Achieve?



## FOUNDATION SUSTAINABILITY MATTERS

### AmOnline

	FY2020	FY2021	FY2022
Registered users	965,946	1,235,458	<b>1,401,867</b>
Registered users (%) of rise	35%	28%	<b>13%</b>
Average number of online transactions (monthly)	56.0 million	76.0 million	<b>87.0 million</b>
Percentage of online transactions (%)	74	82	<b>83</b>
Percentage card activation online (%)	50	63	<b>65</b>
Reduction in activation via call centres (%)	8	16	<b>52</b>
Percentage of credit card limit increase application via AmOnline (%)	71	63	<b>82</b>
Successful online enquiries	168 million	255 million	<b>739 million</b>

### AmAccess Biz

	FY2020	FY2021	FY2022
No. of total registered companies	4,708	11,161	<b>27,235</b>
No. of total registered companies using the platform	354	11,149	<b>20,525</b>
Volume of monthly transaction	579	16,689	<b>142,987</b>
Value of transaction (RM million)	4.2	351	<b>1,635</b>
Total transactions from Digital Tokens (%)	34	76	<b>68</b>
Total deposits supported by AmAccess Biz (RM million)	487.2	1,357	<b>4,052</b>
No. of cyber threats handled	0	0	<b>0</b>
Cases of data loss/online breaches reported	0	0	<b>0</b>
Any fines or penalties related to cybersecurity (RM)	0	0	<b>0</b>



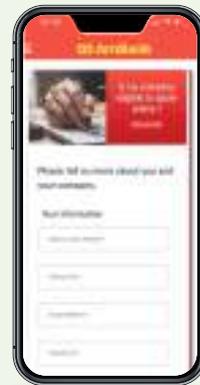
**AWARDS**

- **The Asian Banker Award 2021**
  - > Best Digital Account Opening/Customer On-boarding initiative/ Application 2021
  - > Customer Onboarding Initiative
  - > Application Malaysia
- **The Digital Banker 2021**
  - > Best Digital CX-Account Opening & Digital Onboarding
  - > Winner for Outstanding Digital CX – Mobile Banking (SME)
- **Malaysia Technology Excellence Awards 2021**
  - > Analytics – Banking
  - > Data Analytics “Lazy Money” model



- The Assets Asian Awards (2020)**
- Best Retail Mobile Banking Experience
  - Best Wealth Management Experience

- The Asian Banker Awards (2021)**
- Best Digital Account Opening/ Customer Onboarding Initiative/ Application in Malaysia



**Red Hat Innovation Award (2020)**



- The Digital Banker (2021)**
- Best Digital CX – A/C Opening & Digital Onboarding

**Fully Contactless Digital Onboarding for:**

- Deposit Accounts (including new to bank)
- Credit Cards
- Investment
- Protection
- Borrowing
- Customer Self-Service

- **FX Contracts**
- **QR Acceptance**  
Nation's First Fully-contactless, award-winning, digital onboarding for SMEs.
- **Business Current Account**

## FOUNDATION SUSTAINABILITY MATTERS

### EMPLOYEE WELL-BEING & DEVELOPMENT

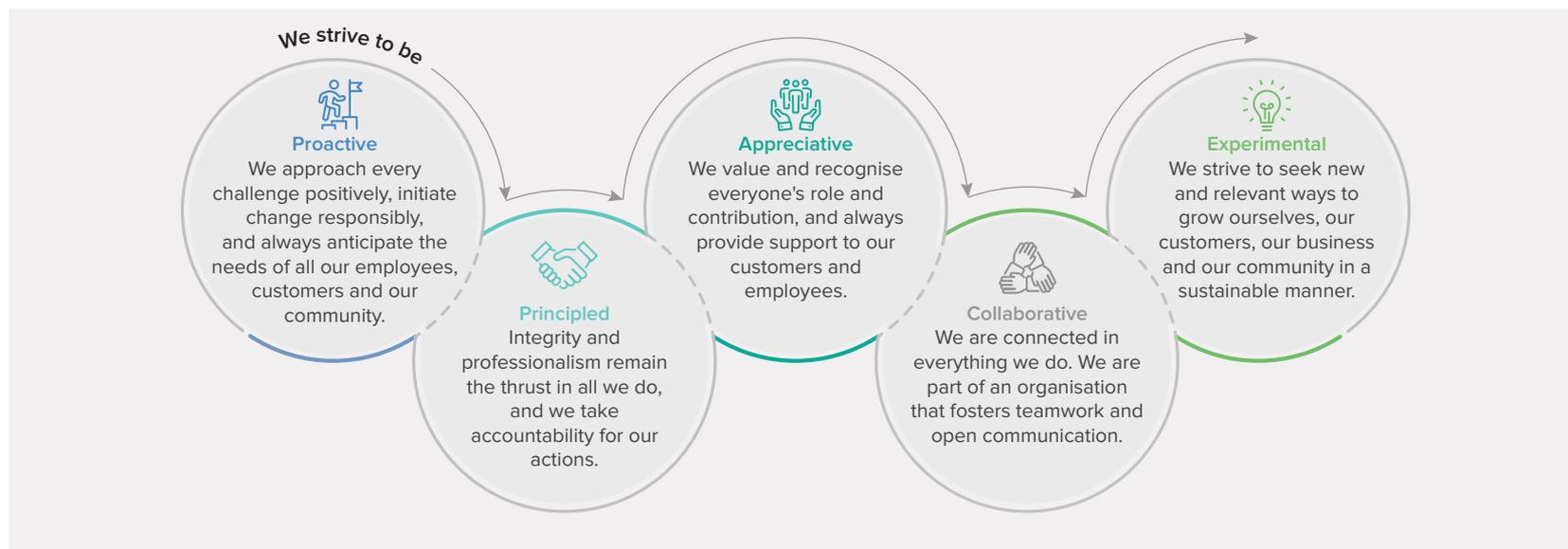
#### Why Is This important?

Employees are the backbone of our business, and are a crucial stakeholder group in our sustainability journey. Our track record of success has been built on their continued dedication and commitment throughout the years. Employee well-being is key to executing our strategic objectives. Our role as a responsible employer is part of our commitment to creating a positive impact in the community. Taking care of employees' physical and mental well-being is essential for better productivity and our long-term growth.

In today's rapidly changing environment, our employees face new challenges and uncertainties in their professional development. Opportunities for growth and development motivate them to stay with the Group and ensure that our workforce is equipped with the skills and knowledge to thrive far into the future. Moreover, creating a workplace that embraces diversity and inclusion allows employees to feel safe, encouraged and accepted. A diverse workforce brings in different viewpoints from varied backgrounds which contribute to innovation and improved business performance.

#### 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, regular performance reviews and career development. Our talent management strategy 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 close 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, and strategic and operational safety and health plans, we conduct OSH inspection audits, which involve annual site inspections at our premises across Malaysia.

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.

## What Did We Do?

### 1. Safe and Healthy Workplace

- **Virtual OSH Training:** Invested approximately RM65,000 in the following OSH-related virtual training programmes:

#### OSH-Related Virtual Training Programme

##### Hearing Conservation Programme (HCP) Virtual Training

**Aim:** To strengthen compliance with OSH regulatory requirements among all employees, including OSH Committees, ERT and other employees across Malaysia.

**Date:** 23-24 August 2021

**Attendees:** 26

##### Incident Investigation & Reporting

**Aim:** To define and describe the requirements for the investigation of incidents.

**Date:** 20-21 October 2021

**Attendees:** 30

##### OSH Committee Roles & Responsibility Virtual Training (2 sessions)

**Aim:** Understand OSH legal requirements.

**Date:** 22-23 September 2021

**Date:** 14-15 February 2022

**Attendees:** 64

##### Workplace Health Promotion (MSD) Post COVID-19 (Free Grant by SOCSO)

**Aim:** Understanding practical implementation of workplace Health Promotion Post COVID-19.

**Date:** 13 July 2021

**Attendees:** 36

##### Essential First Aid, CPR & AED Virtual Training (2 sessions)

**Aim:** Train staff to become qualified first-aider.

**Date:** 29 November 2021

**Date:** 2-3 March 2022

**Attendees:** 115

##### Ergonomic Risk Assessment (ERA) Virtual Awareness Training

**Aim:** Identify the needs and role of ergonomics in occupational health.

**Date:** 12-13 January 2022

**Attendees:** 19

##### Defensive Riding

**Aim:** Enhance riders' competency in handling company motorcycle.

**Date:** 11 January 2022

**Attendees:** 39

##### ISO 45001:2018 Virtual Awareness Training

**Aim:** Awareness regarding the standard and clauses in ISO 45001:2018.

**Date:** 16 March 2022

**Attendees:** 24

## FOUNDATION SUSTAINABILITY MATTERS

- **OSH Audits:** The focus for FY2022, after completing the OSH inspection audit of 168 branches in FY2021, is to complete the OSH inspection audit of AmBank corporate buildings and other occupied buildings involving eight (8) buildings.

No	Building	Date
1	MAB	7 January 2021
2	BAG	23 April 2021
3	Wisma AmFirst, Kelana Jaya	16 June 2021
4	Damansara Fairway (DF) 3	29 April 2021
5	Bangunan AmBank Group Kuching (BAGK)	23 November 2021
6	Menara AmFirst, PJ	18 June 2021
7	AmGeneral Insurance Berhad (Menara SHELL)	25 November 2021
8	AmMetLife Insurance Berhad (KL Sentral)	2 November 2021

- **Group-wide OSH Communication:**
  - > Published periodic OSH memorandums, prohibitions and updates within 'Am Connected'.
  - > 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/or 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:** Conducted the 2021 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, Staying Pain-Free while working from Home, Lifestyle Disease, COVID-19 Vaccination – what you need to know, and Physical Fitness.
- **COVID-19 Management:**
  - > Provided advisories and directives on COVID-19 through a dedicated microsite for staff to minimise the risk of contamination to our staff, customers and visitors.
  - > Distributed 29,400 boxes of disposal face masks, 6,400 pieces of face shields, 15,470 bottles of hand sanitisers, 178 bottles of antiseptic detergents, 4,500 boxes of gloves and 170 enhanced self-service standee thermometers to AmBank's branches.
  - > Carried out 3,936 weekly disinfection exercises at Head Office (HQ) business unit and 1,362 at AmBank branches as of December 2021.
  - > Installed thermal scanners at the main entrances of all AmBank primary buildings to monitor the temperature of staff and visitors.
  - > Worked closely with Building Management, AmREIT, business units and service providers (e.g., security guards, cleaners, 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.
  - > AmBank COVID-19 Vaccination Programme (ACVP) at selected AmBank Corporate Buildings – Menara AmBank, Bangunan AmBank Group and Wisma AmFirst, Kelana Jaya.
- **OSH Personnel Competency:** Received a renewal of the SHO Competency from DOSH for three (3) years (2019-2022), Lead Auditor ISO 45001:2018 Competency and other related competencies for several OSH personnel.
- **Group OSH CSR Project with Community**
  - > **Program Jalinan Kasih (7 January & 16 March 2022):** A collaboration with CERT Academy to distribute face masks, smoke detector and fire extinguishers to orphanages and other centres.
    - o Rumah Shalom – Trinity Children Home (7 January 2022)
    - o Pertubuhan Kebajikan & Bimbingan At Taqwa (16 March 2022)



## 2. Capability Development

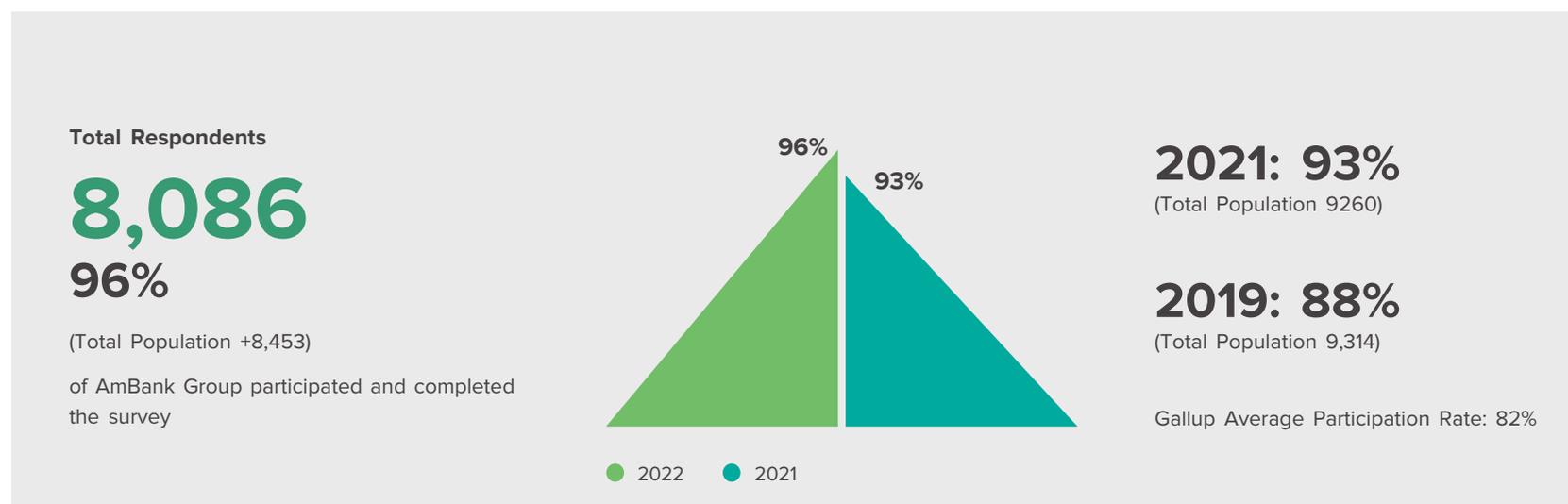
- Invested a total of RM17,729,319 into training and development programmes for various levels across the Group.
- **Total Employee Training Expenditure (RM):**

By Workforce Category		
	CY2020	CY2021
Top Management/Senior Management	163,164	287,363
Mid Management	6,037,447	5,449,065
Professional/Specialist	7,233,991	10,740,985
Non-Executive	791,658	1,251,905
<b>Total</b>	<b>14,226,259</b>	<b>17,729,319</b>

*Note: \* Data is reported on a calendar year (CY) basis aligned to the Staff Training Expenditure (STE) report to BNM.*

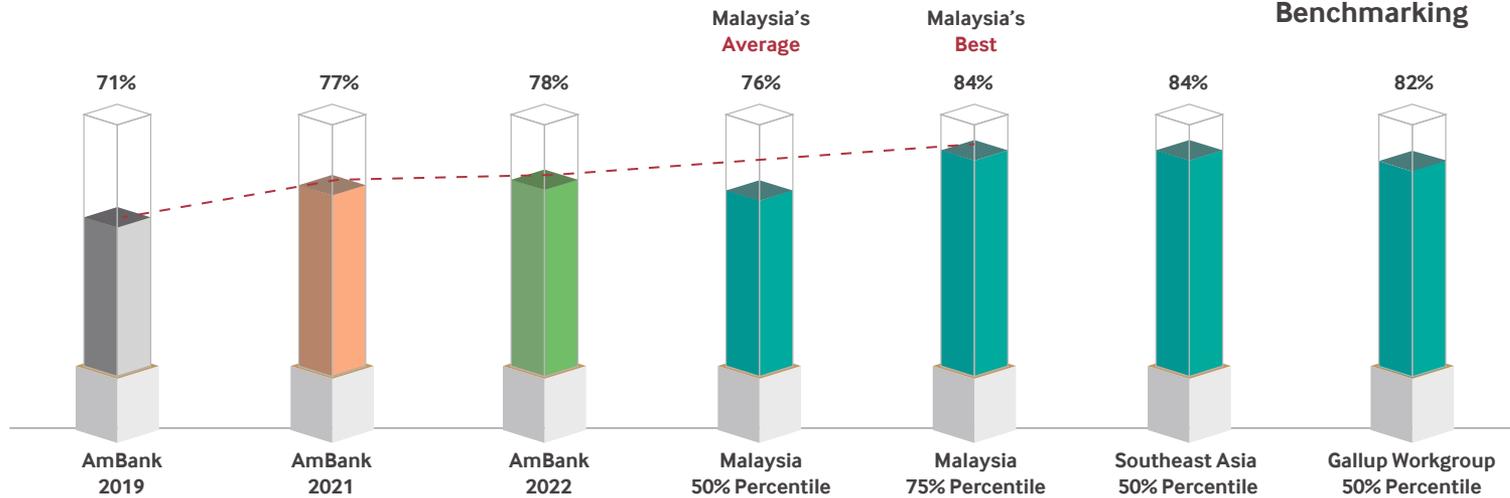
## 3. Employee Engagement & Well-Being

- **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. The webinar series covers a wide range of topics including mental health, workplace ergonomics, healthy eating, lifestyle disease, men's & women's health and weight loss, with more than 2,100 employee participations. 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.

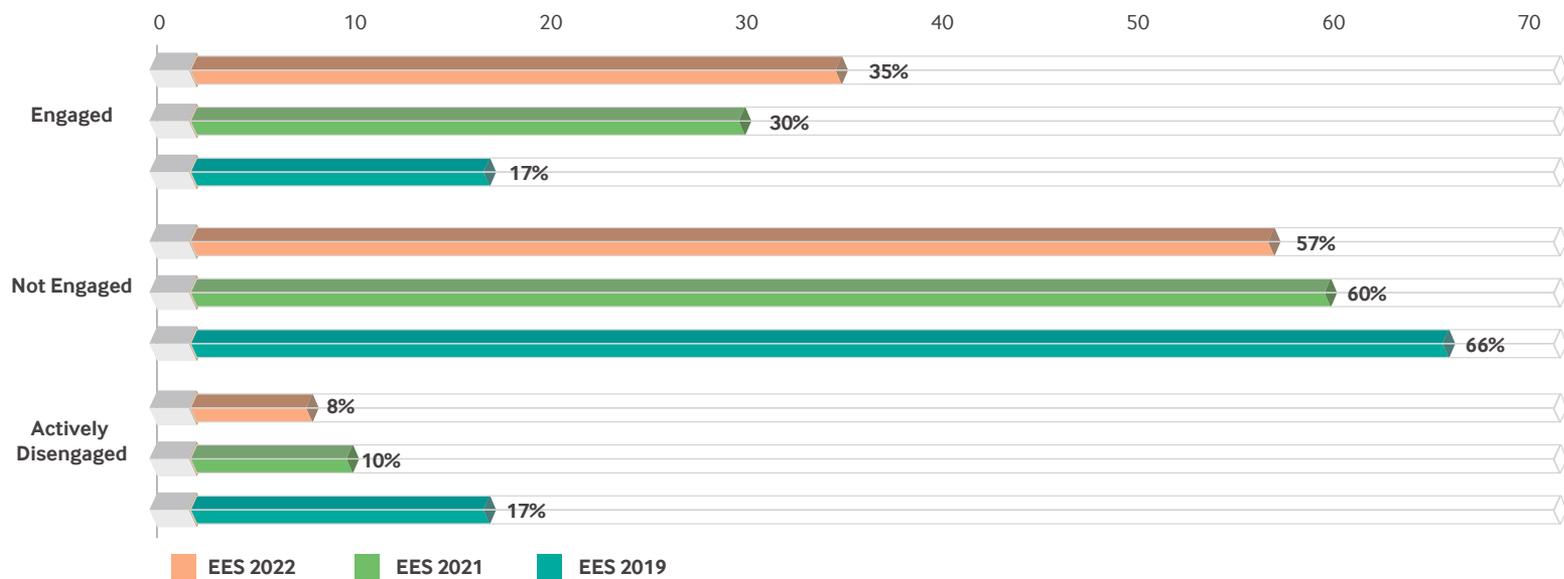


## FOUNDATION SUSTAINABILITY MATTERS

### AmBank Group Engagement Mean



### Engagement Ratio

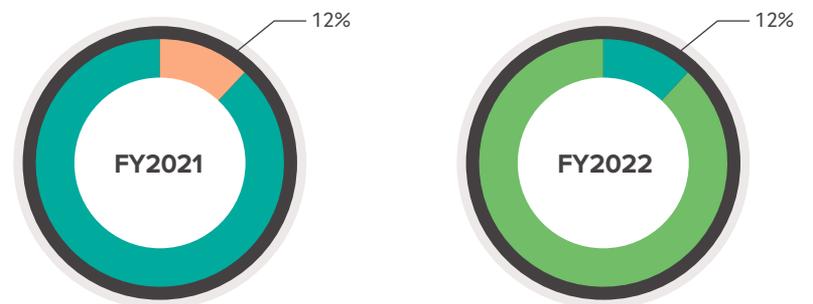


### 4. Collective Bargaining Agreement:

Engaged in dialogue with the 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





## What Did We Achieve?



### 1. SAFE AND HEALTHY WORKPLACE

- **98.0%** of employees completed and passed the mandatory online OSH training and assessment in our Workplace OSH e-learning portal.
- Received satisfactory results from the National Institute of Occupational Safety & Health Sdn Bhd (NIOSH) Certification surveillance audit, resulting in the retention of our **ISO 45001:2018 Certification**



Participated in the FY 2020 & 2021, National Council of Occupational Safety & Health (NCOSH) Excellent Award after two (2) consecutive won for FY2018 & 2019. The NCOSH Audit conducted on 3<sup>rd</sup> February 2022 and pending result from NCOSH Audit council.

The globally-benchmarked ISO 45001:2018 aims to help organisations achieve the intended purpose of its OSH Management System. Consistent with AmBank Group's OSH Policy, the objectives of our OSH Management System include:



- Continuous improvement of OSH performance throughout the organisation;
- Fulfilment of legal OSH requirements and other requirements related to OSH; and
- Achievement of AmBank Group's OSH targets and objectives.

- Safety and health audit results:

Branch	Region	Date Audit	Grade	%
Jitra	Penang	9/9/2021	A	100
Kulim	Penang	22/9/2021	A	100
Labuan	Sabah	22/9/2021	A	91.4
Alor Setar	Penang	13/10/2021	A	100

- OSH Incidents/Data:

Occupational Safety and Health Indicator*	CY2019	CY2020	CY2021
Total Number of Accidents	11	8	3
Accidents with Fatality	0	0	0
Accidents with Lost Workdays	11	8	3
Total Lost Workdays Due to Incidents	418	360	220
Accident without Lost Workdays	0	0	0
Fatality Rate	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0.44	0.32	0.12
Lost Time Injury Incident Rate (LTIIR)	1.10	0.79	0.30
Numbers of Safety & Health Training Programmes	6	7	8
Numbers of Employees Trained in Safety and Health	335	287	353

CY: Calendar Year

## FOUNDATION SUSTAINABILITY MATTERS

### 2. CAPABILITY DEVELOPMENT

- Total Employees Trained (unique headcount) by Entity:

By Entity

Workforce Category	AmBank (M)		AmBank Islamic		AmInvestment Bank	
	CY2020	CY2021	CY2020	CY2021	CY2020	CY2021
Top Management/Senior Management	41	36	7	8	10	13
Mid Management	1,674	1,391	47	45	147	128
Professional/Specialist	6,572	5,744	59	45	261	238
Non-Executive	1,180	1,047	–	–	36	31
<b>Total (RM)</b>	<b>9,467</b>	<b>8,218</b>	<b>113</b>	<b>98</b>	<b>454</b>	<b>410</b>

- Total Employees Trained by Learning Type:

By Gender

Workforce Category	Female		Male	
	CY2020	CY2021	CY2020	CY2021
Top Management/Senior Management	40	47	32	42
Mid Management	56	73	54	65
Professional/Specialist	46	54	49	52
Non-Executive	33	41	33	36
<b>Total (RM)</b>	<b>45</b>	<b>215</b>	<b>48</b>	<b>195</b>

- Total Training Hours Completed per Employee by Entity:

By Entity

Workforce Category	AmBank (M)		AmBank Islamic		AmInvestment Bank	
	CY2020	CY2021	CY2020	CY2021	CY2020	CY2021
Top Management/Senior Management	1,352	1,874	112	160	319	361
Mid Management	70,844	90,092	1,869	3,208	5,656	7,515
Professional/Specialist	268,697	299,752	1,901	4,385	9,797	11,026
Non-Executive	35,689	42,028	–	–	1,000	938
<b>Total (RM)</b>	<b>376,581</b>	<b>433,745</b>	<b>3,881</b>	<b>7,752</b>	<b>16,771</b>	<b>19,839</b>

Note: Data is reported on calendar year (CY) basis aligned to the Staff Training Expenditure (STE) report to BNM.

- Leadership Development Programmes:

Leadership Development Programmes

	FY2020	FY2021	FY2022
No. of Participating Employees (Attended programme)	226	222	<b>361</b>
Total Training Hours Completed	35,278	20,470	<b>28,181</b>
Average Training Hours	156	92	<b>78</b>
Average Training Days	20	12	<b>10</b>
Talent Promoted	35%	15%	<b>33%</b>

- Mission Critical Positions (MCP) and Successor Development:

MCP & Successor Development

	FY2020	FY2021	FY2022
Total Mission Critical Positions (MCP)	12	12	<b>12</b>
Total Successors	58	55	<b>56</b>
MCP : Successor Ratio	1 MCP : 4.8	1 MCP : 4.6	<b>1 MCP: 4.6</b>
Key Positions with Successors (%)	100%	100%	<b>100%</b>

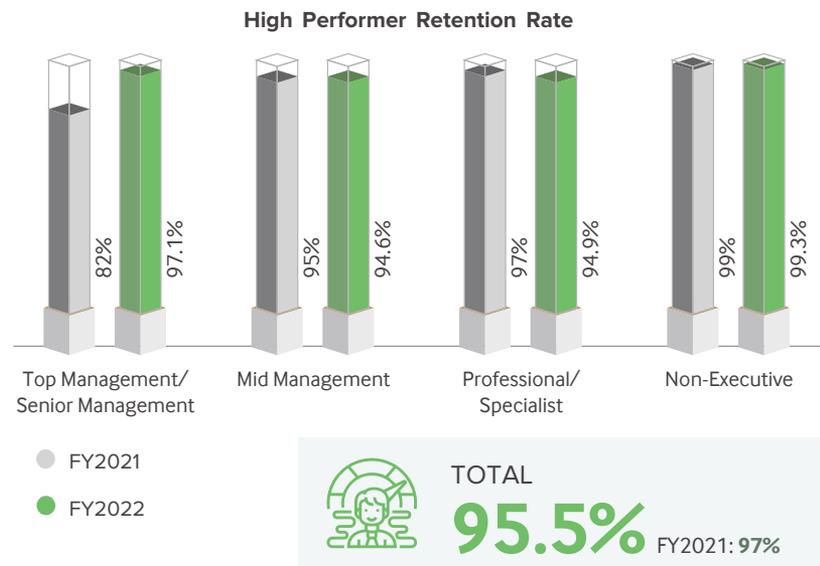
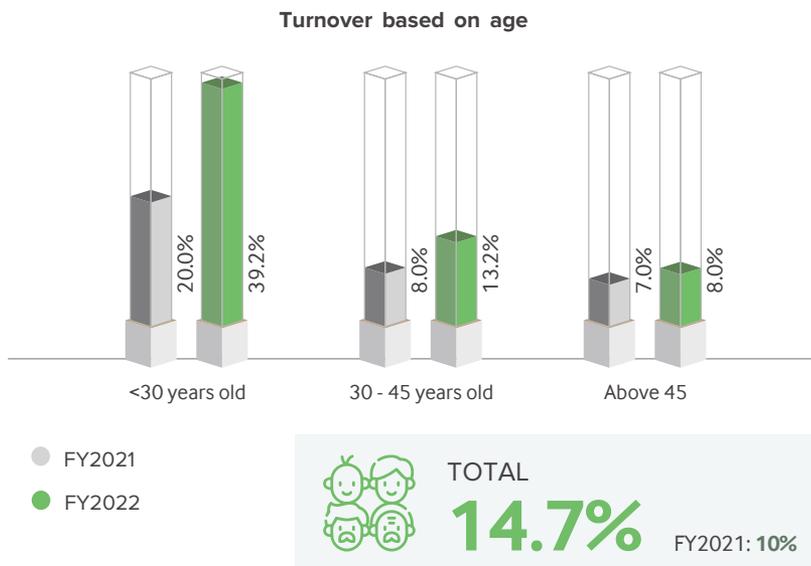
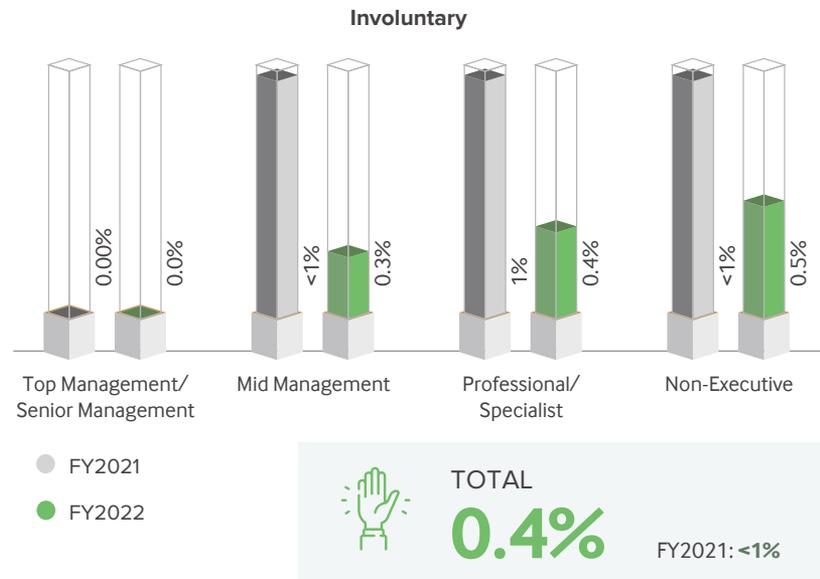
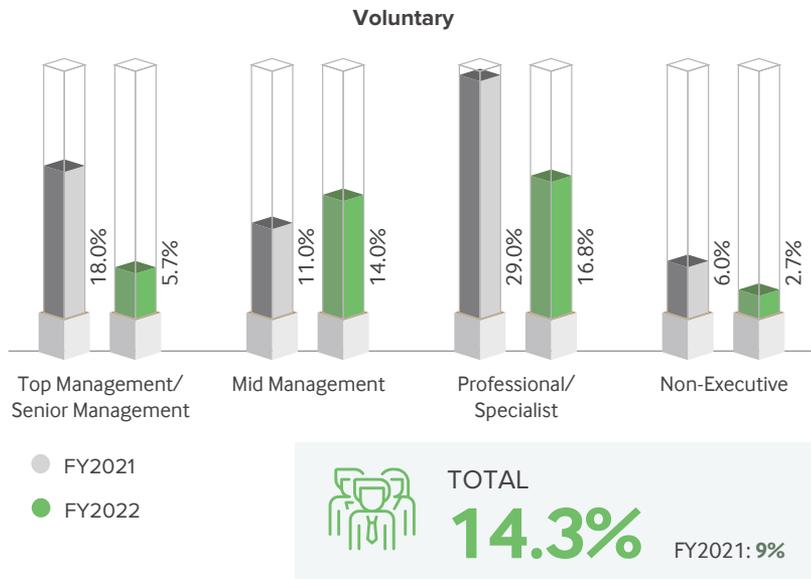
## FOUNDATION SUSTAINABILITY MATTERS

### 3. EMPLOYEE ENGAGEMENT & WELL-BEING

• **Employee Engagement Index:**

- **8,086** employees responded to the Survey
- **78%** Q12 survey score compared to 77% in FY2021

#### Employee Turnover Rate



#### Employee Turnover Rates by Gender (Voluntary)



#### Turnover based on region

PENINSULAR	<b>15%</b>	FY2021: 10%
SABAH	<b>11%</b>	FY2021: 6%
SARAWAK	<b>14%</b>	FY2021: 11%
<b>TOTAL</b>	<b>15%</b>	FY2021: 10%

#### 4. DIVERSITY

- Employee Distribution by Gender (%)

Employee Level	Female			Male		
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Top Management/Senior Management	39	41	47	61	59	53
Mid Management	47	49	49	53	51	51
Professional/Specialist	65	65	65	35	35	35
Non-Executive	68	68	68	32	32	32
<b>Total (RM)</b>	<b>62</b>	<b>62</b>	<b>63</b>	<b>38</b>	<b>38</b>	<b>37</b>

- Board of Directors Distribution by Gender (%)

	FY2020	FY2021	FY2022
Male	75	78	67
Female	25	22	33

- Employee Distribution by Race (%)

	FY2020	FY2021	FY2022
Malay	48	47	48
Chinese	41	41	40.3
Indian	9	9	8.9
Others	3	3	2.8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

- Employees Based on Race by Gender (%)

	FY2022	
	Male	Female
Malay	37	63
Chinese	37	63
Indian	41	59
Others	35	65
<b>Total</b>	<b>37</b>	<b>63</b>

## FOUNDATION SUSTAINABILITY MATTERS

- Employees Based by Age (%)

Age (years)	FY2020	FY2021	FY2022
< 20	0	0	<1
20-25	3	2	2
26-30	14	14	12
31-35	19	18	17
36-40	19	18	19
41-45	18	18	18
46-50	14	15	16
> 50	13	15	16
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

- Average Monthly Basic Salary by Gender (RM)

	Male		Female	
	FY2021	FY2022	FY2021	FY2022
AmBank (M) Berhad	7,315	7,511	6,080	6,276
AmInvestment Bank Berhad	10,879	11,282	8,674	9,056
AmBank Islamic Berhad	14,211	14,567	8,271	8,943
AmGeneral Insurance Berhad	6,909	6,973	5,450	5,720

- Total Composition by Gender (%)

	Male		Female	
	FY2021	FY2022	FY2021	FY2022
Top Management/Senior Management	67	64	33	36
Mid Management	53	52	47	48
Professional/Specialist	38	37	62	63
Non-Executive	30	29	70	71
<b>TOTAL (%)</b>	<b>45</b>	<b>44</b>	<b>55</b>	<b>56</b>

- Internal Promotion Rate by Gender (%)

	Male		Female	
	FY2021	FY2022	FY2021	FY2022
Top Management/Senior Management	3.1	0	0	8.8
Mid Management	3.9	5.8	4.8	6.2
Professional/Specialist	3.3	4.3	6.1	6.7
Non-Executive	1.0	0.8	2.3	1.4
<b>TOTAL</b>	<b>3.1</b>	<b>4.1</b>	<b>5.3</b>	<b>5.9</b>

- Employees Taking Parental Leaves by Gender (%)

	FY2021	FY2022
Male	2	3
Female	4	4

- Employees Distribution based on Age by Gender (%)

Age (years)	FY2022*	
	Male	Female
< 20	0	100
20-25	43	57
26-30	40	60
31-35	36	64
36-40	35	65
41-45	32	68
46-50	37	63
> 50	44	56
<b>Total</b>	<b>37</b>	<b>63</b>



## FOUNDATION SUSTAINABILITY MATTERS

- **Employees Based on Age by Gender (%)**

	FY2021	FY2022
Male	92	93%
Female	95	93%

*Note: This is the first reporting year*

- **Vulnerable Employment Group by Gender**

	Male		Female	
	FY2021	FY2022	FY2021	FY2022
Blind	2	2	3	3
Deaf	0	0	1	1
Limb Loss	1	1	0	0
Walk with limited ability	0	0	1	1
Sight Problem	0	0	1	1
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>6</b>



### AWARDS

- Winner of the **MSOSH OSH Gold Class 2 Award** in the Service Sector category at the MSOSH OSH Virtual Award Ceremony (MOVAC)
- The Asian Banker – **Excellence in Retail Financial Services**
- International Awards 2021 – **Best Digital Employee Engagement Initiative/Application**

## ANTI-MONEY LAUNDERING & ANTI-CORRUPTION

### Why Is This important?

To build stakeholder trust, it is crucial to uphold the highest standards of ethics and integrity. Through strong corporate governance and business ethics, we are able to protect the best interests of all stakeholders. As a financial institution, we have an even greater responsibility in protecting the financial well-being of customers and society at large. Money laundering, insider trading and other corrupt practices can have a detrimental effect on the economy and undermine our aspiration of promoting sustainable and inclusive banking. Furthermore, our licence to operate is contingent on legal responsibilities and policies designed to safeguard the stability of the financial industry. Through strong governance systems and processes, we are able to protect our business while instilling a sense of trust and confidence amongst stakeholders.

### What Is Our Approach?

Over the years, we continue to build on our strong foundation of corporate governance. We have established systems and processes and ensure responsible, transparent, inclusive and ethical conduct across the Group. Through a holistic, top-down approach to good governance, every decision made protects stakeholders' interests and contribute to financial stability. Our corporate governance structure aligns with the main requirements of the Malaysian Code on Corporate Governance. This ensures we operate with high levels of integrity to maintain the trust of our customers, shareholders, investors and all other stakeholders.

Our governance system extends beyond regulatory requirements. 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.

The following key policies are applied to all employees and suppliers in all areas of activities.

- **Code of Conduct** represents our commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. It acts as a guide on how employees are expected to conduct business, interact with the community, government, business partners as well as general workplace behaviour.

The Code of Conduct also includes our Code of Ethics that sets forth our values, ethical principles and ethical standards.

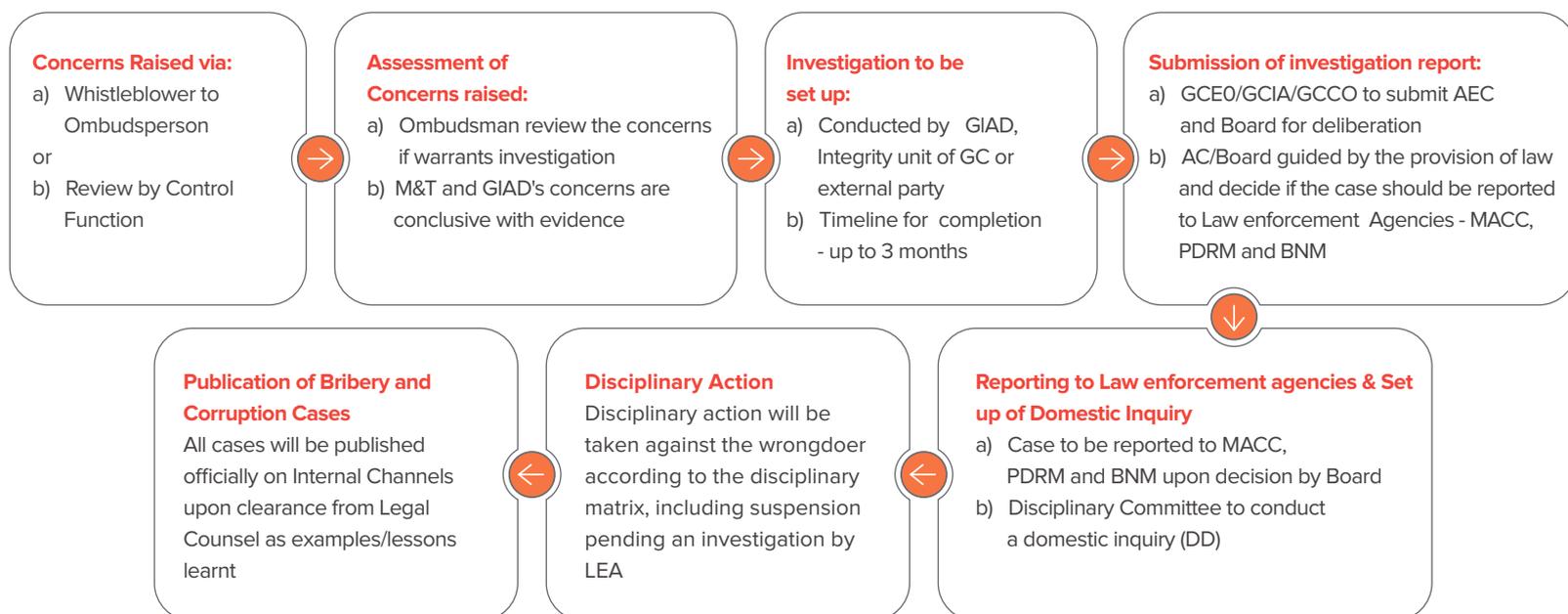
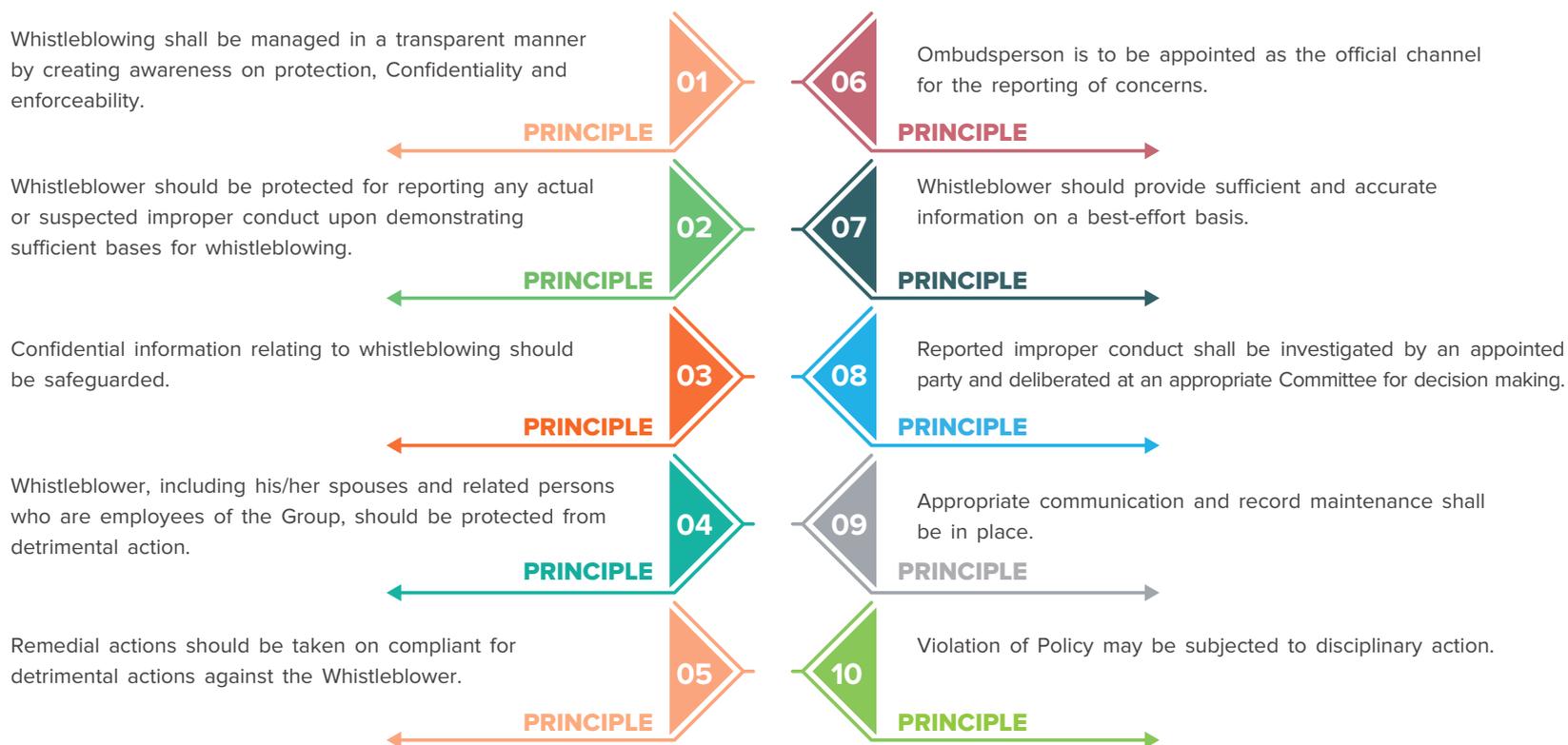
#### Key principles of AmBank Group's Code of Ethics



**Whistleblower Protection Policy (WPP)** helps maintain a culture of integrity, openness and accountability. Supported by 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 whistle blower whilst appropriate actions are being taken. The Ombudspersons comprise an appointed Board member, full-time senior management employee(s) and/or Regulator and/or Law Enforcement Agency.

## FOUNDATION SUSTAINABILITY MATTERS

### Principles Governing the Protection of AmBank Group Whistleblowers



## What Did We Do?

### 1. Strong Compliance Culture

- Embedded a culture of adherence and conduct across the Group through continuous education and awareness initiatives.
- Organised 62 compliance training and awareness sessions for personnel via 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)

- Implemented an enterprise-wide programme to mitigate suspicious money flows and prevent the use of our banking channels and products to conduct illicit or illegal transactions.
- Completed an AML Transaction Monitoring threshold optimisation exercise to allow for more effective application of thresholds and enhanced data analytics on transactional data for focused fraud and AML risk identification.
- Enhanced The Group's Enterprise-Wide Risk Assessment (EWRA) with the assessment of additional risk components and control measures to keep pace with current business and risk trends.
- Collaborated 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.



### 3. Anti-bribery and corrupt practices (ABCP)

- Continued to implement our programme for Anti-Bribery and Corrupt Practices in line with MACC Act Section 17A requirements through continued engagement, education and awareness initiatives for relevant stakeholders. We adopt a zero-tolerance stance for any misconduct related to bribery or corruption. A risk assessment exercise, and second and third-line review of risks and controls by Group Compliance Monitoring and Testing and Group Internal Audit respectively, have also been completed.



## FOUNDATION SUSTAINABILITY MATTERS



### What Did We Achieve?

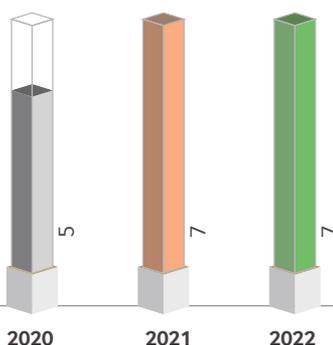


**42.12%** Increase in trainings completed by the employee population through compliance training programmes

**Zero** major regulatory fines or penalties

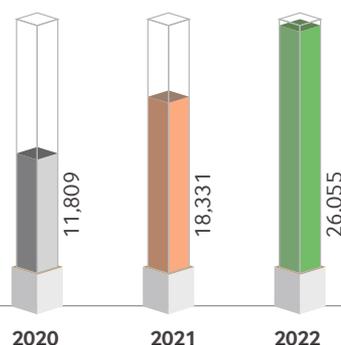
#### Good Governance

No. of complaints and grievances received

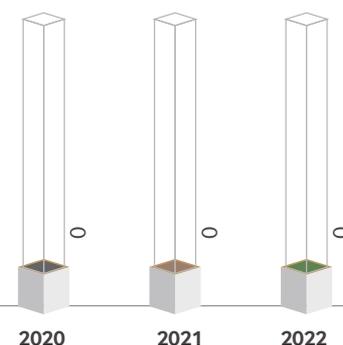


#### Group-Wide Compliance

No. of trainings completed by employee population through compliance training programmes

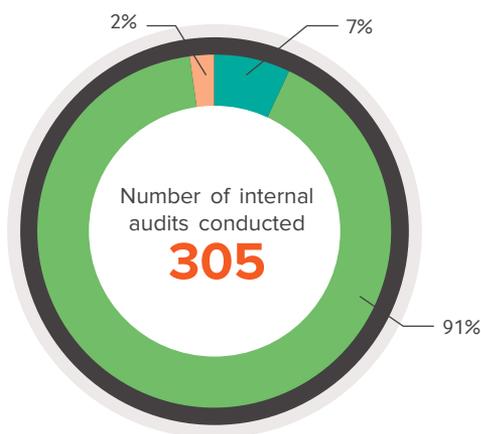


No. of reported non-compliances

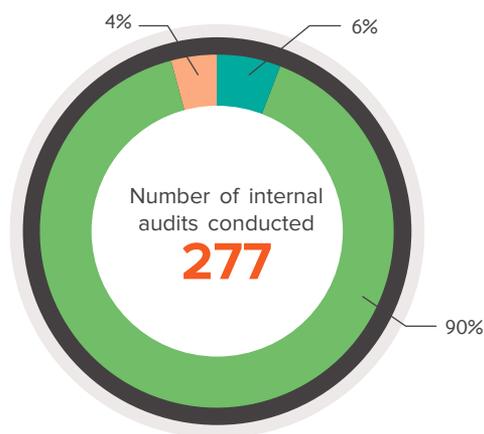


#### Audits & Internal Controls

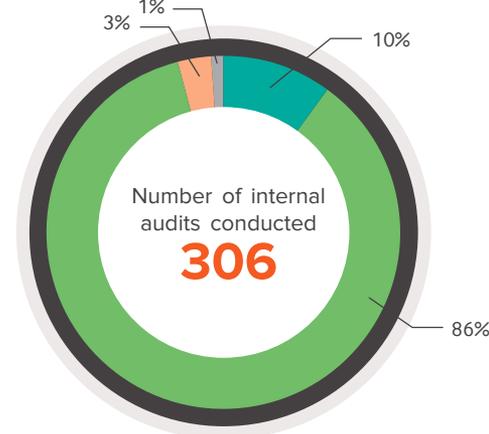
FY2020



FY2021



FY2022



● Strong ● Satisfactory ● Weak ● Partially Complied

#### Ethics & Integrity

Age (years)	FY2020	FY2021	FY2022
No. of complaints and grievances reported through the whistleblowing channel	5	7	7
Scoring for <b>Governance-related</b> disclosures in <b>MSCI</b>	7.0 /10.0	5.5 /10.0	<b>7.1 /10.0 – Jan22</b>
Scoring for <b>Governance-related</b> disclosures in <b>FTSE4Good</b>	–	4.3 /5 – Mar21	<b>4.3 /5 – Mar22</b>
Number of misconduct resolved	341	187	<b>113</b>

# APPENDIX

## ADDITIONAL EMPLOYEE DATA

Number of employees by employment contract	FY2021	FY2022
<b>Contract</b>		
Male	1%	0.6%
Female	<1%	0.8%
<b>Permanent</b>		
Male	37%	36.8%
Female	62%	61.8%
<b>TOTAL (Male)</b>	<b>38%</b>	<b>37.4%</b>
<b>TOTAL (Female)</b>	<b>62%</b>	<b>62.6%</b>

Percentage of workforce by working level	FY2021	FY2022
<b>Male</b>		
Top Management/Senior Management	<1%	0.2%
Mid Management	8%	8.5%
Professional/Specialist	25%	24.3%
Non-Executive	5%	4.4%
<b>TOTAL</b>	<b>38%</b>	<b>37.4%</b>
<b>Female</b>		
Top Management/Senior Management	<1%	0.2%
Mid Management	8%	8.3%
Professional/Specialist	45%	44.6%
Non-Executive	10%	9.5%
<b>TOTAL</b>	<b>62%</b>	<b>62.6%</b>



## APPENDIX

Seniority Years of Service (YOS)	FY2021	FY2022
<b>Male</b>		
Less 2 years	44%	<b>44.9%</b>
> 2-5 years	41%	<b>40.7%</b>
> 5-10 years	33%	<b>34.2%</b>
> 10-15 years	34%	<b>33.8%</b>
> 15-20 years	33%	<b>28.4%</b>
> 20 years	37%	<b>37.2%</b>
<b>TOTAL</b>	<b>38%</b>	<b>37.4%</b>
<b>Female</b>		
Less 2 years	56%	<b>55.1%</b>
> 2-5 years	59%	<b>59.3%</b>
> 5-10 years	67%	<b>65.8%</b>
> 10-15 years	66%	<b>66.2%</b>
> 15-20 years	67%	<b>71.6%</b>
> 20 years	63%	<b>62.8%</b>
<b>TOTAL</b>	<b>62%</b>	<b>62.6%</b>

## STATEMENT OF INDEPENDENT ASSURANCE



**SIRIM QAS INTERNATIONAL SDN. BHD.** (1002037061 (402334-K))  
 1, Persiaran Dato' Menteri, Section 2, P.O Box 7035  
 40700 Shah Alam, Selangor Darul Ehsan, MALAYSIA  
 Tel : 603-5544 6400 Fax : 603-5544 6810  
 www.sirim-qas.com.my

## INDEPENDENT ASSURANCE STATEMENT

**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 assurance of selected topics in AmBank Group Sustainability Report 2022. The main objective of the verification process is to provide assurance to AmBank Group, and its stakeholders of the accuracy and reliability of the selected information presented in this report, which was established through checking and verifying claims made in the report. The verification by SIRIM QAS International covered only sustainability-related topics selected by AmBank Group (as listed in page two of this statement) which had been included in AmBank Group Sustainability Report 2022. Further details provided in Appendix 1 of this statement.

The management of AmBank Group was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this assurance 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 Sustainability Report and Integrated Report 2022.

**Verification team**

The verification team from SIRIM QAS International consists of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Ms. Kamini Sooriamorthy : Team Member

**Methodology**

The verification process was carried out by SIRIM QAS International in May 2022. It 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 report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the AmBank Group Sustainability Report and its overall presentation against the BURSA Sustainability Reporting Guide, and other relevant frameworks such as UN-SDGs and GRI Standards requirements.



## APPENDIX

### STATEMENT OF INDEPENDENT ASSURANCE

During the verification process, issues were raised, and clarifications were sought from the management of AmBank Group relating to the accuracy of some of the data and contents contained in the report. The Sustainability Report was subsequently reviewed and revised by AmBank Group in response to the findings of the verification team. It can be confirmed that changes that have been incorporated into the final version of the report has satisfactorily addressed all issues that had been raised. The selected sustainability-related topics covered in this assurance statement as follows:

No.	Topic	Page no. in SR 2022
1	Stakeholder Engagement	17
2	Sustainability Governance	20 – 22
3	Responsible Consumption	39 – 49
4	Responsible Procurement	50 – 51
5	Employee Well-Being and Development	60 – 72

#### Highlights in 2022

With reference to selected coverage for this assurance statement, AmBank Group has demonstrated a significant action towards minimizing the carbon footprint of its organization where in FY2022, AmBank Group has embarked on investing in green and renewable energy for their electricity consumption and awarded with Energy Management Gold Standard Certification, a 1-star rating for Menara AmBank in May 2022.

#### Limitation

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in AmBank Group's Sustainability Report / Integrated Report 2022;
- The verification was designed to provide limited assurance in reference to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, 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 Group's corporate offices and operating sites. It has been carried out remotely; and,
- The verification team did not verify any contractor or third-party data.

#### Conclusion

Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of accuracy of selected data included in AMMB Holdings Berhad Sustainability Report 2022 is fairly stated;
- The level of sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The sustainability report provides a reasonable and balanced presentation of the sustainability performance AMMB Holdings Berhad.

Statement Prepared by:



**AERNIDA BINTI ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date: 27 June 2022

Statement Approved by:



**MOHD HAMIM BIN IMAM MUSTAIN**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date: 30 June 22

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (27 June 2022).

## STATEMENT OF INDEPENDENT ASSURANCE

Appendix 1 The topics and information covered in this assessment is tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Stakeholder Engagement				
Sustainability Governance				
Responsible Consumption				
Responsible Procurement				
Employee Well-Being and Development				

Note 2: Definition of LOW, MEDIUM, HIGH and UNSUBSTANTIATED of Appendix 1

UNSUBSTANTIATED	Data and information were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.
LOW	Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have the access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.
MEDIUM	Data and information have been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifiers during the conduct of the assessment.
HIGH	Data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

## APPENDIX

### GRI INDEX

AmBank Group has reported the information cited in this GRI content index for FY2022 with reference to the GRI Standards.

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>ORGANISATIONAL PROFILE</b>				
2-1	Organisational details	AMMB Holdings Berhad	i	Full
2-6	Activities, value chain and other business relationships	<b>What We Do</b>	11	Full
2-7	Employees	>9,000 employees	7	Full
2-28	Membership associations	<b>Membership &amp; Associations</b> We actively participate in professional associations and memberships to exchange knowledge and ideas on industry best practices	28	Full
<b>STRATEGY, POLICIES &amp; PRACTICES</b>				
2-22	Statement on sustainable development strategy	Our sustainability agenda is underpinned by AmBank Group's Sustainability Framework, which outlines the broad parameters of our sustainability efforts	14	Full
2-23	Policy commitments	We embed sustainability into our business with the relevant policies and guidelines to drive our Sustainability Matters	23-27	Full
2-26	Mechanisms for seeking advice and raising concerns	Supported by our whistleblowing policy and channels, stakeholders are encouraged to report any corruption or malpractices without fear of repercussions	73-74	Full
<b>GOVERNANCE</b>				
2-9	Governance structure and composition	Through our governance structure, clear functions have been established, with specific roles and responsibilities to address our sustainability risks and opportunities	20	Full
2-11	Chair of the highest governance body	The Risk Management Committee oversees the governance of and infrastructure to manage group-wide ESG risks	20	Partial
2-12	Role of the highest governance body in overseeing the management of impacts	The Board embeds sustainability in the formulation of group-wide strategies, including oversight and decision making	20	Full
2-13	Delegation of responsibility for managing impacts	The governance structure also sets forth the responsibilities of senior management for the implementation of the Group's sustainability strategy	20	Full
2-14	Role of the highest governance body in sustainability reporting	The Board has the overall accountability and responsibility for the Group's sustainability agenda	20	Full

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>STAKEHOLDER ENGAGEMENT</b>				
2-29	Approach to stakeholder engagement	We engage with stakeholders through various internal and external platforms	16-17	Full
2-30	Collective bargaining agreements	<b>Core Sustainability Matters: Material Topic – Employee Well-being &amp; Development</b> 12% of AmBank Group employees are covered by collective bargaining agreements	64	Full
3-1	Process to determine material topics	A materiality assessment is conducted periodically to ensure that the sustainability matters are continuously relevant	17	Full
3-2	List of material topics	We identified nine sustainability matters that are material to our business and stakeholders	18	Full
<b>REPORTING PRACTICES</b>				
2-2	Entities included in the organisation's sustainability reporting	<b>About Our Report</b> This Sustainability Report covers information pertaining to our three main subsidiaries: AmBank (M) Berhad; AmBank Islamic Berhad; and AmInvestment Bank Berhad	1	Full
2-3	Reporting period, frequency and contact point	<b>About Our Report</b> This report covers the financial year 1 April 2021 to 31 March 2022 (FY2022), unless otherwise specified and is reported annually  Contact Point: Sustainability Department on +603 2167 3000	1	Full
2-4	Restatements of information	Some data from previous years have been restated according to updated methodologies and numbers.	32, 44	Full
2-5	External assurance	<b>About Our Report</b> Selected areas in this Sustainability Report have been validated through an external audit conducted by SIRIM QAS International Sdn. Bhd.	1, 79-81	Full

## APPENDIX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>CORE SUSTAINABILITY MATTERS</b>				
<b>Customer Satisfaction</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Customer Satisfaction</b>	30-32	Full
416-1	Assessment of the health and safety impacts of product and service categories	36% of products/services covered and assessed for compliance	32	Full
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Only one recorded incident of non-compliance with regulations concerning product and services	32	Full
417-3	Incidents of non-compliance concerning marketing communications	Zero incidents of non-compliance with regulations concerning marketing communications	32	Full
<b>Mitigating ESG &amp; Climate Related Risks</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Mitigating ESG &amp; Climate Related Risks</b>	33-36	Full
Non-GRI Disclosure	Exclusion List	As of 2022, ceased to provide new or additional loans/financing to coal-fired power plants and businesses where coal or coal-related activities contribute at least 20% of the business' total revenue or cost of production	33-34	-
<b>Material Topic: Financial Inclusion</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Financial Inclusion</b>	37-38	Full
203-1	Infrastructure investments and services supported	Launched the e-Commerce Biz-i, a new financing scheme by AmBank Islamic, for businesses which are involved in buying/selling of goods and services or the transfer of funds/data digitally	37	Full
203-2	Significant indirect economic impacts	RM3.7 billion green loans/financing disbursed, and RM950 million raised for new SRI/ESG capital market funds	36	Full
<b>Responsible Consumption</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Responsible Consumption</b>	39-49	Full
302-1	Energy consumption within the organisation	22,943 kWh in total electricity consumption	46	Full
302-4	Reduction of energy consumption	29% and 10.7% reduction in fuel and electricity consumption, respectively	45-46	Full
305-1	Direct (Scope 1) GHG emissions	<b>Scope 1: Direct Emissions from Fuel Consumption</b> 41.07 tonnes for Scope 1 emissions in 2022	45	Full
305-2	Energy indirect (Scope 2) GHG emissions	<b>Scope 2: Indirect Emissions from Electricity Consumption</b> 12,614 tonnes for Scope 2 emissions in 2022	46	Full
305-3	Other indirect (Scope 3) GHG emissions	<b>Scope 1: Indirect Emissions from Employee Travel</b> 34 tCO <sub>2</sub> e for Scope 3 emissions in 2022	47	Full

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
305-5	Reduction of GHG emissions	11% reduction in total carbon emissions	44	Full
306-2	Management of significant waste-related impacts	3,968 kg of recyclable waste collected	47	Partial
306-3	Waste generated	9,200 kg of paper waste collected	48	Partial
 <b>Material Topic: Responsible Procurement</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Responsible Consumption</b>	50-51	Full
204-1	Proportion of spending on local suppliers	RM1,069.6 million contributed to our local suppliers	51	Full
308-1	New suppliers that were screened using environmental criteria	181 vendors fully completed pre-registration in the system, with 88% fully passing AmBank's pre-qualification ESG questionnaires	51	Full
414-1	New suppliers that were screened using social criteria	181 vendors fully completed pre-registration in the system, with 88% fully passing AmBank's pre-qualification ESG questionnaires	51	Full
 <b>Material Topic: Community Empowerment</b>				
3-3	Management of material topics	<b>Core Sustainability Matters: Community Empowerment</b>	52-55	Full
203-1	Infrastructure investments and services supported	RM1,359,650 invested in community programmes	55	Partial
413-1	Operations with local community engagement, impact assessments, and development programs	Through AmKasih and AmGroup Foundation, we engage and contribute to the development of local communities	52-55	Full
<b>FOUNDATION SUSTAINABILITY MATTERS</b>				
 <b>Digital Transformation &amp; Data Security</b>				
3-3	Management of material topics	<b>Foundation Sustainability Matters: Digital Transformation &amp; Data Security</b>	56-59	Full
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero cases of data loss/online breaches reported	58	Full
 <b>Employee Well-being &amp; Development</b>				
2-30	Collective bargaining agreements	12% of AmBank Group employees are covered by collective bargaining agreements	64	Full
3-3	Management of material topics	<b>Foundation Sustainability Matters: Employee Well-being &amp; Development</b>	61-72	Full
401-1	New employee hires and employee turnover	Employee turnover rate: Voluntary 14.3%, Involuntary 0.4%	68	Full
401-3	Parental leave	Both male and female employees are provided with parental leave, with 3% and 4% utilising this benefit in 2022, respectively	71	Full

## APPENDIX

GRI Standards	Brief Descriptions of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
403-1	Occupational health and safety management system	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	60-62, 65	Full
403-4	Worker participation, consultation, and communication on occupational health and safety	Invested approximately RM65,000 in the following OSH-related virtual training programmes	61	Full
403-5	Worker training on occupational health and safety	353 employees trained in health and safety	60-62, 65	Full
403-9	Work-related injuries	0.12 Lost Time Injury Rate and 0.30 Lost Time Injury Incident Rate	65	Full
404-1	Average hours of training per year per employee	78 average training hours for Leadership Development Programmes	67	Full
404-2	Programs for upgrading employee skills and transition assistance programs	We continue to invest in our talent and leadership development programmes	63	Full
405-1	Diversity of governance bodies and employees	47% of Top/Senior Management positions are held by women, whilst 33% of the Board of Directors are female in 2022	69	Full
405-2	Ratio of basic salary and remuneration of women to men	Average monthly salaries for women and men are RM6,276 and RM7,511 for AmBank Berhad	70	Full
<b>Anti-Money Laundering &amp; Anti-Corruption</b>				
2-15	Conflicts of interest	We implement the Management on Conflict of Interest Policy	27	Full
2-27	Compliance with laws and regulations	Zero non-compliances were reported for Group-Wide Compliance	76	Full
3-3	Management of material topics	<b>Foundation Sustainability Matters: Anti-Money Laundering &amp; Anti-Corruption</b>	73-76	Full
205-1	Operations assessed for risks related to corruption	306 internal audits conducted	76	Partial
205-2	Communication and training about anti-corruption policies and procedures	We provide various compliance training and awareness programmes to employees and other relevant stakeholders	73-76	Full
205-3	Confirmed incidents of corruption and actions taken	Seven cases of complaints and grievances received	76	Partial

**AMMB Holdings Berhad**

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