



# Leadership Commitment

**“As a responsible corporate citizen, we are committed to improving our sustainability practices beyond the minimum regulatory requirements. Our sustainability agenda aims to make us more competitive, more resilient to disruptions, more flexible to change, more unified in our core values, and more accountable in the way that we treat people and the planet.”**

**DATO' SULAIMAN MOHD TAHIR**

Group Chief Executive Officer

## GROWING TRUST, CONNECTING PEOPLE

The Group recognises that our financial outcomes are linked to our ability to manage environmental, social and governance (ESG) risks and opportunities. Our long-term success and continued relevance are dependent on the prosperity and trust of the communities we serve, and the well-being of the environment we operate in. An inclusive society that is built on human dignity and the responsible use of natural capital is essential for all of us to thrive.

As a company driven by and for people, the well-being of customers, employees, communities and other stakeholders, as well as the environment, is crucial to sustaining our long-term performance. Through our material sustainability matters identified, we are more focused to mitigate ESG risks while maximising our positive impact. According to the latest MSCI ESG Ratings Assessment, which aims to measure a company's resilience to long-term ESG risks, AmBank's ESG rating has improved from BBB to A. AmBank Group's commitment to sustainability is further demonstrated through active participation in the financial industry's sustainability-linked committees, as elaborated on pages 150 to 151.

In FY2020, we further developed the AmBank Group's Sustainability Framework (Sustainability Framework or Framework) based on ESG and value-based intermediation (VBI) principles to guide our aspiration to become a more sustainable organisation. The Framework is aligned to the Group's business strategies, and will support nine out of seventeen United Nations' Sustainable Development Goals (UN SDGs) and the higher objectives of Shariah (Maqasid Shariah).

To grow the trust of our stakeholders and play our part as a responsible corporate citizen, we are committed to improving our sustainability practices beyond the minimum regulatory requirements. Our sustainability agenda aims to make us more competitive, more resilient to disruptions, more flexible to change, more unified in our core values, and more accountable in the way that we treat people and the planet. The Framework entails strengthening the Group's sustainability governance structure where we will establish four key new advocacy groups internally, namely:

- Group Sustainability Council,
- Group Sustainability Department,
- Sustainability Matters Sponsors, and
- Sustainability Champions.

The clear delineation of roles and responsibilities allows for improved decision-making, implementation and accountability to cohesively drive our sustainability ambitions.

Our approach also underpins the Group's business decisions. Increasingly, investors, regulators and customers are looking for the integration of environmental and social criteria into banks' lending and investment strategies. As such, we incorporate ESG and VBI considerations into our business decisions. VBI aligns with Shariah principles of acting responsibly towards the environment, economy and society at large, which is an integral part of AmBank Group's financial inclusion and responsible lending agenda.

In FY2020, we continue to support the SMEs segment and also other underserved communities through financial literacy and inclusion schemes. Additionally, we established AmBank Group's Green Financing Plan, which aims to build our capability in providing financing to businesses which support the well-being of the planet.

“

We are also implementing measures which support our customers through their financial challenges brought by the pandemic. Individuals and small and medium enterprises (SMEs) are allowed to defer their loans and financing repayments for six months to ease their cash flow burden.”

#### **SERVING THE PEOPLE AND THE PLANET**

Our sustainability agenda is focused on connecting with our people. The long-term success and relevance of AmBank depend upon the dedication of our workforce. Securing, retaining and developing the right talent is essential to compete in the changing market. We continue to reshape the workforce to future-proof employees in line with the trends and challenges that lie ahead. In FY2020, we invested RM24.7 million into talent development programmes to upskill and develop our talent pool to meet the evolving skills set requirements.

In addition to employees, we continue to contribute to the development of underprivileged communities. This is reflected in our corporate social responsibility (CSR) actions and through the AmGroup Foundation disbursements. We actively engage with communities to promote social mobility and empower people through education, health and social-related activities. We contributed RM1.8 million in community initiatives to help uplift underserved communities and contribute to their socio-economic development.

Our philosophy of putting people first is reinforced amid the trying times of the COVID-19 pandemic. We have contributed a total of RM576,320 into COVID-19 relief efforts, such as channelling funds to MERCY Malaysia as well as distributing food to frontline healthcare workers. We are also implementing measures which support our customers through their financial challenges brought by the pandemic. Individuals and small and medium enterprises (SMEs) are allowed to defer their loans and financing repayments for six months to ease their cash flow burden.

In safeguarding employees, we are enforcing a Work-from-Home policy to minimise their exposure to the virus, with 60% of our workforce technologically equipped to work at home. For mission-critical staff who has to work in the office, the business continuity plan was invoked requiring the teams to work from split locations and imposing movement restrictions between locations. To date, the Group has incurred RM2.7 million in ensuring staff safety and health, such as facilities on temperature scanning equipment, regular disinfection of work areas, provision of hand sanitizers and face masks, duplication of equipment and systems to facilitate working at split locations as well as applications to facilitate working from home.

The future well-being of society is also dependent on the health of the environment. This is why we are making changes to our operations in an effort to reduce our carbon footprint and environmental impact. In FY2020, we have changed the lighting systems in our buildings at Wisma AmFirst, Damansara Fairway 3 and 17 branches to a more energy-efficient LED lighting system and we have also optimised our office space through a restacking exercise at Menara AmBank, which resulted in 11% reduction in carbon emission from our electricity consumption. Additionally, we entered into an agreement for the installation of a solar panel on the rooftop of AmBank's Damansara Fairway 3 building to promote sustainable use of energy resources. For waste management, we have also launched the AmBank Group's No Single-Use Plastic Programme in January 2020 to reduce our own single-use plastic consumption.

We see sustainability as an on-going journey which the Group is committed to continuously undertake. While we look ahead on how to improve our abilities to advocate positively on ESG matters, we are also prioritising the well-being of our employees and financial protection for our customers.

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

Group Chief Executive Officer

# Scope of Sustainability Reporting



At AmBank Group, we continue to integrate the principles of sustainability and Value-Based Intermediation (VBI) into our business goals and strategy as part of our aspiration to become a Top 4 bank in Malaysia.

## SUSTAINABILITY STATEMENT OF PURPOSE

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

## REPORTING PERIOD

The sustainability disclosures highlighted in this Sustainability Report cover the period from 1 April 2019 to 31 March 2020 (FY2020), unless stated otherwise. We have also included data from the past three years, where possible, to compare our year-on-year (YoY) progress.

## REPORTING BOUNDARY

The Sustainability Report covers AmBank Group's operations pertaining to its 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 more than 96% of AmBank Group's total assets and most of our ESG impacts. The outcomes of our sustainability initiatives are labelled with the following icons:



**Environmental  
Impact**



**Social  
Impact**



**Governance  
Impact**

## PRINCIPLES OF REPORTING

As part of our commitment to publishing coherent and reliable sustainability disclosures, this statement adheres to the following principles:

<b>Inclusiveness</b>	Describes the sustainability expectations and interests of all stakeholders.
<b>Materiality</b>	Addresses the Group's significant ESG impacts as well as stakeholders' concerns.
<b>Comparability</b>	Reports information and disclosures consistently to allow stakeholders to analyse our sustainability performance over time.

## REPORTING STANDARDS

The scope of our sustainability disclosures adheres to the following local and international reporting standards, criteria and guidelines:

Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting

The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies

"In Accordance" with GRI Standards: Core Option.

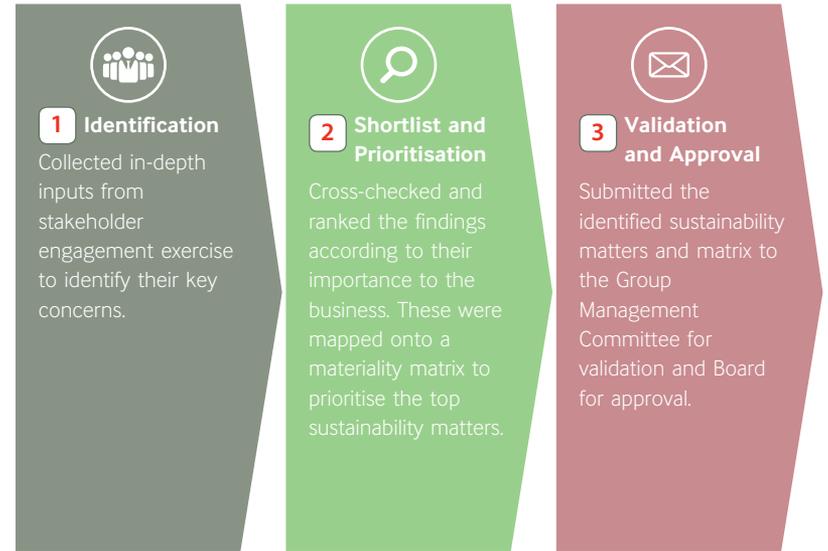
 The GRI content index for the report is shown on page 195.

# Sustainability Matters

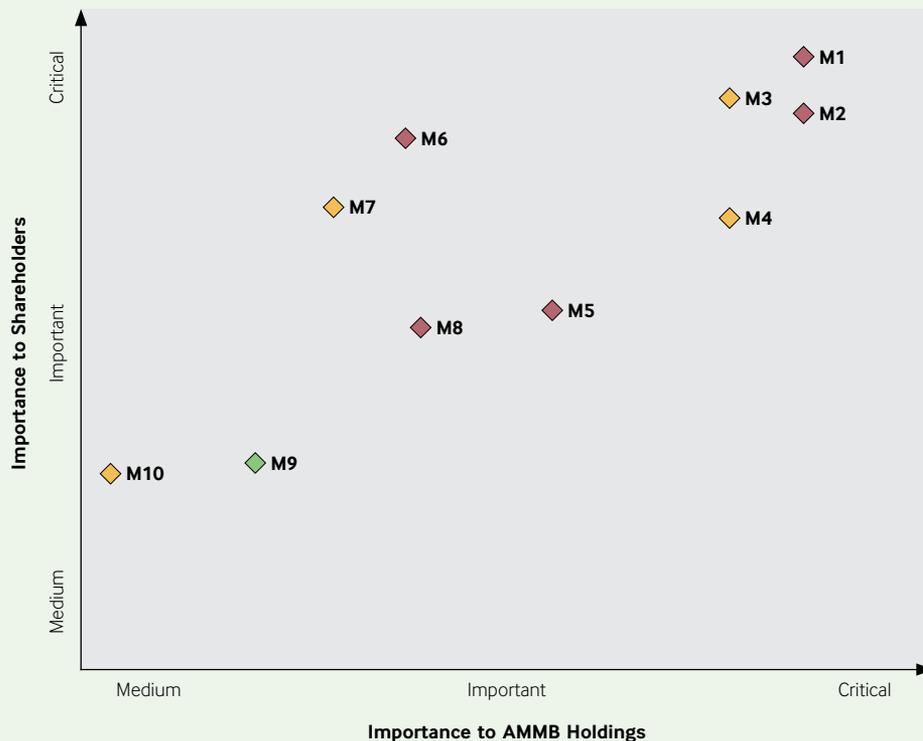
The sustainability of the Group relies on our ability to systematically manage sustainability matters that impact long-term stakeholder value creation. A year ago, we conducted another stakeholder engagement survey with customers, employees, suppliers, shareholders, directors and senior management to capture their key sustainability concerns. The questions in the survey mirrored the initial stakeholder engagement exercise conducted in FY2017, which acts as a baseline to benchmark in charting our progress.

The stakeholder feedback received in FY2019 was mapped against the ESG risks and opportunities that impact our operations and strategic objectives, resulting in ten sustainability matters. In line with our new Sustainability Framework, we regrouped the identified sustainability matters into three themes that reflect AmBank Group’s sustainability efforts: **Responsible Banking, Conscious Self-Conduct, and Positive Societal Impact.**

Our sustainability efforts are designed to address the identified sustainability matters, thus allowing us to maximise our contributions and ESG-related performance in the long run. The materiality assessment is conducted every two years to allow time for our sustainability strategies to take effect.



**Materiality Matrix of AMMB Holdings Berhad**



According to the materiality assessment, the Group’s sustainability strategies are focused on the following sustainability material matters, which are numbered according to their order of priority:

- Responsible Banking**
  - M1** : Data Security, IT Infrastructure & Digital Transformation
  - M2** : Customer Satisfaction
  - M5** : Financial Inclusion & Responsible Lending
  - M6** : Responsible Marketing, Product and Service Design
  - M8** : Environmentally & Socially Responsible Investment
- Conscious Self-Conduct**
  - M3** : Ethics, Governance & Compliance
  - M4** : Conducive & Inclusive Workplace and Human Capital Development
  - M7** : Responsible Sourcing & Procurement
  - M10** : Energy, Water & Waste Management
- Positive Societal Impact**
  - M9** : Community Investment & Development

## Sustainability Matters

### MANAGEMENT APPROACH

Sustainability Matters	Business Context	Risk	Opportunities
 <b>Data Security, IT Infrastructure &amp; Digital Transformation</b>	Digital technology and advancements continue to disrupt and transform the banking sector.	Data breaches and cyberattacks on our IT infrastructure result in a loss of customer trust and confidence.	Innovative financial products and solutions increase our competitive edge and market share.
 <b>Customer Satisfaction</b>	Customers' banking expectations are rapidly evolving for faster and more seamless customer experience.	Insufficient customer processes and slow complaint resolution lead to frustrations and poor reviews from customers.	A seamless and simple customer journey enhances customer satisfaction and brand value.
 <b>Ethics, Governance &amp; Compliance</b>	Good corporate governance with transparency, accountability and integrity is key to achieving business objectives.	Corruption and unethical behaviour within the Group result in regulatory fines and penalties.	A safe and efficient grievance mechanism enables stakeholders to safely report against misconduct and safeguards the Group's reputation.
 <b>Conducive &amp; Inclusive Workplace and Human Capital Development</b>	The future of banking requires a skilled and resilient talent pool, capable of adapting to changes in the sector and other external threats.	An unsafe and uncondusive work environment leads to workplace health and physical injuries, resulting in lower productivity.	A workforce that is regularly upskilled and trained with future-ready skills increases our long-term performance, competitive edge, and readiness to cope with rapid changes.
 <b>Financial Inclusion &amp; Responsible Lending</b>	Financially underserved communities and businesses are an untapped market that contributes to socio-economic resilience, whilst supporting businesses whose operations adversely impact the environment and society could impact the Group's long-term longevity.	Financing of unethical and environmentally and community destructive businesses tarnishes the Group's reputation and branding as a responsible bank, and affect the Group's own customers' financial health.	The financial development of start-ups and SMEs contributes to economic growth and new business opportunities, whilst the demand for funding for environmentally-friendly businesses is tremendous.
 <b>Responsible Marketing, Product &amp; Service Design</b>	The loyalty and trust of customers rely on our ability to deliver products and services that protect their financial best interests.	Products and services that financially exploit customers result in the loss of customers to competitors.	Fair and transparent content on marketing and product solutions improves our brand value and customer base.
 <b>Responsible Sourcing &amp; Procurement</b>	The ESG impact of the Group extends to supply chain activities and its procurement decisions.	Unethical practices and environmental non-compliances by suppliers may lead to financial and non-financial losses.	Sourcing from local businesses and SMEs contributes to the country's socio-economic growth and well-being.
 <b>Environmentally &amp; Socially Responsible Investment</b>	There is an increasing demand for responsible and ethical investments from an increasingly environmentally- and socially-conscious market.	A lack of innovative ESG investment products may cause socially-conscious clients to seek the services of competitors.	Supporting clients who embark on green and sustainable projects help grow the sustainability market while generating financial returns.
 <b>Community Investment &amp; Development</b>	Contribution to social development requires the empowerment of all communities for inclusive economic growth and shared prosperity.	The absence of effective community development and social programmes creates the perception of being a purely profit-oriented bank.	Strong community investments and volunteer opportunities foster a sense of purpose and fulfilment for employees.
 <b>Energy, Water &amp; Waste Management</b>	Climate change and environmental degradation directly impact the environment necessary for the Group to operate.	Inefficient energy consumption results in high operating costs and contributes to the climate emergency.	Continuous improvements in environmental management enhance AmBank Group's image as a caring bank.

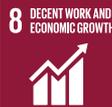


Our Response	Stakeholders Affected
<ul style="list-style-type: none"> <li>Integrate the latest technology and digital advancements into our services.</li> <li>Implement a Cyber Security Maturity Plan to continuously strengthen our IT security.</li> </ul>	 Refer to page 152  
<ul style="list-style-type: none"> <li>Provide regular Service Excellence training programmes to frontliners.</li> <li>Conduct customer engagement to identify challenges and improve customer experience.</li> </ul>	 Refer to page 157  
<ul style="list-style-type: none"> <li>Implement stringent and adequate frameworks, policies and procedures that institutionalise good practices, particularly in relation to anti-bribery/anti-corruption practices.</li> <li>Establish a grievance system that effectively protects stakeholders and the business.</li> </ul>	 Refer to page 164  
<ul style="list-style-type: none"> <li>Conduct relevant training and development programmes that minimise the skills gap within the workforce.</li> <li>Introduce welfare and well-being initiatives that protect the health and safety of employees, including occupational safety and health (OSH).</li> <li>Implement measures to mitigate employees' exposure to COVID-19, such as Working-from-Home, restricting movements, working at split locations, and regular disinfection of work areas.</li> </ul>	 Refer to page 167     
<ul style="list-style-type: none"> <li>Adopt the principles of Value-Based Intermediation (VBI).</li> <li>Implement AmBank Group's Responsible Financing Strategic Plan.</li> <li>Temporarily defer or restructure instalment payments for eligible customers affected by the economic impact of COVID-19.</li> <li>Offer a Special Relief Facility for collateral-free financing to support SMEs during the pandemic.</li> </ul>	 Refer to page 159   
<ul style="list-style-type: none"> <li>Drive digital marketing that utilises data analytics to deliver personalised experiences.</li> <li>Leverage social media channels to promote financial education and new products and services.</li> </ul>	 Refer to page 161  
<ul style="list-style-type: none"> <li>Implement the Supplier Code of Conduct (SCOC) and embed it into the vendor onboarding process.</li> </ul>	 Refer to page 180  
<ul style="list-style-type: none"> <li>Adopt Securities Commissions Malaysia's (SC) Principles of Socially Responsible Investments (SRI).</li> <li>Integrate the ASEAN Green Bonds Standards (GBS) into investment decisions.</li> </ul>	 Refer to page 163  
<ul style="list-style-type: none"> <li>Continue to fund and support AmGroup Foundation since 1985, contributing to programmes that drive social empowerment.</li> <li>Invest in Corporate Social Responsibility (CSR) projects that enable social mobility and development.</li> </ul>	 Refer to page 191   
<ul style="list-style-type: none"> <li>Establish AmBank Group's Environmental Policy.</li> <li>Introduce AmBank Group's Environmental Practice Guides.</li> <li>Set targets and key performance indicators (KPIs) to track our environmental performance.</li> <li>Launch of the No Single-Use Plastic Programme as part of the Waste Management initiatives.</li> </ul>	 Refer to page 182    

# Sustainability Framework

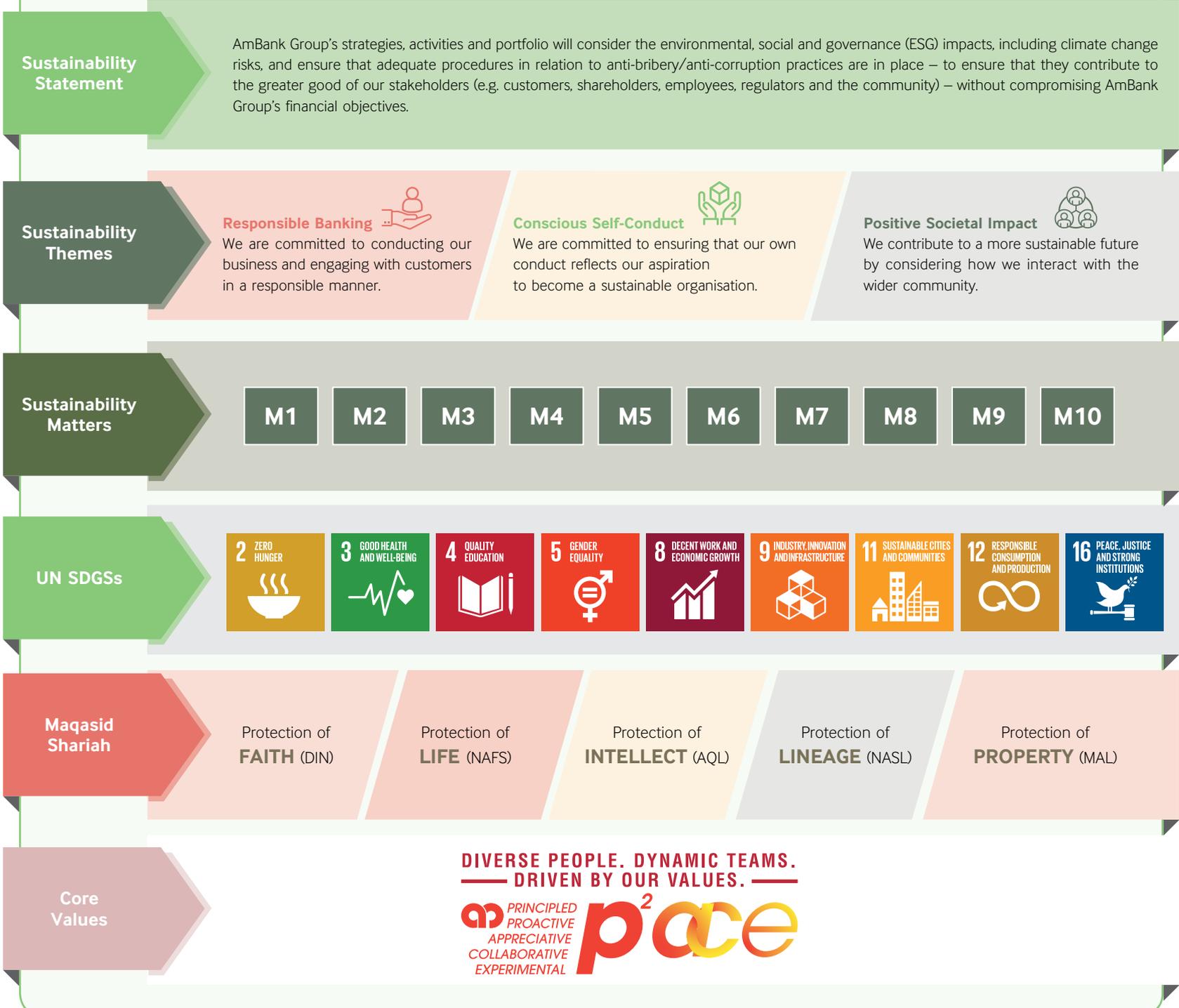
Our ability to remain profitable and relevant is linked to the long-term well-being of the people we serve and the environment in which we operate. With this in mind, during FY2020 we designed the Sustainability Framework which will be effective from FY2021. The Framework reflects our commitment to contribute to global sustainability targets vis-a-vis the UN SDGs. In addition to the UN SDGs, this Framework aligns with AmBank Group's strategic objectives and values, as well as the five principles of Maqasid Shariah. These goals form a blueprint for a better and more sustainable future for critical areas incorporating ESG considerations.

**Methodology on UN SDG Alignment:** To maximise our UN SDG contributions, we are focusing on the goals that are relevant to our business priorities and activities. We assessed each SDG and their corresponding indicators to determine the best way which we can contribute to achieving these goals. This has allowed us to narrow down and prioritise nine out of 17 UN SDGs, as shown below.

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

Guided by our Sustainability Framework, we are able to play an active role in addressing ESG challenges faced by the world today. Moving forward, this Framework will include the formalisation of Group sustainability targets and KPIs across the organisation, which allows us to maximise our ESG impacts according to our three sustainability themes when addressing AmBank Group's sustainability matters.

### GROUP SUSTAINABILITY APPROACH



# Sustainability Governance

## GOVERNANCE STRUCTURE

Our governance structure streamlines sustainability decisions and strategies for improved efficiency. As we progress on our sustainability journey, we are continuously reviewing and strengthening our sustainability governance approach. In FY2020, we are working to introduce four new advocacy groups:

**Group Sustainability Council;**

**Group Sustainability Department;**

**Sustainability Matters Sponsors; and**

**Sustainability Champions.**

The new governance structure aims to enhance our approach to sustainability. The clear delineation of responsibilities across the Group enables better accountability, transparency and implementation of sustainability decisions. In the next financial year, sustainability-related KPIs will also be set for mission-critical positions with sustainability-related criteria embedded in the scorecards of performance assessments.



\* Applicable only for AmBank Islamic matters

## Board

- Approves and validates all sustainability-related matters and decisions.
- Takes accountability for the Group's sustainability journey and integrates sustainability matters into the formulation of the group-wide strategy, including oversight and decision-making.
- Strategises on building capacity and expertise in sustainability and impact-based assessments.

## Risk Management Committee

- Manages ESG risks group-wide, which includes overseeing the formulation and management of the ESG risk aspects within the Group Risk Appetite Framework and asset writing strategy.

## Shariah Committee

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

## Group Sustainability Council (GSC)

- Provides a platform for AmBank Group senior management to deliberate, monitor and drive the Group's sustainability agenda. The Council is chaired by the Group Chief Executive Officer (CEO), with the CEO of AmBank Islamic acting as the alternate chairman.
- Assists in the oversight of sustainability-related strategies and initiatives at Group.
- Ensures effective integration of sustainability principles within the organisation.
- Recommends and approves all sustainability-related policies, programmes and initiatives.
- Manages the inclusion of sustainability-related KPIs in the Group's scorecards.

## Group Sustainability Department

- Leads the development and implementation of broad-based, group-wide strategic sustainability initiatives.
- Supervises the execution of strategies and initiatives in support of sustainability matters and ensure that it is in line with the Group's sustainability strategies.

## Sustainability Matters Sponsor (SMS)

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

## Sustainability Function

- Seeks support from appointed Sustainability Champions to drive sustainability initiatives within their respective legal entities, divisions or departments.
- Aligns all sustainability initiatives with the strategies and direction set by the GSC.

## SUSTAINABILITY RISK MANAGEMENT

At AmBank Group, we believe that there is a strong link between good governance and mitigating environmental and social risks. This is why we work to continuously integrate sustainability risks across all levels of the organisation. The Group Responsible Financing Strategic Plan aims to support AmBank Group's long-term endeavours in becoming a responsible financier which includes the establishment of the ESG Risk Framework and the incorporation of environmental and social (ES) risk assessment into the credit assessment.

We have demonstrated leadership in devising strategies and managing various risks and material matters. Below is our performance on leading global sustainability indices.

1

In 2019, AMMB received a rating of "A" (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. This is an improvement from "BBB" rating in the previous reporting year. The positive shift can be attributed to, inter-alia, our improved employee and talent management practices.

2

RAM Sustainability Sdn Bhd's (RAMSus, formerly known as RAM Consultancy Sdn Bhd) Sustainability Rating, which evaluates a company or group's sustainability performance based on all ESG themes defined in RAMSus' Sustainability Rating Framework. In RAMSus' Sustainability Rating Report for the Group dated 25 June 2019 for the financial year 2019, our sustainability rating was upgraded from Silver to Gold. The upgrade is primarily supported by the upward revision of the Group's Environment Rating to Silver, from the previous Bronze.

3

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms AMMB Holdings has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

4

WWF Sustainable Banking Assessment (SUSBA), which is a benchmarking tool that shows year-on-year changes and highlights progression or regression in banks' performance on the integration of ESG considerations in their corporate strategy and decision-making process.

## KEY POLICIES AND GOVERNANCE GUIDELINES THAT ADDRESS SUSTAINABILITY MATTERS



### M1: Data Security, IT Infrastructure & Digital Transformation

#### Privacy Notice on Personal Data Protection Act (PDPA) 2010

In line with the PDPA, this privacy notice reflects AmBank Group's commitment to protect and safeguard customers' personal data when entering into any transaction with the Group. The document describes the types of customer data obtained, how it is processed, and the customers' right to withdraw consent to their data. It also highlights AmBank Group's security arrangements in protecting customer data, which includes regularly reviewing and implementing up-to-date technical and organisational security measures. Guided by the PDPA, AmBank Group has achieved zero cases of data loss over the past three years.

#### AmBank Group Web Portal Security Statement

This Security Statement applies to the Group's website page regarding the security of users' personal information collected and/or processed through the web portal, as well as the obligations of the user. The statement highlights our aim to maintain strict procedures and standards against unauthorised access to personal information. We constantly monitor developments in security and encryption technology to update our processes in line with industry standards. In FY2020, there were zero cases of online breaches through our website.



### M2: Customer Satisfaction

#### Code of Conduct – Treating Customers Fairly

Our Code of Conduct stresses the importance of fair treatment and respect towards customers. Employees are required to demonstrate professionalism, transparency and integrity in all dealings with customers. Customers' complaints received via our various feedback channels must also be resolved in a friendly, fast, fair and effective manner. We abide by the relevant guidelines in handling customer complaints and continue to leverage constructive feedback to enhance our products and services.

#### Customer Service Charter – Service Standards

The Charter outlines our key commitments and service standards in providing high-quality service to AmBank Group customers. According to the Charter, employees are expected to understand the customer's profile to anticipate their needs and preference, as well as deliver products and services as per the customer's requirements. Additionally, our service team is required to deliver transparent and personable service, while also following an engagement model whereby the customer is kept aware of our multi-channel options and accessibility. As a result, we achieved a 15-point improvement in Net Promoter Score (NPS), which indicates a customer's willingness to recommend our products and services.



### M3: Ethics, Governance & Compliance

#### Anti-Bribery & Corrupt Practices Policy

The Anti-Bribery and Corrupt Practices (ABCP) Policy is formulated to ensure that business is conducted conforming to the highest level of integrity and ethics. All employees must comply with the relevant laws and regulations on anti-bribery and corruption. The policy represents AmBank Group's stance of zero tolerance to bribery and corruption in any form, and serves to protect the institution from financial and reputational loss as a result of regulatory and/or enforcement censure and action. The policy is an essential component of the Group's ABCP Framework in accordance with the requirements and obligations imposed under the Malaysian Anti-Corruption Commission Act 2009 (MACC) Act 2009 and Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of MACC Act 2009.

#### Whistleblower Protection Policy (WPP)

We encourage openness, integrity and accountability in our culture, which is protected by the WPP. Our grievance mechanism provides a safe and reliable channel for stakeholders including customers, suppliers, and employees to voice grievances and report against malpractice 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. This reporting year, we received five complaints and grievances through our whistleblowing channel, with 100% resolution within 90 days.

#### Code of Conduct – Code of Ethics

AmBank Group's Code of Ethics, as highlighted in our Code of Conduct, reflects the Group's firm commitment to uphold and maintain a high level of integrity, professionalism and ethical conduct. The Code applies to 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. In FY2020, given the programmes we launched and the continuous tone-from-the-top as well as reminders on our Code of Conduct, the Bank did not have any cases of ethical misconduct. We have been very diligent in communicating the punitive action involved should there be any ethical misconduct.

#### No Gift Policy

AmBank Group strictly prohibits its 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 is essential to protecting the Group's reputation by countering potential conflicts of interest, bribery and corruption, as well as ensure that practices and dealings within the organisation are conducted ethically and professionally. This policy guides employees to keep within acceptable practices. Additionally, it creates an ethical and self-regulating culture that avoids any potential perception that the Group encourages or condones exchanges of favours for the personal gratification of any kind. This reporting year, there were 510 cases of allowable gift exchanges among employees, largely related to festive seasons gifts/fruits and memorabilia.

#### Group Compliance Framework

Our Compliance Framework describes the various roles and responsibilities involved in compliance with regulatory guidelines and requirements, thus allowing for improved accountability. The responsible parties collectively oversee the management of compliance and risk to promote the safety and security of the Group's processes and increasing awareness on the role of every employee to safeguard the Group. The framework details how to mitigate financial, reputational and operational risks arising

from potential legal violations and/or regulatory non-compliance. The Senior Management team is responsible for communicating the Group Compliance Framework to all employees, as well as implementing appropriate actions for non-compliances. As a result, we achieved a higher number of escalations of potentially suspicious activities at the point of account opening or branch activities amounting to 210 reports a month. This is 40% more than the previous financial year, which demonstrates a higher level of awareness, compliance and monitoring effectiveness within the Group in FY2020. Additionally, we did not have any significant compliance breaches in FY2020.

#### Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Framework

The Group is resolute in working with and supporting regulators and law enforcement agencies to combat money laundering and other financial crimes. This is manifested in our Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policy which defines the standards and procedures for prevention and detection of suspicious transactions. We deploy innovative and thorough investigations procedures to 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

The objective of this policy is to conduct proper customer identification through reliable information and documentation, which allows for the proper assessment of a customer's risk profile. KYC maintains a standardised approach to understanding the customer during onboarding, while also assisting in on-going due diligence reviews. Moreover, the policy stipulates stringent procedures to ensure that the Group only manages customers who have been properly verified and approved.

#### Politically Exposed Persons (PEP) Policy

The objective of the PEP policy is to identify and manage 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. The assessment is conducted before the establishment of a banking relationship. In FY2020, the Group continues to not partake in any political party nor make any political donations.

#### Trading in AmBank Group Shares Policy

The Group's Trading in AmBank Group Shares Policy is applied to directors and designated employees of AmBank Group when trading in the Group's shares on Bursa Malaysia. The responsible individuals who have access to price-sensitive information relating to AmBank Group's shares must not trade the shares until the relevant information is publicly available. Additionally, personnel who do not have access to price-sensitive information may also deal in the Group's shares if they fully comply with the procedures set out in the Main Market Listing Requirements of Bursa Malaysia.

#### Non-Permissible Business Activities for Financing Facilities Shariah Guidelines

The guideline intends to explain the Shariah Non-Compliant activities, which is also known as the Shariah negative list. The criteria described in this policy are to be considered when providing financing facilities to non-retail customers under AmBank Islamic. Components of the Shariah negative lists include activities that cause detrimental harm to society and the environment, which are not allowed to be financed from a Shariah perspective.



#### M4: Conducive & Inclusive Workplace and Human Capital Development

##### Code-of Conduct – Employer of Choice

According to the Code of Conduct, AmBank Group's two broad focus areas to become an Employer of Choice are: 1) to provide a work environment in which our people are valued and able to develop their skills and talent towards new challenges; and 2) 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

We believe that employees are our most valuable assets. Therefore, this section of the Code of Conduct 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. The statement also details AmBank Group's zero-tolerance to discrimination and harassment, as well as the shared responsibility among employees to foster a diverse and inclusive workforce. During the year under review, we received 13 cases of discrimination at the workforce, which were swiftly resolved by the relevant parties.

##### Occupational Safety and Health (OSH) Policy Statement

The policy statement sets out to create a safe and healthy workplace within the Group. It stipulates the importance of complying with requirements under the Occupational Safety and Health Act 1994. All employees are expected to practise good safety habits and behaviour that align with the Group's Occupational Safety and Health Management System (OSHMS). The policy extends to visitors and other persons within our workplace, who must comply with the applicable safety and health procedures. The implementation of OSH practices has resulted in a 27% drop in the total number of work-related accidents within the Group.

##### Incident, Non-Conformity and Corrective Action Procedure

The objective of this procedure is to effectively guide the reporting, recording, investigation and correction of workplace incidents and non-conformities. In doing so, we are able to detect, analyse and eliminate the root causes of these occurrences. This procedure is reviewed periodically by the OSH unit according to ISO 45001 Standards, ensuring that the contents reflect the current operating procedures.



#### M5: Financial Inclusion & Responsible Lending

##### Green Financing Guideline

As part of our sustainable financing aspiration, the Green Financing Guidelines aims to reduce any adverse environmental impact resulting from our lending and financing activities. Relationship managers and risk management officers refer to this guideline to ascertain whether financing activities and loans can be categorised as green financing. It helps identify the eligibility of financing and loans under the Green Technology Financing Scheme (GTFS), and provides examples and criteria of different green activities. The guideline covers the financing of seven key sectors: Energy; Manufacturing; Transport; Building; Water; Waste Management and Sustainable Palm Oil.

##### Shariah Policy on Financing for Business with Mixed-Business Activities

The Shariah Policy provides general guidance to the applications for Islamic financing from non-individual customers that have a mixture of Shariah-permissible and non-permissible business activities. It helps facilitate understanding by relevant business units and functional lines regarding the type of businesses that are granted Islamic financing from a Shariah perspective. Additionally, the policy enhances employees' awareness of business activities that fall under non-permissible items (negative list) for Shariah financing.

##### Credit Proposal Memorandum

The preparation of a credit proposal involves an in-depth analysis of credit risk factors, which include ESG risks. Therefore, under this memorandum, we incorporate sustainability considerations in the Group's credit approval process.

##### Retail Credit Policy (RCP)

All credit officers of AmBank Group must adhere to and comply with (where applicable) the RCP, which represents the minimum credit risk management standards of the Group for retail portfolios. However, this does not replace the experience and sound judgement of our credit officers. The policy was established within AmBank Group's tolerance for credit risk, supporting the Board-approved Group Risk Appetite Framework (GRAF) and overall business strategy. RCP is also supported by other formal policies, guidelines, practice guide and detailed procedures, which need to be read together for completeness.

##### Non-Retail Credit Policy (NRCP)

The Group's NRCP sets out the high-level credit principles that the Group adopts to ensure a consistent approach in managing credit risks for non-retail portfolios. The policy outlines the credit management standards that are required to be observed throughout the lifecycle of credit exposure, including credit assessment standards, annual review and review of problematic credits and independent credit review requirements.

##### Investment Intermediation Business Framework

This Framework intends to facilitate the establishment of effective governance and oversight for the investment intermediation business activities of AmBank Islamic. This includes the business of collecting funds under the Investment Account (IA) products and the internal and external use of such funds. In 2018, AmBank Islamic launched an Unrestricted Investment Account (UA) product for the funding of its mortgage financing activities.

##### Exclusion List

The exclusion list outlines the sensitive areas that are not accepted by universal convention. Businesses and activities that fall under the exclusion list will not receive new financing from the Group from FY2021 onwards.

## Sustainability Governance



### M6: Responsible Marketing, Product & Service Design

#### Product Approval and Management Policy

In this policy, we articulate 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 within the Group's risk appetite. The policy also includes sustainability considerations in its product approval process.

#### Code of Conduct – Speaking on Behalf of AmBank Group

This section of the Code of Conduct emphasises the importance of accurate and factual communications regarding AmBank Group. It applies to all employees, and highlights the reputational risks linked to releasing inaccurate information and communication.



### M7: Responsible Sourcing & Procurement

#### Supplier Code of Conduct (SCOC)

SCOC aim is to create a sustainable future through responsible procurement. According to the code, suppliers are required to act with integrity, responsibility, honesty and respect, while also ensuring that their practices are ethical, safe and environmentally responsible. AmBank Group seeks only suppliers that operate in compliance with these criteria. In FY2020, 100% of new suppliers, as well as contract renewals from existing suppliers, were screened through AmBank Group's ESG criteria, with 75% successfully meeting the criteria.

#### Code of Conduct – Managing Supplier Relationships

When dealing with suppliers, employees are required to abide by the guidelines that help to build trust, co-operation and long-term relationships. We must apply good governance to provide oversight of the procurement processes to ensure we maintain integrity and honesty across the supply chain. As key stakeholders, suppliers need to be treated ethically and paid according to the agreed terms.



### M8: Environmentally & Socially Responsible Investment

#### Group Environmental Policy

As part of our sustainable financing aspiration, this policy includes AmBank Group's commitment to reduce any adverse environmental and social impact resulting from our lending, financing and investment activities. It demonstrates our commitment to providing products and services that are ethical and responsible.

#### Code of Conduct – Positive Social Impact

According to this section of the Code of Conduct, AmBank Group is encouraged to apply our wealth management, investment management and capital markets expertise into sustainability-related financial and investing activities. Investment decisions need to abide by the Principles of Islamic Finance, which promotes environmental and social well-being. Through our responsible investments, we earned a 11% market share for Overall Malaysian Bonds/Sukuk for 2019.



### M9: Community Investments & Development

#### Code of Conduct – Positive Social Impact

The objective of this code is to guide AmBank Group in addressing a wide range of matters on the development of communities. Through our CSR initiatives, we deliver donations, grants and volunteering activities that enable the Group to connect with local communities and contribute to their socio-economic growth.



## M10: Energy, Water & Waste Management

### Group Environmental Policy

The Group Environmental Policy describes the key principles that allow AmBank Group to better manage the direct and indirect environmental impact of our operations and activities. Employees and suppliers are required to meet all environmental compliance obligations and strive to continuously improve our environmental performance. The policy also emphasises the implementation of programmes that promote the sustainable use of environmental resources.

### Environmental Monitoring and Measurement Practice Guide

Through this practice guide, employees can better monitor, measure, analyse and evaluate the environmental performance of the Group's operations. The key requirements stipulated in this guide include establishing, measuring and monitoring Environmental Performance Indicators (EPIs).

### Environmental Objectives, Targets and Plans Practice Guide

The purpose of this practice guide is to provide direction in developing, implementing, monitoring and evaluating environmental objectives and targets for the Group. These objectives and targets are set according to an Environmental Management Plan (EMP).

### Environmental Resource Management Practice Guide

To optimise the use of natural capital, this guide adopts the best practices in effectively managing the consumption of resources such as electricity, water, paper and materials. The guide was developed in accordance with the Group Environmental Policy. The key contents of this practice guide include 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

Following Malaysian regulations and the Group Environmental Policy, the aim of this practice guide is to help effectively manage both solid and scheduled wastes generated by AmBank Group. This practice includes details on waste management principles, waste classification and sustainable waste practices.

### Greenhouse Gas (GHG) Accounting and Reporting Practice Guide

To effectively manage the GHG emissions generated by operations and contribute to climate action, this 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. During the reporting period, through energy-efficiency initiatives, we reduced our overall carbon footprint by 11%.

### Code of Conduct – Positive Social Impact

This code highlights AmBank Group's commitment to actively identify areas and processes that continuously improve our environmental footprint, with a focus on energy efficiency, greenhouse gas emissions and resource conservation.

## Sustainability Governance

### MEMBERSHIP & ASSOCIATIONS

To improve our approach in addressing sustainability matters, we actively participate in professional associations and memberships to exchange knowledge and ideas on industry best practices. This allows us to gain better insights into future trends, regulations and market changes, thus strengthening our resilience for long-term growth while maximising our ESG contributions.

Association	Contribution	Membership
Association of Banks Malaysia (ABM)	<ul style="list-style-type: none"> <li>Actively involved in various initiatives that promote and strengthen the commercial banking industry to become more resilient, effective and efficient.</li> </ul>	AmBank (M) Berhad
Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)	<ul style="list-style-type: none"> <li>Serve as members of the AIBM Council and Shariah Governance Committee.</li> <li>Help represent the voice of the Islamic Finance industry, underpinning the value-based intermediation thrust in serving the community.</li> </ul>	AmBank Islamic Berhad
Malaysian Investment Banking Association (MIBA)	<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>Sits on various committees in MIBA. Such committees act as a forum for industry dialogue between practitioners and the Malaysian regulators, where issues affecting the industry are discussed and addressed. This provides for the smooth functioning of the capital markets, and also aims to push innovation and adopt best practices in a timely manner.</li> <li>Participate in annual dialogues with corporate finance and debt capital markets peers in Singapore to discuss industry developments and share ideas on capital markets.</li> </ul>	AmInvestment Bank Berhad
Financial Industry Collective Outreach (FINCO)	<ul style="list-style-type: none"> <li>Contribute and participate in Malaysia's largest collective impact on CSR.</li> <li>Employees volunteer in educational programmes for underprivileged children and youths.</li> </ul>	AmBank Group
Malaysian Investor Relations Association (MIRA)	<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, transparency and enhance shareholder value for all.</li> </ul>	AmBank Group
Joint Committee on Climate Change (JC3)	<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 the sharing of 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

Association	Contribution	Membership
Association of Stockbroking Companies (ASCM)	<ul style="list-style-type: none"> <li>Promote the interest of the stockbroking companies by providing a unanimous “brokers” voice to relevant authorities and the public.</li> <li>Participates in all issues directly related to the development and progress of the stockbroking industry and to help realise the Government’s vision of transforming Malaysia into a regional financial centre.</li> <li>Works very closely with the Ministry of Finance, the SC and Bursa Malaysia Securities Bhd on a diverse range of operational and policy issues.</li> </ul>	AmInvestment Bank Berhad
Community of Practitioners (CoP) of Bank Negara Malaysia’s Value-Based Intermediation (VBI)	<ul style="list-style-type: none"> <li>Actively involved in the development of the industry’s VBI scorecard, framework, guidelines and strategy.</li> <li>The CEO of AmBank Islamic is the Chairman of the Value-Based Intermediation Sectoral Guideline Working Group to develop sector guide documents for Palm Oil, Renewable Energy, and Energy Efficiency.</li> </ul>	AmBank Islamic Berhad
Universiti Teknologi Malaysia	<ul style="list-style-type: none"> <li>Act as a member of the Industry Advisory Panel for Azman Hashim International Business School.</li> </ul>	AmBank Islamic Berhad
International Centre for Education in Islamic Finance (INCEIF)	<ul style="list-style-type: none"> <li>In 2019, the CEO of AmBank Islamic was a Professor of Practice in INCEIF.</li> <li>Promote the integration of the financial industry experience with academia.</li> <li>Provide an understanding of the practical applications to students in related studies.</li> </ul>	AmBank Islamic Berhad
Islamic Banking & Finance Institute Malaysia (IBFIM)	<ul style="list-style-type: none"> <li>Act as Subject Matter Expert to facilitate the Structuring Investment Account Products programme and Application of Shariah in Islamic Finance.</li> </ul>	AmBank Islamic Berhad

# Responsible Banking

Our future growth is dependent on the long-term well-being of the people we serve. As such, our business strategy aligns with a commitment to deliver value for all stakeholders. As a responsible financial services group, we deliver products and services in a responsible manner. Our commitment to responsible banking allows AmBank Group to create shared prosperity for all, including for future generations.

## Sustainability Matters:



**M1: Data Security, IT Infrastructure & Digital Transformation**



**M2: Customer Satisfaction**



**M5: Financial Inclusion & Responsible Lending**



**M6: Responsible Marketing, Product & Service Design**



**M8: Environmentally & Socially Responsible Investment**



**M1: Data Security, IT Infrastructure & Digital Transformation**

The digital and physical world continues to merge, resulting in a shift in customer expectations for smarter, faster and more convenient financial services. The digital era is also causing an emergence of new technology financial services providers, causing an increase in competition. Financial institutions that are unable to digitise and innovate will get left behind. However, progressing to a more digital business model increases cyber security risks. AmBank Group's digital transformation potentially exposes the Group to malicious attempts to obtain critical information of customers. Data breaches within the Group may result in loss of public trust and customer insecurity, so it is essential to protect stakeholders from the economic and social risks associated with cyber security threats.

AmBank Group is embracing the new era of digital by integrating digitalisation into our business. To stay ahead of the competition, we need to deliver innovative and digital financial solutions that continue to meet customer needs far into the future. We are adopting technology and innovative solutions that streamline processes for smarter, faster and more efficient services, as well as to reduce operational costs. The aim of the Group's digital transformation is to improve customer efficiencies and better serve our customers, contributing to positive social impact.

Our digitalisation journey began by automating the customer journey for improved accessibility, 24 hours a day. This includes providing customers with self-service opportunities through mobile and internet banking channels. As we scale and upgrade core systems and infrastructure, we are also utilising analytics to deliver personalised offerings through our online channels, as well as enhancements with new services entirely online. Moreover, we are exploring new business models and value-added services, such as our digital collection solutions that help corporate customers in digitising their day-to-day business operations.

Our digital journey is guided by AmDigital – a comprehensive strategy that integrates our digital agendas across the Group. Launched in FY2018, AmDigital draws on the power of technology to redefine the customer experience and propel the Group as a leader in digital banking. The strategy is built on four key pillars:



These pillars are guided by AmBank Group's Principles of Digital Business:



To protect stakeholders against cyber attacks, the governance of our IT security is strengthened through AmBank Group's three-year Cyber Security Maturity Improvement Programme (FY2018-FY2020). The programme aims to further enhance the Group's cyber security systems and capabilities.

#### Cyber Security Maturity Improvement Programme (FY2018-FY2020)

##### Identify Governance and Administration (Desktop, Servers, Network, Security, Apps)

- New IGA platform to support internal and external digital identify & access management
- End-to-end privilege ID management in mitigating cyber credentials theft
- Business Process Re-Engineering

##### Enhance Cyber SOC (Monitor, Detect, Respond)

- Enhance capability to mitigate insider threats and improve incident response
- Expand security monitoring to include APT and endpoint cyber threat response
- Build threat-intelligence capabilities

##### People and Skill Alignment, Training

- Increase security resources with the right skills sets
- Re-structure security operations to address IT security goals
- Security training programmes to address security competencies and capabilities

##### Threat, Vulnerability, Management, Hardening and Assured Patch Management

- Strengthen continuous security assurance
- Enhance security testing scope including cyber security scenarios and cyber compromise assessments

##### Cyber Awareness

- Comprehensive Cyber Awareness programme with dynamic content
- Effective and efficient measurement metrics
- Embed cyber security in the culture and decision-making

##### Unified Enterprise Cyber Fraud Prevention, Detection and Response

- Establish cyber fraud prevention, detection and response systems to align with digital banking strategy

#### KEY INITIATIVES FOR FY2020



##### PILLAR ONE: Retail Digitalisation

Through our AmOnline internet and mobile banking platforms, we continue to innovate our digital offerings that target the entire spectrum of the customers' journey.

##### AMY™ (AmOnline's Virtual Assistant)

- Offers proactive, around-the-clock and personalised assistance to customers through a self-guided chat interface.
- Helps activate new cards, reset forgotten pins, arrange for an increase in credit card limit, block lost cards, help customers pick the right credit card and other card-related services.
- Features smart alerts to provide useful credit card-related notifications so that customers' do not miss any updates.



##### Quick Apply

- Delivers a one-stop solution for financial needs through a self-guided application journey, from recommending a card according to a customers' spending profile to tracking the application status.
- Allows customers to apply for credit cards and supplementary cards, credit card limit increase, quick cash, balance transfer, access AmMoneyLine/-i, open an eFlex/-i account, and purchase car insurance.



##### Easy Online Card Activation

- Enables customers to activate their bank cards through a simple 3-step process and TAC verification on the app. This eliminates the hassle of activating their new card via SMS or calling the contact centre before physically going to the ATM to reset the pin.



##### AmMoneyLine/-i Debt Consolidation

- Helps customers to easily manage and better understand their debt repayments – the first online banking solution in Malaysia to do so.
- Allows customers to consolidate their debt into a single and attractive rate, or restructure debt over a longer period to manage their monthly outflow.



##### eFlex – Savings

- Allows customers to auto-earn 3-month fixed deposit rates on their average account balance, provided a minimum balance is maintained monthly.



## Responsible Banking

### Search and Repeat Feature

- Enables customers to 'search' for a past transaction and repeat the same transaction performed with a single click. All the information required is then filled automatically for a better customer experience.

### Wealth – an Easy & Seamless Investment Experience

- Enables customers to perform a complete end-to-end investment journey fully online. Through AmOnline, they can open an investment account, perform investment research, purchase unit trusts and sell off units.
- Offers tools to help customers understand fund performance, risk levels and fund focus.
- Provides self-directed investors with access to building wealth at a maximum sales charge of just 2.5% for initial investments as low as RM1,000, and repeated investments of RM100.
- Features smart alerts to provide useful credit card-related notifications so that customers' do not miss any updates.

### Safe and Secure Banking

- Utilises a robust enterprise security framework and fraud management tool to detect and prevent fraud via behavioural and advanced analytics.
- Strengthen AmOnline security at the login stage with an additional Transaction Authorisation Code verification as a form of second-factor authentication.



### PILLAR TWO: Non-Retail Digitalisation

We empower our corporate and SME customers by delivering digital and innovative banking solutions.

### AmAccess Biz Platform

- Established a new online business banking channel that enables business customers to conveniently manage their business finances anywhere and at any time.
- Allows customers to access their business accounts, view their account balances and transaction history, as well as perform payments and fund transfers via IBG, DuitNow and JomPAY.
- Enables customers to perform bulk payment by simply compiling the transactions into a single file to make multiple fund transfers with a single approval.
- Offers options for companies to set up an approval workflow according to the company's requirements, which includes a single-maker authoriser or up to two authorisers workflow.



### PILLAR THREE: Partnerships

We believe that third-party partnerships and collaborations are essential in growing our digital capabilities. As such, we are focused on establishing mutually beneficial relationships with relevant industry players.

### AMY™ (AmOnline's Virtual Assistant)

- Offers proactive, around-the-clock and personalised assistance to customers through a self-guided chat interface.
- Helps activate new cards, reset forgotten pins, arrange for an increase in credit card limit, block lost cards, help customers pick the right credit card and other card-related services.
- Features smart alerts to provide useful credit card-related notifications so that customers' do not miss any updates.

### Business JumpStarters (BizM.A.T.E.) Programme

- Establishes collaborations with partners from various disciplines to provide products and services relevant to SMEs.
- Provides SME customers with preferential rates for the services offered by our partners to help accelerate their business growth. The areas of service include:
  - Accounting and HR Solutions
  - Operations and Administration
  - Communications and Internet
  - Payment and Marketing Solutions
  - Logistics and Workspace
- Allows the Group to play an active role in providing financial services and products to members of the community and the marketplace.
- Currently have 18 partnerships under the programme.

### Digital Solutions with Maxis

- Collaborated with Maxis to launch joint financial and digital solutions for SMEs that will enable easy access to customers' financial and digital needs.
- Harness the power of data-driven insights collected via digital platforms to provide personalised and innovative offers to SMEs and aid them in fulfilling their customer needs.

**DuitNow Payment API with Rakuten Trade Sdn Bhd**

- Acquired Rakuten Trade Sdn Bhd (Rakuten) as a pilot customer for Payment API via RPP DuitNow – a comprehensive fund transfer solution with instant credit to a beneficiary account within any bank in Malaysia.
- Aims to enhance the customer experience in line with the aspiration of promoting digital solutions and sticky CASA to corporate customers.
- Delivers an innovative new way for Rakuten’s client onboarding verification process that replaces the traditional method of verifying a hardcopy of their bank statement.
- Complies with SC’s onboarding requirements.
- Responds to the account holder on a real-time basis upon submission by Rakuten to AmBank, thus improving Rakuten’s onboarding turnaround time.



**Primary Banker for LUNO**

- Selected as the primary banker for exchange in Malaysia by LUNO, a bitcoin-related company headquartered in London. LUNO is the first cryptocurrency exchange in Malaysia to receive full approval from the SC.
- Screened LUNO’s pre-approved clients during onboarding via an automated process.
- In the midst of onboarding LUNO into FPX channel to allow first-party fund transfers into LUNO’s Trust Account.
- Onboarded into DuitNow Payment API for settlement and selling of cryptos in Malaysian Ringgit with a faster and more efficient TAT.

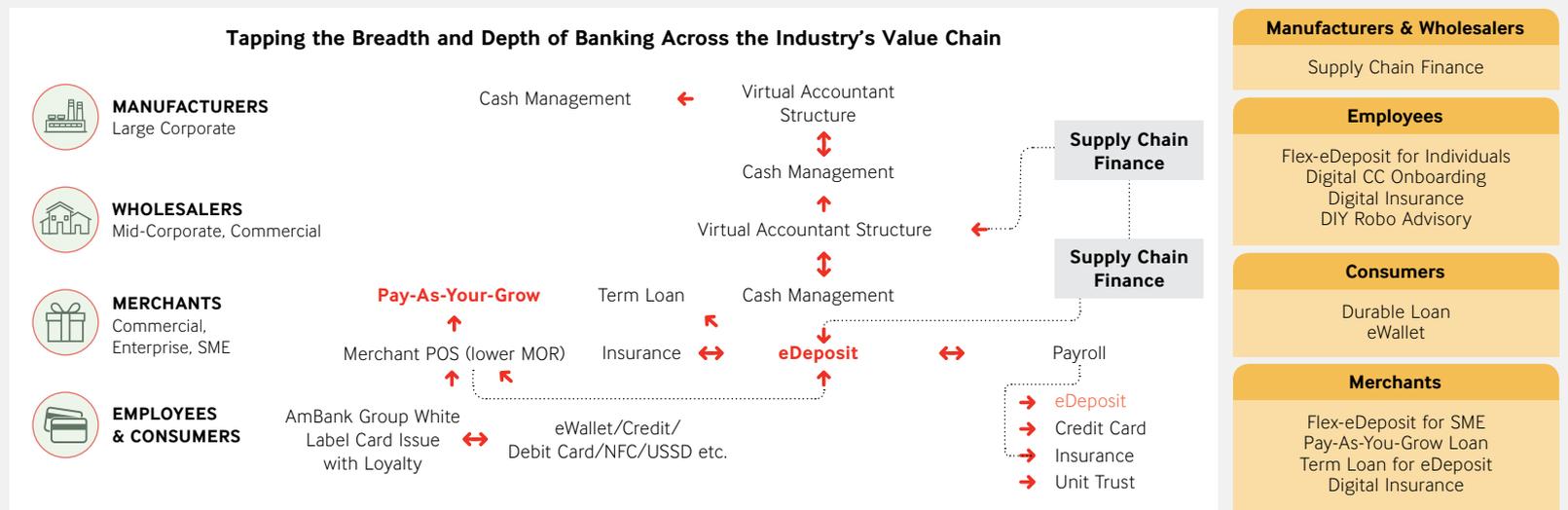


**PILLAR FOUR: Ecosystem Play**

We are expanding our business proposition to the entire value chain – from producers and manufacturers to wholesalers, merchants and their respective employees.

**Unique Vertical Go-To-Market**

- Aggregate all our products under one roof with the aim of offering specialised and differentiated products and services to industry segments.
- Enables the offering of products and services to supply chain financing for manufacturers and wholesalers; eFlex deposit accounts, Pay-As-You-Grow financing, term loans and other financing products for merchants; as well as eFlex deposit accounts, credit cards, insurance and other retail products for their employees and customers.

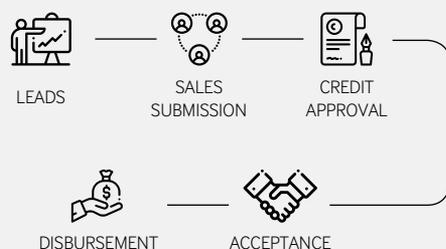


## Responsible Banking

### Pay-As-You-Grow (PAYG)

- Provides an unsecured term loan which bundles with Merchant Point-of-Sales (POS) and Deposit Account.
- First in the market that allows merchants to apply with minimum documents while having the loan repayment in sync with the merchant's business volume.
- Offers eligible merchants loan facilities through the Merchant Business Sales channel, with loan applications submitted for credit approval. The approved loan will be disbursed directly to the merchant's Deposit Account. Afterwards, a portion of the merchant's POS will be deducted to pay off the loan.

#### PAYG High-Level User Flow



### CYBER SECURITY

We work to continuously strengthen the resilience of our technology infrastructure and cyber security capabilities, which are of paramount importance, especially with regard to protecting the financial and personal well-being of our customers.

#### Cyber Security Maturity Improvement Programme (2018-2020)

- Focused on areas such as Identity Governance and Administration (IGA), Remote Access Management, Advanced Security Operations Centre (SOC), Threat Hunting & Intelligence, and Digital Asset Management.
- Introduced a cyber-resilience framework to facilitate our ability to anticipate, withstand, contain and/or promptly recover from cyberattacks or events that disrupt usual business operations and services.
- Established teams in the Technology Risk function that have oversight over infrastructure security risk, application security risk and third-party security risk.



### ACHIEVEMENTS IN FY2020

#### AmOnline

- 35% rise in registered users, from 716,256 in FY2019 to 965,946 in FY2020.
- 97% increase in the average number of online transactions monthly, from 39.0 million in FY2019 to 77.0 million in FY2020.
- 4.3 app rating on Google Play Store and 3.3 app rating on Apple's App Store.
- 14% reduction in contact centre call loads for card-related enquiries due to the Quick Apply Feature.
- RM17,000 average balance maintained by customers who previously had no Deposit Account with AmBank Group or maintained a balance less than RM1,000, primarily due to eFlex savings.
- 56% increase in card activation online, with an 8% reduction in activation via call centres.
- 71% credit card limit increase application via AmOnline.
- 2,000 successful online enquiries with a 100% increase in Rakuten's onboarding via DuitNow API in December 2019 alone.

#### AmAccess Biz

- 4,708 total registered companies, with 354 using the platform for payment since its launch in January 2020.
- 579 monthly transaction volume and RM4.2 million in transaction value, which are 3x and 2.5x higher, respectively, since its launch.
- 34% more Digital Tokens than hardware tokens from total transactions approved since its launch.
- RM487.2 million in total deposits supported by AmAccess Biz, with an average balance of RM102,000 per company.

#### Cyber Security

- Zero cases of data loss or online breaches reported for three consecutive years.

#### Accolades for Digital Excellence

- Best Automated Chatbot Initiative, Application or Programme – 2019, The Asian Banker Malaysia Awards.
- Most Innovative Emerging Digital Technologies Project – 2019, The Asset Triple A Digital Awards.
- Most Innovative Mobile Banking App – 2019, Global Business Outlook Awards.
- Best Mobile Banking App – 2019, Global Business Outlook Awards.
- Best Retail Mobile Banking Experience – 2020, The Asset Triple A Digital Awards.
- Best Wealth Management Experience – 2020, The Asset Triple A Digital Awards.



## M2: Customer Satisfaction

Customers are expecting more from their banking services. They want a more efficient yet personalised customer experience in every stage of their interaction with us. While the idea of customer satisfaction in banking can be relative, there is a need to identify opportunities to humanise the digital experiences of customers. Our customers are increasingly demanding faster turn-around time, convenient banking, preferential savings and investment options, and above all, personalised products and services. Customers are also expecting banks to prioritise their financial health and best interests above all else.

Our customer experience efforts aim to consistently meet their evolving needs to remain competitive. To continuously improve our service for a seamless customer journey, we engage with customers to identify common pain points throughout their interaction with us. The feedback collected allows us to implement the necessary measures that improve customer experience and, consequently, enhance customer satisfaction. Through our efforts, we aim to build our reputation from the traditional transactional mindset towards a more customer-centric organisation.

We deliver social value by ensuring the fair and ethical treatment of customers. For instance, amid the unprecedented crisis of COVID-19, we implemented measures to help address the financial distress and insecurity faced by both individuals and business customers. Moreover, we are committed to providing banking solutions that empower our corporate customers, with a particular focus in supporting SMEs. We establish partnerships with our business customers to create a mutually beneficial relationship to improve customer loyalty.

### KEY INITIATIVES FOR FY2020

#### CUSTOMER ENGAGEMENT

##### Customer Satisfaction Survey

- Conducted a Dipstick Survey on Mass and Mass Affluent customers from December 2019 to February 2020. The objective of the survey is to gauge the pulse of retail banking customers and competitors, arising from the measures taken by the Group to improve customer experience.
- Compared the survey results against the 2018 baseline to monitor AmBank Group's customer performance in comparison to industry competitors.



##### Pain Point Workshop

- Organised 67 workshop sessions to collect feedback from 415 service personnel on the challenges regarding our processes, procedures or systems that may hinder our service excellence to customers.
- Consolidated the Pain Points according to relevant categories, which are then distributed to the respective functions to swiftly simplify, improve and overcome the Pain Points.

#### CUSTOMER SERVICE FRONTLINERS

##### Service Excellence Training

- Continued to implement the 'Warm and Caring, Approachable & Attentive, and Helpful (WAH) Programme and the 3-Step Service Model of Greet, Serve and Think (GST) to the frontline service team.
- Introduced two Service Excellence training programmes that aim to drill excellent customer service into the core of the service team:
  1. Building Service Excellence through Stakeholder Engagement Training for Contact Centres – Trained 50 selected team leaders, managers and trainers on engagement competency and emotional intelligence, which aims to build customer trust and drive team performance.
  2. Service Leadership Training for Branches – Raised awareness and cultivate excellent service behaviour, positive communication, energetic attitude and teamwork skills into branches' frontliners.



##### CX Mystery Shopping

- Conducted undercover observations of AmBank Group branches to check the consistency and service standard of our frontliners, ensuring that maintain WAH and GST practices.
- Highlighted any service shortcomings to the branches' respective Retail Operation Engagement Manager for immediate action. We then carried out multiple observations on these branches to track and monitor their improvement.



##### Customer Experience Unity Tour (CXT)

- Launched a unity tour for our customer service personnel at 16 states nationwide (excluding Sabah and Terengganu). The aim of the tour is to raise awareness on the importance of providing good customer experience during all aspects of the interaction.

## Responsible Banking

### SEAMLESS & INNOVATIVE TOUCHPOINTS

#### Digital and Online Solutions

- Introduced enhanced features to AmOnline, the Group's primary online and mobile banking platform. The new features are simpler, user friendly, and ease customer transactions for enhanced customer experience.

 For more details, please see page 153.

#### Contact Centres

- Established a call-back team within the 24-hour Contact Centre that reduces customers' need to call and wait for service, thus improving customer resolutions.
- Introduced a Branch One-Stop Call Centre to assist branches and Retail Bank Operation backend in establishing a Quick Response Team for urgent and escalated cases.

#### Self-Service Machines

- Initiated an exercise that replaced a large number of old and obsolete machines, which was carried out from December 2018 to February 2020.
- Replaced a total of 120 ATMs and 248 Cash Deposit Machines (CDMs) with 208 new Cash Recycler Machines (CRMs).

### CUSTOMER FINANCIAL SOLUTIONS

#### Credit Counselling and Debt Management Agency

- Actively create awareness on Agensi Kaunselling dan Pengurusan Kredit (AKPK) to our customers through various programmes. This includes promoting AKPK services by our collectors, organising AKPK Day in collaboration with AKPK personnel, as well as training on AKPK Services whereby speakers from AKPK were invited at specific events to improve customers' understanding on AKPK.
- Established our own AKPK Operations and Administrations Team to effectively manage the response time in attending to AKPK's requests and queries.



### ACHIEVEMENTS IN FY2020

#### Overall Customer Satisfaction

- 15-point improvement in Net Promoter Score (NPS) from -21 to -06.
- No. 2 ranking in NPS amongst industry competitors.
- 75% in overall Customer Satisfaction (CSAT), which is an 11% improvement from the previous corresponding year.

#### Business Customers Reached

	2018	2019	2020
Large Corporate	2,838	3,123	<b>2,850</b>
Mid-Corporate	3,834	4,525	<b>4,293</b>
FIG	339	414	<b>435</b>
Business Banking	6,498	8,402	<b>9,129</b>
SMEs	17,804	19,690	<b>22,122</b>
<b>TOTAL</b>	<b>31,313</b>	<b>36,154</b>	<b>38,829</b>

#### Credit Counselling and Debt Management Agency

- 3,400 active customers enrolled with AKPK, valued at RM715.0 million.
- RM6.0 million in total monthly payments from AKPK customers.
- Winner of AKPK Best Implementation Award 2019 by Majlis Anugerah Kolaborasi AKPK.



### M5: Financial Inclusion & Responsible Lending

AmBank Group's financial inclusion and responsible lending practices are driven from the lens of Value-Based Intermediation (VBI). Led by Bank Negara Malaysia (BNM), VBI places emphasis on the social and environmental aspects of sustainable value creation. A number of VBI-related tools such as the VBI strategy document, financing and investment assessment framework, and sector guides have been and will continuously be developed. Adopting the principles of VBI will allow the Group to refine its products and services to meet customer needs, while concurrently promoting entrepreneurship development, community well-being and environmental sustainability. This manifests our commitment to responsible banking which would also help to boost our market share and bottom line.

Increasing access to financial products and services for the financially underserved population is a key enabler in boosting shared prosperity and improving social mobility. Financial inclusion allows people across all levels of society to obtain credit, savings and further investments to grow their income. AmBank Group's lending practices promote financial inclusion by providing access to funding for SMEs, start-ups, micro-SMEs and affordable housing, and via financial literacy programmes. In addition, the Group undertakes capacity-building initiatives such as the AmBank BizConference and AmBank BizRACE to upskill and enhance the business network of our SME customers.

As regulations and the general market progressively move towards sustainability-related issues, financial institutions are expected to integrate environmental, social and ethical considerations into their lending practices. Through responsible lending practices, banks are able to better contribute to social and environmental well-being and demonstrate their commitment to being more than a profit-oriented organisation. In FY2020, we crafted the Group's Responsible Financing Strategic Plan, which outlines the roadmap for AmBank Group to build capacity to allow us to overlay credit risk assessments with ES risk assessments to arrive at a final credit decision. In addition, the AmBank Group's Green Financing Plan was also formulated where we have set a green financing target of 5% of net loans and financing growth in FY2020.

Furthermore, with the financial disruption and uncertainties brought by the COVID-19 outbreak, AmBank Group is focused on protecting the financial health of our customers. We understand the financial concerns that many are facing, so we are implementing measures to ease their burdens.

### KEY INITIATIVES FOR FY2020

#### COVID-19 Protection

- Allow for the temporary deferment or restructuring of instalment payments for all eligible individual and SME customers.
- Introduced supportive financial relief to assist policy owners from AmMetLife and AmMetLife Takaful. Both insurance and takaful companies cover hospital admissions due to COVID-19, which requires treatment to be undertaken at designated government hospitals.
- Participated in the scheme to offer the Special Relief Facility for collateral-free financing of up to RM1.0 million to support affected SMEs. This involves a simple application process with approval provided within 24 hours and disbursement within five days of approval.



#### Empowering SMEs

- Participate in various government-backed schemes to support the SME sector, including the SME Corporation Shariah-Compliant SME Financing Scheme; *Skim Jaminan Pembiayaan Perniagaan Berhad*; and Green Technology Financing Scheme.
- AmBank BizClub: Provide education, training, development, social media exposure and networking opportunities that help SMEs scale their business, go international and reduce their failure. Entrepreneurs across the country hear from top trainers and business leaders on establishing strong leadership, business health, human resource readiness and good work culture.
- AmBank BizConference: Organised a series of talks themed 'Ignite Your Business', which involved talks and panel discussions with industry experts and speakers across topics such as the Internet of Things, Halal and Digital Marketing.
- Launched the 'Road to IPO', which aligns with the Group's vision to grow, nurture and help business graduates from cradle to Initial Public Offering (IPO). The initiative educates educate and guide our SME clients in their journey towards becoming a publicly listed company. The first event consisted of 39 high-potential clients who were guided on the benefits of IPO, the potential risks and opportunities to consider, and the regulatory requirements.



## Responsible Banking

### Empowering Start-Up Businesses

- Established the SME Biz Start-ups-i, a Shariah-compliant financing scheme that offers financing up to RM300,000 to eligible start-up businesses.
- The aim is to provide financing to start-ups that do not have a track record to qualify for traditional financing opportunities. It is a partially-secured by Credit Guarantee Corporation Malaysia Berhad (CGC)'s guarantee coverage.

### AmBank Group Green Financing Plan

- Developed a green financing taxonomy for selected sectors such as energy, manufacturing, building, transport and palm oil.
- Organised knowledge sharing sessions with Malaysia Debt Ventures (MDV) on green technology financing for business and credit risk teams.
- Entered into a Memorandum of Understanding (MoU) with Green Technology Corporation & Climate Change Centre (GreenTech Malaysia) for the provision of technical advisory for capacity building, as well as for the promotion and support of the National Low Carbon Cities 2030 Challenge.
- Held a Green Leadership Series for board members and senior management with GreenTech Malaysia.

### Affordable Housing

- Participated in a number of affordable housing financing schemes:
  1. *Perumahan Rakyat 1Malaysia – Skim Pembayaran Fleksibel* (PR1MA SPEF)
  2. *Skim Rumah Pertamaku* (SRP)
  3. BNM Affordable Houses Schemes 1 & 2

### Other Responsible Financing

- Offers financial products and services that contribute to community development:
  1. Offer cashless collection solutions via JomPAY to organisations such as mosques, Zakat centres, learning institutions and land offices.
  2. Launched the JomPAY collaboration with Persatuan Systemic Lupus Erythematosus (SLE). Through JomPAY, the public can donate online to Persatuan SLE Malaysia. This marks our first NGO JomPAY collaboration.
  3. Offers one of the most extensive ranges of retirement solutions to investors to address the community's diverse retirement needs, goals, and risk tolerance with AmBank Islamic and Amanah Raya Berhad formally collaborating to offer will writing services to AmBank Group's customers.

### Financial Literacy

- Launched a Financial Literacy Programme in collaboration with AmBank Islamic's Shariah Committee members at the following universities: University Malaysia; International Islamic University Malaysia; UNITEN; and University Sains Islamic Malaysia.
- Held financial literacy talks at selected schools.
- Conducted a lecture on 'VBI: Practical Manifestation' by the CEO of AmBank Islamic at the International Centre for Education in Islamic Finance (INCEIF).
- Participated in the Putrajaya LIFT Festival, on how Financial Technology (fintech) is changing the world.



## ACHIEVEMENTS IN FY2020

### COVID-19 Protection

- RM173.0 million in total deferred loans and financing that benefitted over 289 customers affected by COVID-19.
- Over 100 applications received for the Special Relief Facility, with a total application amount of approximately RM96.3 million.

### Empowering SMEs

- RM20.6 billion contributed to the SME sector through loans and financing.
- 19.2% of the Group's total loan portfolio made up of SMEs.
- Approximately 5,000 SMEs and entrepreneurs provided with upskilling and development opportunities since the establishment of AmBizClub.

### Empowering Start-up Businesses

- RM49.1 million of financing disbursed to start-up businesses through the SME Biz Start-up-i.

### Financing Sustainable Development

- RM26.0 million disbursed in green loans and financing under the Green Technology Financing Scheme.
- RM850.0 million worth of financing distributed under affordable housing financing schemes.
- RM2.5 billion of loans and financing extended to help Bumiputera customers invest in ASB unit trust.

### Awards & Accolades

- Best SME Bank in Malaysia:
  1. SME Bank of the Year in Malaysia from Asian Banking & Finance Awards 2019.
  2. Best SME Bank in Malaysia from Alpha Southeast Asia Best Financial Institution Awards 2019.
  3. Best SME Bank Malaysia 2019 from Global Banking & Finance Awards (two years running).
  4. Best Islamic Finance SME Bank Malaysia from Alpha Southeast 2019.
- Malaysia's Best Pension Fund Manager awarded by Asia Asset Management for the second consecutive time.





## M6: Responsible Marketing, Product & Service Design

### CUSTOMER LOYALTY & TRUST

Customer loyalty and trust are influenced by responsible product and service solutions that protect customers' financial best interest and maintain their confidence in our ability to serve them. With the rising competition in the financial industry, it is essential to deliver responsible products and services to stay ahead of competitors and retain our customer base. Similarly, our brand value relies on fair and transparent content in marketing, ensuring that customers are well-informed of our offerings. Regulators are also monitoring the marketing activities of banks, as well as the products and service design, to better protect people against financial exploitation.

As a customer-oriented organisation, we strive to consistently provide customers with honest and transparent content in marketing and product solutions. We create a positive social impact by ensuring ethical marketing that reflects our commitment to putting customers first. AmBank Group's branding strategy, encompassing our branding, communications and marketing activities are governed by our Brand Governance to ensure a consistent brand message across our lines of business.

### BRAND GOVERNANCE

The unified brand messaging ensures that all employees understand and adhere to established brand practices, both internally and externally. While safeguarding our brand from unethical use, our Brand Governance ensures that all marketing communications are synergistic, relevant, purposeful and socially responsible. In maintaining compliance, our Brand Council leads the enforcement of our Brand Governance. The council consists of representatives from varied functional teams and business units as brand stakeholders to drive robust brand enhancement initiatives that uphold customers' trust and confidence in AmBank Group.

### USE OF SOCIAL MEDIA

AmBank Group's primary mode of customer engagement includes social media channels such as Facebook, Instagram, Twitter and LinkedIn, as well as the corporate webpage – [ambankgroup.com](http://ambankgroup.com). Our Contact Centre web team ensures that all complaints or enquiries received through our online platforms are answered within four hours, with a maximum tolerable timeframe of 12 hours. Quick and reliable responses help reduce key operational and reputational risks identified in our Top Four Transformation strategy.

### DIGITAL MARKETING

Our digital marketing strategy is aligned with consumer lifestyles, in which we utilise marketing technologies and analytics to target customers and deliver personalised experiences. We recognise that digital platforms enhance customer engagement and increase customers' interaction for a better customer journey. The adoption of digital marketing also generates brand awareness and financial inclusion to younger demographics, who increasingly dominate the consumer market. Therefore, we leverage social media channels to promote financial education, new products and services, and digital banking benefits. In addition to traditional social media platforms, customers can also access information on popular forums, blogs and social messaging platforms, including:

- Video and photo sharing websites such as Flickr and YouTube
- Blogs hosted by corporates, individuals and media outlets in Blogspot, Wordpress, as well as the comment section in blog sites
- Wikis and open-source online content collaborations such as Wikipedia, Dropbox and Google Docs
- Forums and discussion groups such as Lowyat.Net and Cari.com.my
- Geo-spatial tagging such as Foursquare
- Chat messaging applications such as WhatsApp, Line, WeChat and Short Messaging Service

### PRODUCT GOVERNANCE

An accountability and governance process ensures that the development of our products and services are governed by the respective lines of business to ensure all regulatory requirements, ethical marketing, information transparency and AmBank Group's brand values are intact. We also adopt an integrated approach that considers ESG impacts of the products and services that we introduce. The Group Product Forum, a delegated subcommittee of the Group Management Committee, has oversight to ensure adherence to the Group's Product Approval and Management Policy by the product owners.

Our marketing communication initiatives undergo a stringent process based on the Group's Campaign Marketing Review Checklist, in addition to complying with the following regulatory guidelines:

- BNM Guidelines on Product Transparency and Disclosure
- AmBank Group Shariah Guidelines on Marketing and Promotional Materials

Our efforts help build public trust and confidence, thus reinforcing our reputation as an innovative and responsible bank that is committed to growing alongside its customers.

## Responsible Banking

### KEY INITIATIVES FOR FY2020

#### TYPE OF SOCIAL MEDIA AND MARKETING ACTIVITIES

Some of our key marketing events which manifest our responsible marketing practices:

##### Business Events

- Unveiled the winners at a glamorous dinner during the AmBank BizRACE Awards Night.



##### Prize Giving

- Awarded the first of two Mercedes Benz A-class cars for the 'Level Up Your Lifestyle Campaign' to one of our lucky AmBank Credit Cardholder.
- Announced the lucky winners for AmBank MasterCard Fly, Stay and Play II campaign, with recipients each winning a trip to Resorts World Sentosa, Singapore.
- Launched the new Spend and Win campaign with Visa Credit Card, delivering a chance to catch the Olympic Games Tokyo 2020.



##### Appreciation Events

- Hosted AmBank Group's annual *Majlis Berbuka Puasa*, joined by customers, partners and friends to celebrate Hari Raya Aidilfitri.
- Hosted an appreciation dinner with our billers and partners to celebrate our win in August as one of the top JomPAY billers.



### ACHIEVEMENTS IN FY2020

#### Social Media

Our open and honest social media communication approach fared well in FY2020, and we continued to grow in our engagement and followers. For example, our Facebook followers saw a steady increase of 8%, whilst Twitter saw an increase of 5%. Instagram and LinkedIn both saw high double-digit growth at 46% and 37% respectively.

Social Media Networks	TARGET (Friends and Followers)			ACTUAL (Friends and Followers)		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Facebook (AmBankMalaysia)	150,000	165,000	<b>170,000</b>	148,396	154,203	<b>166,476</b>
Instagram (@AmBankMY)	2,500	3,000	<b>5,000</b>	3,163	4,492	<b>6,566</b>
Twitter (@AmBankMY)	300	2,500	<b>3,500</b>	453	3,446	<b>3,634</b>
LinkedIn (AmBank Group)	18,150	30,500	<b>53,000</b>	28,045	40,599	<b>55,612</b>



## M8: Environmentally & Socially Responsible Investment

The banking and financial sectors' role extends beyond acting as an intermediary in the economy. Investors, regulators and other stakeholders are increasingly expecting responsible and ethical financial decisions. Therefore, through responsible investment, financial institutions are able to maintain stakeholder trust and loyalty. The responsible flow of financing is also key to enabling national and global sustainable development goals.

In November 2019, the Securities Commission (SC) released the Sustainable and Responsible Investment Roadmap (SRI Roadmap) for the Malaysian Capital Market. The SRI Roadmap is intended to establish a facilitative regulatory framework to support SRI as well as green financing and to accelerate the growth of this segment. With 20 recommendations in the SRI Roadmap mapped to five overarching strategies, these are aimed at driving the development of a vibrant SRI ecosystem for Malaysia as well as the region.

In the same month, BNM issued the VBI Financing and Investment Impact Assessment Framework – Guidance Document (VBIAF). This guidance document was jointly developed by the VBI Community of Practitioners (CoP), the International Centre for Education in

Islamic Finance (INCEIF) and The World Bank Group (Malaysia Office). The VBIAF also had significant contributions from The World Wide Fund for Nature (WWF) (Malaysia and Singapore Offices), especially from the environmental and social aspects. The VBIAF aims to facilitate the implementation of an impact-based risk management system for assessing the financing and investment activities of Islamic financial institutions in line with their respective VBI commitments and serves as a reference for other financial institutions intending to incorporate ESG risk considerations in their own risk management system.

Through AmlInvestment Bank, our responsible investment strategy reflects the Group's values and aligns with the Malaysian government's initiatives to spur ethical financing. Through SRI, Sukuk and Green Bonds, we support businesses that help meet the government's goal of achieving a 20% renewable energy contribution to Malaysia's electricity generation mix by 2025. Moreover, AmlInvestment Bank has adopted the ASEAN Green Bonds Standards (GBS) to effectively support innovative clients who embark on sustainable projects. As such, AmlInvestment Bank is the financial institution responsible for raising the first ASEAN Green Bond and the first GREEN SRI Sukuk for a listed Group. As a testament to our market leadership, we have been involved in almost all of RAMC's second opinion GBP reports.



## ACHIEVEMENTS IN FY2020

### Notable Deals

Bonds/Sukuk		
Issuer	Transaction	Our Role
MBSB Bank Berhad	RM10.0 billion Sukuk Wakalah Programme	Joint Principal Adviser, Joint Lead Arranger and Joint Lead Manager
Tanjung Pinang Development Sdn Bhd	RM1.5 billion Unrated Sukuk Programme	Joint Lead Manager
WCT Holdings Berhad	RM1.0 billion Perpetual Sukuk Programme	Joint Lead Arranger and Joint Lead Manager



### Top Ranking Bonds/Sukuk

- Ranked No. 3 with 11% Market Share for Overall Malaysian Bonds/Sukuk for 2019.
- Ranked Top 3 on the Bloomberg MYR Bonds/Sukuk League table for 17 Consecutive Years Since 2003.
- Ranked No. 4 with 11% Market Share for Malaysian Ringgit Islamic Sukuk for 2019.
- Ranked No. 2 for Overall Malaysian Bonds/Sukuk and Malaysian Ringgit Islamic Sukuk as of 1Q 2020.



### Awards & Recognition

#### Malaysia's Best Exchange Traded Fund (ETF) Provider Award

Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2019.



# Conscious Self-Conduct

As enablers of economic growth, we have the power to influence positive environmental and social outcomes. This requires a reflection of our internal conduct, including the need for strategic governance and careful considerations of business decisions in terms of the environmental impact of our operations, as well as our interactions with employees and suppliers. As a result, we are able to deliver value in the long-term and better contribute to a sustainable future.

## Sustainability Matters:



**M3: Ethics, Governance & Compliance**



**M4: Conductive & Inclusive Workplace and Human Capital Development**



**M7: Responsible Sourcing & Procurement**



**M10: Energy, Water & Waste Management**



**M3: Ethics, Governance & Compliance**

As a financial institution, the way we conduct our business is important. Working with high levels of integrity and ethics instil a sense of loyalty and confidence amongst regulators and the general public, while also protecting the Group against the costs of regulatory non-compliances. Moreover, good corporate governance and accountability is key to preventing corruption and misconduct that creates an atmosphere of distrust among employees and impedes our business objectives.

Therefore, AmBank Group's commitment to responsible banking is driven by high standards of ethics and corporate governance. Our business strategies and policies are formulated to drive responsible, transparent, inclusive and ethical conduct in all dealings, in which we adapt and respond to social needs and challenges. By establishing a strong governance system within the Group, we take a top-down approach to protect stakeholders' interests and ensure financial sustainability. AmBank Group's corporate governance structure aligns with the main requirements of the Malaysian Code on Corporate Governance. This enables us to operate with high levels of integrity to maintain the trust of our customers, shareholders, investors, and all other stakeholders.

We also work closely with regulators to ensure that our business safeguards the stability of the financial industry. This extends beyond adherence to laws and regulations, and includes a stringent compliance system for best practices. Overseen by AmBank Group's Compliance Department, we have strict policies and guidelines, such as the Code of Conduct and Shariah principles, that are applied to all employees in all areas of activities. Our stringent policies encourage openness and accountability in the way we work, while protecting the Group against illegal and unethical practices such as abuse of power, conflict of interest, bribery, corruption, insider trading and money laundering. A full list of these policies is elaborated on page 145 to 149.

## CODE OF CONDUCT

The Code of Conduct, which includes our Code of Ethics, represents AmBank Group's firm commitment to uphold, maintain and demonstrate a high level of integrity, professionalism and ethical conduct. The Code provides a clear direction in conducting business, interacting with the community, government and business partners as well as general workplace behaviour.

The Code of Conduct is established by AmBank Group's Board of Directors. The Board takes a leadership role in shaping and driving the governance of, and compliance with, policies and practices via the Group Management Committee, Group Risk, Group Legal, Group Compliance, Group Internal Audit, Group Information Services, Group Finance and Group Human Resource functions.

The Code of Conduct has been developed according to a value-based approach which consists of the following five key areas:

**1**

### Message from our Chairman and Group Chief Executive Officer

Messaging from the top of AmBank Group emphasises our commitment to building a strong ethical culture that protects staff, customers and the Group by providing a common understanding of acceptable behaviours.

**2**

### Ethical Standards

AmBank Group employees are expected to always maintain high integrity and ethical standards by complying with the Code of Conduct, internal policies and related regulations. All staff must demonstrate a commitment to the highest ethical and professional standards and be personally accountable for upholding the Code of Conduct. These include holding each other accountable and an obligation to immediately report unacceptable conduct or unethical behaviour, such as conflict of interest, abuse of power, bribery, corruption, insider trading and money laundering, via the designated channels.

**3 Company and People**

AmBank Group expects its leaders and all employees to act responsibly, promote open communication and treat all individuals respectfully. All staff are required to safeguard information entrusted to them, avoid potential conflicts of interest, and handle their personal finances in a prudent manner.

When dealing with customers and regulators, all employees must be clear in their articulation, exhibit professional conduct, and exercise sound judgement in all communications. In recognition that our employees are our most valuable asset, AmBank Group is committed to providing a safe and secure workplace that is free from negative and inappropriate behaviours.

In dealing with suppliers and vendors, AmBank Group strives to apply good governance, set clear expectations on deliverables, and strictly adhere to our 'No Gift Policy' to avoid potential conflicts of interest with all parties.

**4 Marketplace**

AmBank Group is committed to adhering to laws, rules and regulations that safeguard against money laundering, terrorist financing, bribery and corruption, as well as promoting open and fair competition in the marketplace.

**5 Commitment to Sustainability**

AmBank Group endeavours to create a sustainable future for our staff, customers, shareholders and the community through responsible banking practices, by being an employer of choice and by creating positive social impact through all our business activities.

**Key Principles of AmBank Group's Code of Ethics**

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

Our strong culture of integrity, openness and accountability is supported by AmBank Group's whistleblowing channels. Employees, suppliers, business partners, customers and the general public are able to voice grievances and report any corruption or malpractices occurring within the Group, without fear of repercussions. A key feature of the Group's whistleblowing practice is the appointment of Ombudspersons that ensures complete protection for the whistleblower as appropriate actions are taken. Ombudspersons comprises of an appointed Board member, full-time senior management employee(s) and/or Regulator and/or Law Enforcement Agency. Our primary whistleblowing channels include the 'Speak Up Feedback Forum' and a dedicated email address: [ombudsperson@ambankgroup.com](mailto:ombudsperson@ambankgroup.com).

We perform regular reviews and evaluation of our policies and procedures to ensure they remain relevant and aligned with changes in the regulatory landscape as well as risks associated with our lines of Businesses. We make efforts to avoid any conflict of interests in our practices, such as strictly adhering to the 'No Gift Policy' that prohibits the exchange of gifts that could influence the impartial judgement of our people. Furthermore, the Group is not part of any political party and has not made any political donations either.

**Principles Governing the Protection of AmBank Group Whistleblowers**

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

## Conscious Self-Conduct

### KEY INITIATIVES FOR FY2020

#### Anti-Bribery & Corrupt Practices Programme

- Set up appropriate channels and tools to provide the knowledge and support to employees, ensuring they remain compliant to AmBank Group's Anti-bribery & Corruption Policy.
- Established the procedures and processes for each of the following five pillars:
  1. Tone-from-the-Top
  2. Risk Assessment
  3. Preventive Measures
  4. Systematic Review, Monitoring & Enforcement Action
  5. Training & Education

#### Anti-Money Laundering (AML) and Counter Financing of Terrorism (CTF) Programme

- Continued to implement the enterprise-wide AML/CFT Transformation Programme that allows employees to identify and mitigate suspicious money flows and prevent the use of our banking channels and products to conduct illicit or illegal transactions. This contributes to the enforcement agencies and that defend the financial sector from threats of terrorist financing, money laundering and other financial crimes.
- The key components of the programme include:
  - Strengthen governance through increased Board scrutiny and oversight, as well as implementing more stringent policies and procedures.
  - Deploy a Transactions Monitoring System with up-to-date technology as an early detection mechanism.
  - Roll out a comprehensive training programme modelled after international financial institutions with matured AML/CFT programmes. The training covers enterprise-wide employees and is customised according to their roles and key functions.

#### Group-Wide Compliance

- Conducted regularly monitoring, testing, reviews and assessments by the Compliance Monitoring & Testing Team (under Group Compliance) to assure that compliance risks are managed effectively and efficiently.
- Carried out the second line of defence against non-compliances through:
  - Adherence Reviews and Testing Across All Lines of Business
  - Thematic Reviews of Key Regulations
  - Targeted Deep Dives
  - Independent Validation of Key Submissions to Regulators
- Provided 75 compliance training and awareness sessions to employees. The aim of these training programmes is to support the efficient compliance of relevant regulatory requirements governing the Group's activities. The sessions were provided to employees via the following platforms:
  - Annual and Periodic e-Learning
  - Email Communication with Embedded Links to Relevant Policies and Guidance (Reminders@Within)
  - Classroom Training (including 'Train the Trainer') on Specific Compliance-Related Topics.



### ACHIEVEMENTS IN FY2020

#### Good Governance

- Five complaints and grievances received through our whistleblowing channel, with 100% resolution within 90 days.

#### Group-Wide Compliance

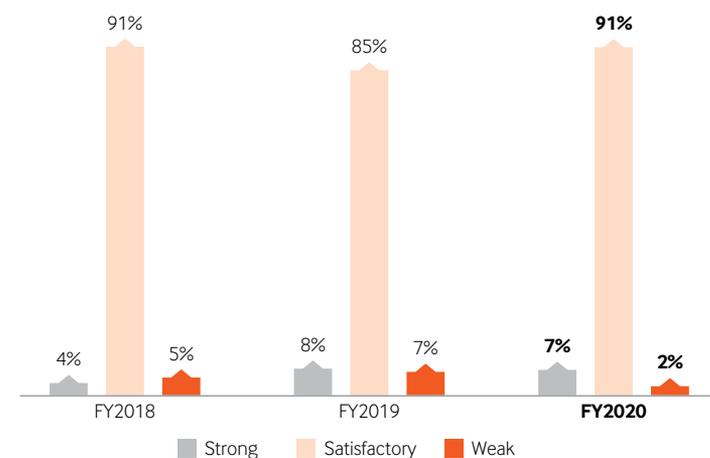
- 11,089 employees from various functions reached through the Group's compliance training programmes.
- Zero significant breaches against regulatory compliance.

#### Audits and Internal Controls

##### Internal Audits Conducted



##### Audit Rating





**M4: Conducive & Inclusive Workplace and Human Capital Development**

The future of AmBank Group relies on the dedication and capabilities of the workforce. Employees need to be trained with relevant and future-ready skills that continuously meet our business objectives. The performance and productivity of employees are also strongly linked to their welfare and well-being. It is important to create a safe and nurturing work environment that protects the mental and physical health of our people. Furthermore, reflecting the diversity of Malaysia, we believe in the inherent strength of a vibrant, diverse and inclusive work culture. The differences in experience, background and perspectives among the workforce enables innovative thinking and establishes strong connections with a diverse employee base.

AmBank Group’s talent management strategy is to invest in the growth of our people. Our development programmes aim to provide employees with future-ready capabilities, transferable skills and a continuous learning mindset that allows them to thrive.

Our employee recruitment, retention, remuneration and development practices focus on equity and inclusion, regardless of gender, age, disabilities, ethnicity, beliefs and socio-economic background. Furthermore, we are focused on closing the gender gap in leadership and power. We make systematic efforts to provide equal opportunities in succession planning and development and promote a balanced leadership team for more value-added ideas and innovation.

Moreover, we are focused on safeguarding the health and welfare of our people. The well-being of our employees results in improved loyalty, productivity and overall performance. We adopt a ‘Prevention is Better Than Cure’ approach to employee well-being, in which we have systems in place to mitigate risks to workplace safety. Regular engagement activities protect the mental health of employees by strengthening relationships and capturing key concerns facing the workforce, while a stringent OSH Management System protects the physical health of our people against accidents and injuries.

**We strive to be:**



**Proactive**

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



**Principled**

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



**Appreciative**

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



**Collaborative**

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



**Experimental**

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

In FY2020, we faced the most significant threat to our employees’ health and safety, arising from the Covid-19 pandemic. We are fully aware that the situation concerning the pandemic is continuously evolving. Pursuant thereto, we are monitoring the situation closely and are in constant contact with the health authorities and our employees. We established the procedures necessary to minimise the risk of contamination to employees, customers and visitors across AmBank Group’s locations. These include the control of entry into premises; temperature screening; travel directives and advisory; frequent disinfecting and cleaning; meeting advisory; social distancing and quarantine protocols for exposed employees and digital communications. The Group OSH Committee also set-up a dedicated COVID-19 microsite as the reference point for all employees.

**WORKPLACE STATISTICS**

**Age Distribution**

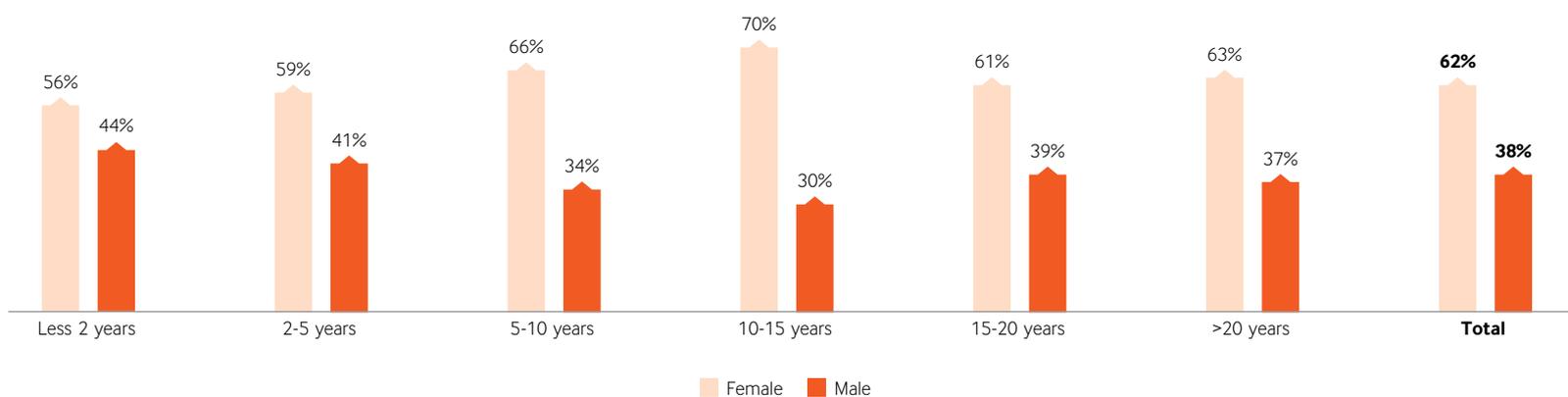


## Conscious **Self-Conduct**

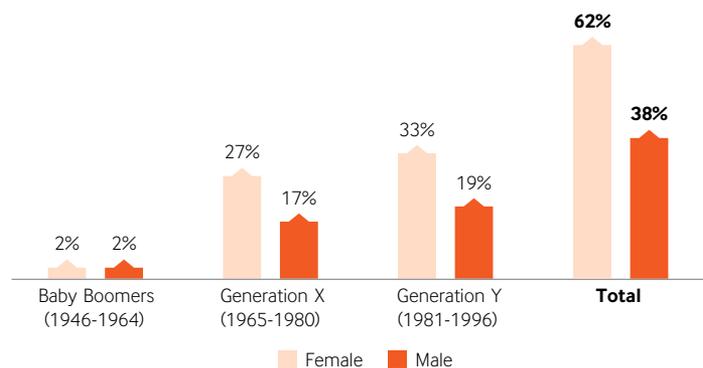
### Employee Breakdown by Business Unit



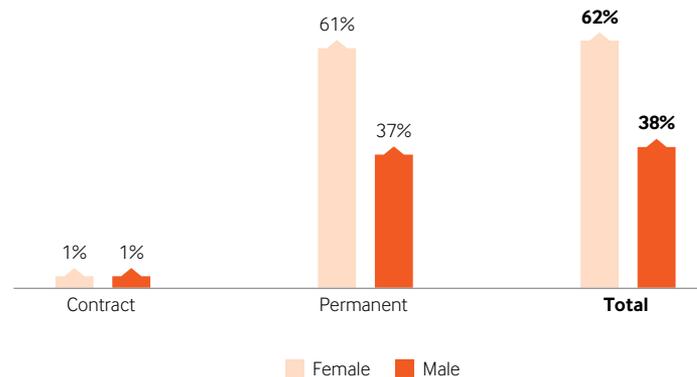
### Employee Breakdown by Seniority Years of Service (YOS)



### Employee Breakdown by Generations



### Employment Contract



## KEY INITIATIVES FOR FY2020

## PEOPLE MANAGEMENT

**AmBank Group Health & Wellness Month Campaign**

- Organised a campaign in November 2019 to inculcate health and wellness practices throughout the workforce.
- Carried out wellness activities during the campaign, including health screening, safety and health products booth display, health talks and the Staircase & Fitness Challenge Campaign.

**Kelab AmBank Group (KAG) – The Sports and Recreation Club for All Employees**

- Subsidised 50% of entrance fees to encourage members to participate in public runs for a healthier lifestyle. The events include: Everyone Can Run by Bake with Dignity; Neon Run by Universiti Malaya; Zoo Walk by Zoo Negara; *Anak-Anak Malaysia* Walk by The Star; and Score Run, Run for National Unity by Help University.
- Organised the AmBank Run in Taman Botani, Taman Tasik Perdana, to promote exercise and healthy habits amongst employees. The run also aims to foster close relationships between different levels of the workforce.
- Carried out recreational activities for KAG members to improve employee engagement and morale. The fun activities include Food Hunt for the Foodies, Treasure Hunt, ATV Ride, Squid Jigging, baking classes, and AmBagus, our very own singing competition.
- Continued to invest in the well-being of our employees through comprehensive healthcare coverage and the provision of gymnasium facilities in our main office buildings, health club memberships and health-oriented activities.

**COVID-19 Protection**

- Invested RM2.7 million in health and safety procedures that protect employees and other stakeholders against the virus. The measures include:
  - Frequent disinfecting of AmBank Group's offices and workplace.
  - Handing out a total of 180,000 face masks to employees working at all corporate offices and regions, while also providing two bottles of hand sanitisers each to all employees.
  - Acquiring the necessary tools (e.g. thermal scanners & thermometers) for employee and customer screening.
  - Enforcing a Work-from-Home Policy on a majority of the workforce during the Movement Control Order (MCO).
  - Providing lunch for mission-critical staff that are required to work in the office during MCO.
  - Launching a dedicated COVID-19 microsite in our internal Portal, which contains directives and advisory to employees in relation to the outbreak.

**Haze Crisis of September 2019**

- Distributed over 650 pieces of N95 masks and 375 surgical masks to AmBank Group employees based in regions with a high Air Pollutant Index (API) reading during the Haze Crisis in September 2019.

**Diversity and Inclusion**

- Celebrated festive events all year round for our multicultural and diverse workforce. This includes decorating AmBank Group buildings during festive seasons such as Hari Raya Aidilfitri, Deepavali, Chinese New Year and Christmas.
- Conducted friendly competitions among employees that aim to harness national unity. The competitions include #MYdaywithAmBank during Malaysia Day, #RayaBersamaAmBank during Hari Raya Aidilfitri and #DeepavaliWithAmBank during Deepavali.

## Conscious Self-Conduct



### ACHIEVEMENTS IN FY2020

#### PEOPLE MANAGEMENT

##### Employees Protected with Collective Bargaining Agreements

###### Collective Bargaining Agreements

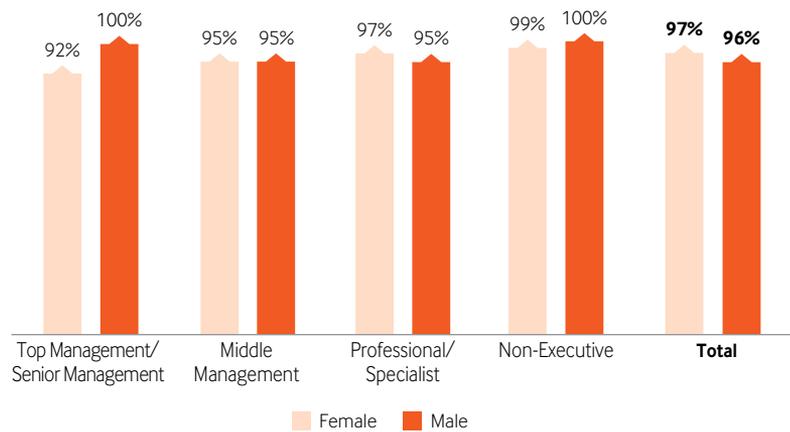
Total % of Employees

FY2020

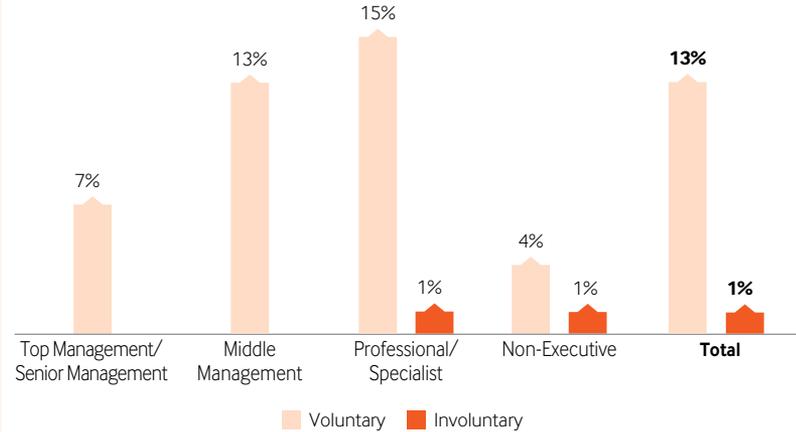
12%

##### Employee Retention and Turnover Rate

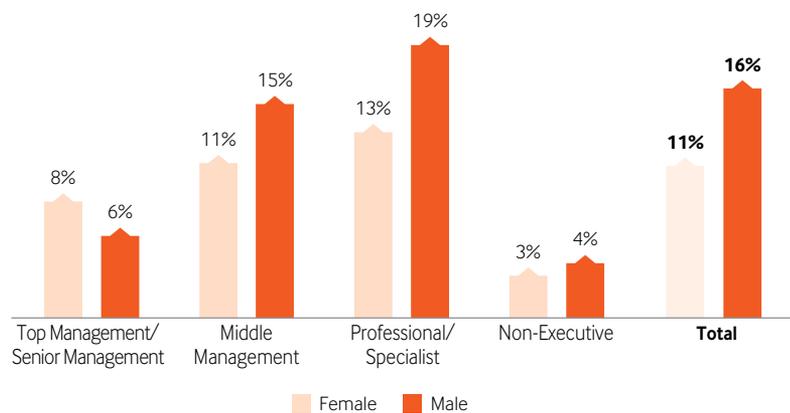
###### High Performer Retention Rate



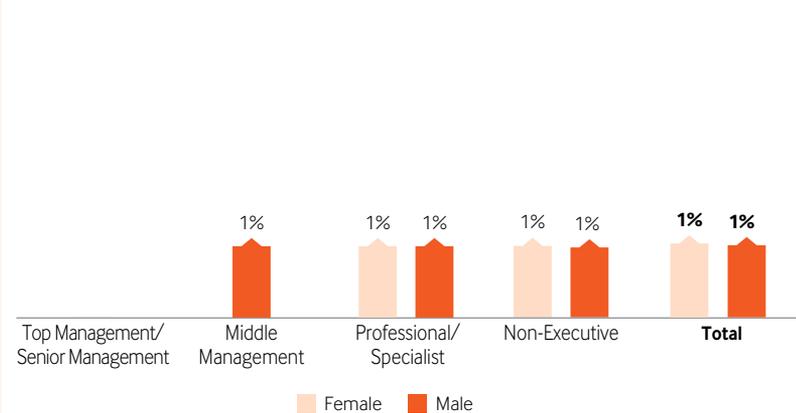
###### Employee Turnover Rate



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



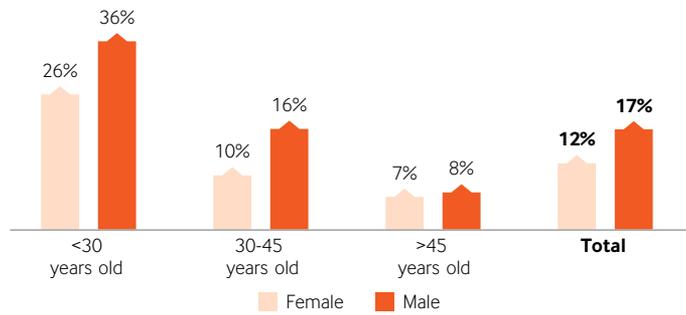
###### Employee Turnover Rate by Gender (Involuntary)



Employee Turnover Rate by Business Unit

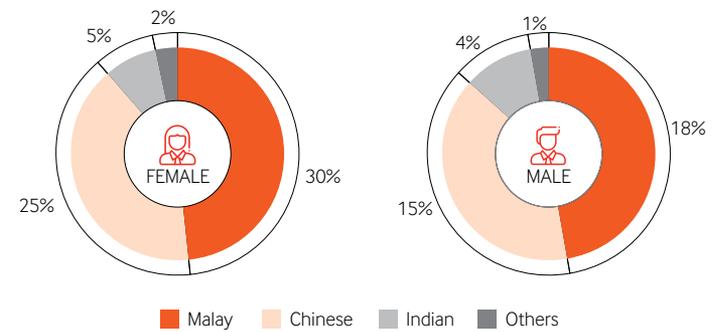


Employee Turnover Rate by Age Group



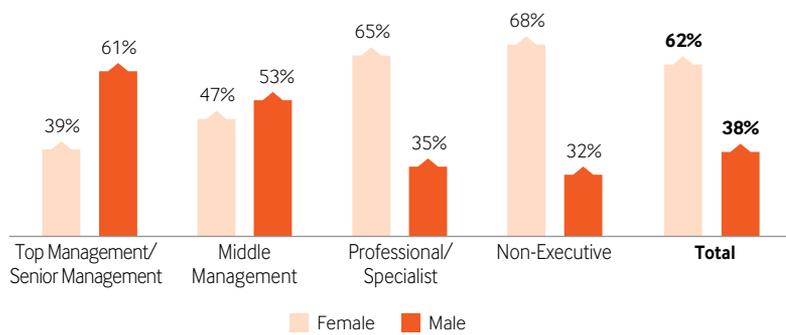
Diversity & Inclusion

Employee Distribution by Race



Employee Distribution by Gender

Employee Level

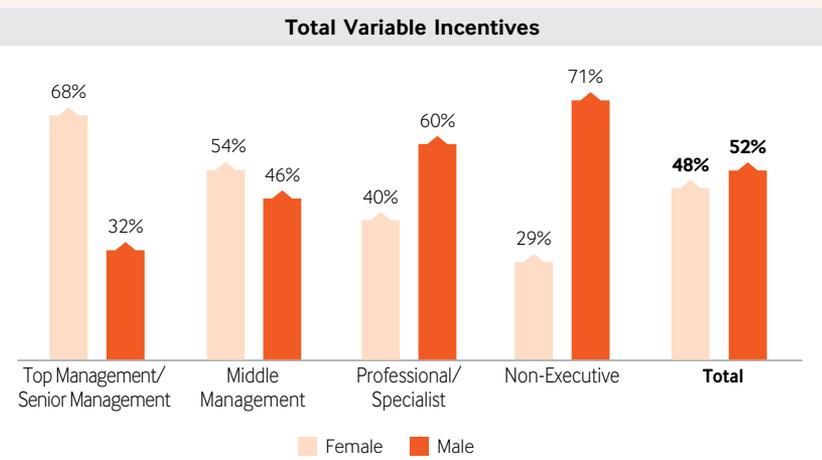
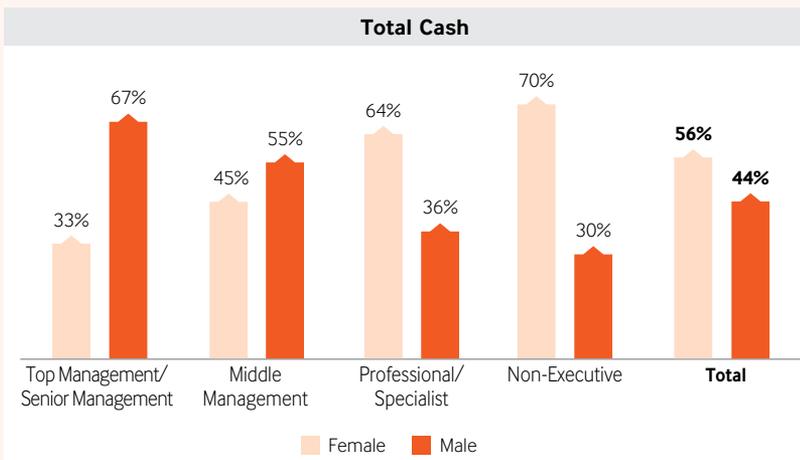
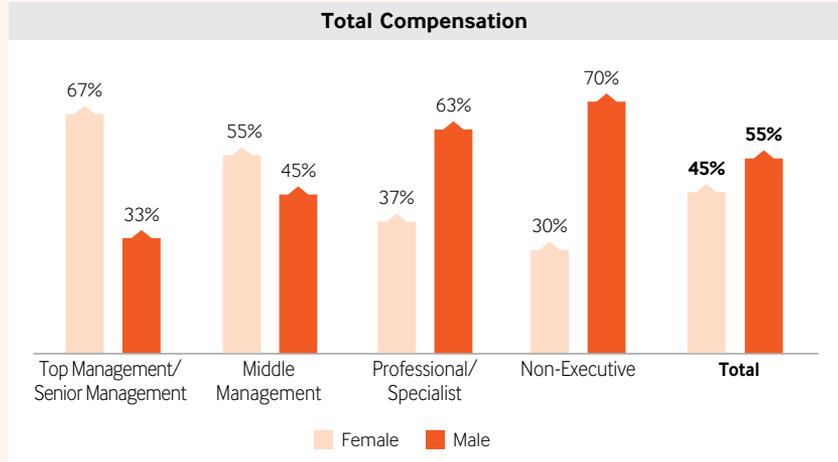
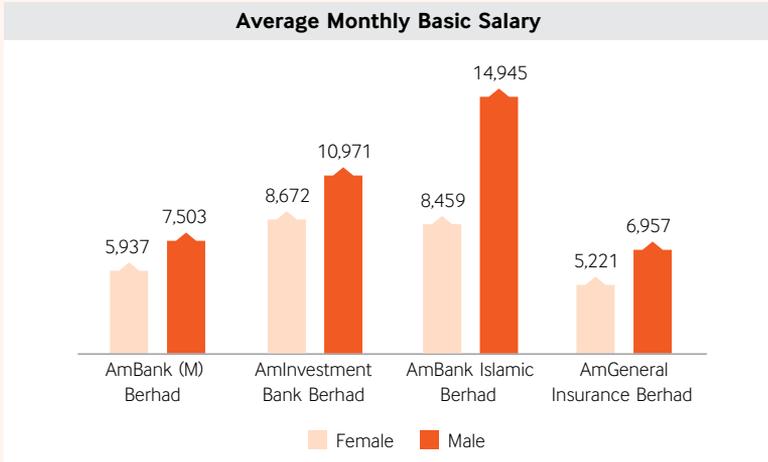


Board of Directors

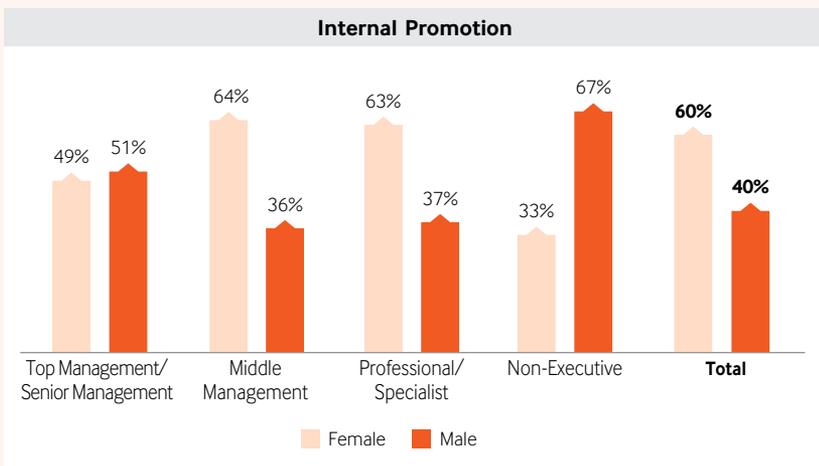


Conscious **Self-Conduct**

Remuneration by Gender



Internal Promotion Rate by Gender



### Parental Leave\*

**5%**



FEMALE

**3%**



MALE

\* Percentage of employees utilising parental leave

### Vulnerable Employment Group

Vulnerable Employee List	Female	Male
Blind	3	2
Deaf	1	0
Limb Loss	0	1
Walk with Limited Ability	1	0
Sight Problem	1	0
<b>Total</b>	<b>6</b>	<b>3</b>

### Talent Attraction & Management

- 55,612 LinkedIn Followers
- 22% of new hires from online platforms and job fairs

Employee Feedback	
Areas of Concern	FY2020
Workplace and Business Practices	30%
Product and Service Improvement Ideas	70%

### Talent Management Awards & Recognition

- Three Human Capital Accolades Received:
  - HR Excellence Awards 2019
  - Malaysia Best Employer Brands Awards
  - Malaysia 100 Leading Graduate Brand Awards (Ranked 60)

## KEY INITIATIVES FOR FY2020

### CAPABILITY DEVELOPMENT

### Talent Development & Succession Planning

- Continued our talent and leadership programmes such as AmGraduate Programme; FSTEP; Leadership Enhancement and Acceleration Programme (LEAP); Emerging Leaders' Programme (ELP); and Being A Talented Manager Programme (BATMAN).
- The aim of the programmes is to accelerate employees' career progression for Mission Critical Positions (MCP) and leadership roles at AmBank Group by sharpening their leadership skills, soft skills and personal potential.

### Total Employee Training Expenditure\* (RM)

By Gender			
Workforce Category	Female	Male	Total
Top Management/Senior Management	934,753	1,594,665	2,529,418
Mid Management	6,680,541	5,339,853	12,020,395
Professional/Specialist	5,790,468	3,120,550	8,911,018
Non-Executive	901,881	372,416	1,274,297
<b>Total</b>	<b>14,307,643</b>	<b>10,427,485</b>	<b>24,735,127</b>

## Conscious Self-Conduct

### Total Employee Training Expenditure\* (RM) (continued)

By Entity				
Workforce Category	AmBank (M) Berhad	AmBank Islamic	AmInvestment Bank	Total
Top Management/Senior Management	1,855,150	170,937	503,331	2,529,418
Mid Management	10,786,325	250,431	983,639	12,020,395
Professional/Specialist	8,542,247	93,494	275,278	8,911,018
Non-Executive	1,229,123	–	45,174	1,274,297
<b>Total</b>	<b>22,412,845</b>	<b>514,861</b>	<b>1,807,421</b>	<b>24,735,127</b>

By Learning Type				
Workforce Category	Leadership	Soft Skills	Technical	Total
Top Management/Senior Management	515,955	283,672	1,729,791	2,529,418
Mid Management	2,325,947	1,589,270	8,105,178	12,020,395
Professional/Specialist	398,404	891,412	7,621,202	8,911,018
Non-Executive	–	128,264	1,146,033	1,274,297
<b>Total</b>	<b>3,240,306</b>	<b>2,892,618</b>	<b>18,602,204</b>	<b>24,735,127</b>

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

## ACHIEVEMENTS IN FY2020

### CAPABILITY DEVELOPMENT

#### Total Employees Trained\* (By Number of Transactions; Non-Unique)

By Entity				
Workforce Category	AmBank (M) Berhad	AmBank Islamic	AmInvestment Bank	Total
Top Management/Senior Management	2,970	151	572	3,693
Mid Management	41,540	641	2,640	44,821
Professional/Specialist	56,036	296	1,184	57,516
Non-Executive	9,816	–	298	10,114
<b>Total</b>	<b>110,362</b>	<b>1,088</b>	<b>4,694</b>	<b>116,144</b>

By Learning Type				
Workforce Category	Leadership	Soft Skills	Technical	Total
Top Management/Senior Management	80	459	3,154	3,693
Mid Management	1,530	3,578	39,713	44,821
Professional/Specialist	373	3,424	53,719	57,516
Non-Executive	–	343	9,771	10,114
<b>Total</b>	<b>1,983</b>	<b>7,804</b>	<b>106,357</b>	<b>116,144</b>

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



**Average Training Hours Completed per Employee\***

By Gender			
Workforce Category	Female	Male	Sub Total
Top Management/Senior Management	79	76	77
Mid Management	76	75	75
Professional/Specialist	64	66	65
Non-Executive	41	46	42
<b>Total</b>	<b>64</b>	<b>68</b>	<b>66</b>

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

**Total Training Hours Completed\***

By Entity				
Workforce Category	AmBank (M) Berhad	AmBank Islamic	AmInvestment Bank	Sub Total
Top Management/Senior Management	17,677	824	3,381	21,881
Mid Management	223,939	3,989	14,616	242,543
Professional/Specialist	266,986	1,924	6,239	275,149
Non-Executive	48,749	–	1,557	50,306
<b>Total</b>	<b>557,351</b>	<b>6,737</b>	<b>25,792</b>	<b>589,880</b>

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

**Talent Development & Succession Planning Programmes**

Leadership Development Programmes	FY2020	MCP and Successor Development	FY2020
No. of Participating Employees (Attendees)	226	Total Mission Critical Positions (MCP)	12
Total Training Completed (Hours)	35,278	Total Successors	58
No. of Training Hours (Talent Programme)	8,941	MCP: Successor Ratio	1 MCP : 4.8
No. of Training Hours (Other Programmes)	26,337	Key Positions with Successors (%)	100%
Average Training (Hours)	156	Key Employee Qualifications	FY2020
Average Training (Days)	19.5	Chartered Bankers	17
Total Training Spent (RM)	4,044,905	Chartered Professionals in Islamic Finance	9
Average Training Spent (RM)	17,898	AICB Professional Certification	247
Talent Promoted (%)	35	5-Core AICB Certification	24%
		Future Talents FSTEP & AmGraduates	44
		INSEAD, CASS and Cambridge Attendees	69

## Conscious Self-Conduct

### KEY INITIATIVES FOR FY2020

#### OCCUPATIONAL SAFETY & HEALTH (OSH)

##### Health and Safety Training

- Invested approximately RM250,000 in OSH-related training programmes.
- Implemented the mandatory annual OSH e-learning programme on all employees Group-wide.
- Conducted six OSH training programmes with 335 employees trained with OSH-related skills:
  - First Aid, CPR and AED
  - HIRADC Training
  - Fire Safety Training
  - Permit to Work (PTW) Training for Contractors
  - ISO 45001:2018 Awareness Training
  - Occupational Safety and Health Committee Roles and Responsibilities
- Held a 2-day team-building exercise for Group OSH in November 2019 at Fifty4Fern Resort, Janda Baik. The exercise aims to improve the members' teamwork abilities in addressing OSH-related matters.



##### OSH Audits and Committee Meeting

- Conducted regular OSH inspection audits at AmBank Group's branches across all 14 retail banking regions, with relevant OSH risk mitigation recommendations tabled to the respective OSH Committees.
- Held four OSH Committee Meetings throughout the financial year.

#### Regional (Branch) OSH Inspection Audit

No.	Regional	Branch Visits FY2020	Branch Inspections
1.	<b>Northern Region 1</b>	1. Tanjung Bungah 2. Ayer Itam – Jalan Paya Terubong 3. Bayan Baru	18 June 2019 19 June 2019 20 June 2019
2.	<b>Northern Region 3</b>	1. Sungai Dua 2. Bagan Ajam 3. Kangar 4. Langkawi	6 March 2020 26 June 2019 27 June 2019 28 June 2019
3.	<b>Northern Region 2</b>	1. Tanjung Malim 2. Tanah Rata 3. Pangkor 4. Ayer Tawar 5. Kuala Sepetang 6. Langkap 7. Bagan Serai 8. Sungai Siput	2 July 2019 3 July 2019 4 July 2019 5 July 2019 9 July 2019 10 July 2019 11 July 2019 12 July 2019
4.	<b>Southern Region 1</b>	1. Skudai 2. Pasir Gudang 3. Johor Bahru – Bukit Indah 4. Tampoi 5. Sungai Rengit 6. Permas Jaya 7. Ulu Tiram 8. Setia Tropika	16 July 2019 17 July 2019 18 July 2019 19 July 2019 17 March 2020 18 March 2020 19 March 2020 20 March 2020

## OSH Audits and Committee Meeting (continued)

Regional (Branch) OSH Inspection Audit			
No.	Regional	Branch Visits FY2020	Branch Inspections
5.	<b>Southern Region 2</b>	1. Tampin 2. Yong Peng	23 July 2019 24 July 2019
6.	<b>Southern Region 3</b>	1. Kajang 2. Mantin 3. Bandar Baru Bangi 4. Seri Kembangan 5. Balakong 6. Sepang 7. Semenyih 8. Putrajaya	20 August 2019 21 August 2019 22 August 2019 23 August 2019 27 August 2019 13 January 2020 15 January 2020 17 January 2020
7.	<b>Sarawak Region</b>	1. Bintulu 2. Sarikei 3. Sibu Jaya 4. Sibu Jalan Pedada	3 September 2019 4 September 2019 5 September 2019 6 September 2019
8.	<b>East Coast Region</b>	1. Bentong	13 August 2019
9.	<b>Central Region 1</b>	1. USJ Sentral 2. AmCorp Mall 3. Dataran Mentari	10 February 2020 16 January 2020 21 January 2020
10.	<b>Central Region 5</b>	1. Jalan Raja Chulan 2. Sri Petaling 3. Taman Maluri	15 October 2019 16 October 2019 9 December 2019
11.	<b>Central Region 2</b>	1. Medan Pasar 2. Berjaya Times Square 3. Bangsar Baru 4. KL Sentral 5. Desa Sri Hartamas	23 January 2020 30 January 2020 4 February 2020 6 February 2020 11 February 2020
12.	<b>Central Region 3</b>	1. Bandar Puteri Puchong 2. Setia Alam 3. Klang Bandar Puteri 4. Klang Wisma SH NG	3 February 2020 9 January 2020 14 February 2020 7 January 2020
13.	<b>Central Region 4</b>	1. Bestari Jaya 2. UIA Gombak	19 February 2020 18 February 2020

## Conscious **Self-Conduct**

### Groupwide OSH Communication

- Published monthly OSH bulletins in the AmBank Group OSH Portal that is available to all employees.
- Carried out the biannual 'OSH Feedback Solicitation' initiative to formally receive OSH-related feedback from employees.
- Published periodic OSH memorandums, prohibitions and updates within AmBank Group's internal intranet.
- Shared OSH-related incidents, investigations, inspections and briefing updates within the Group OSH Portal.



### Toxic Waste Dumping in Pasir Gudang

- Implemented measures to mitigate the adverse impact of the illegal dumping of toxic waste in Johor, which could have affected the health of employees at our Pasir Gudang branch. The following mitigation actions were taken by relevant AmBank Group departments:
  1. Group OSH Department
    - (a) Engaged with AmBank Group local employees to monitor the situation.
    - (b) Complied with OSH requirements to report the issue and protect employees until the situation was resolved.
  2. Group Property Department
    - (a) Provided three extractor ventilator fans during the incident and subsequently conducted air condition chemical cleaning.
  3. Group Admin Department
    - (a) Completed carpet cleaning for the Pasir Gudang branch.



### Group OSH Seminar

- Organised the fourth annual OSH seminar on 21 November 2019, which was attended by approximately 120 participants. Invited guests included speakers from the Department of Occupational Safety and Health (DOSH), BP, Petronas and AmBank Group's OSH consultant.



## ACHIEVEMENTS IN FY2020

## OCCUPATIONAL SAFETY AND HEALTH

## Lower OSH-Related Incidents

Occupational Safety and Health Indicator*	CY2017	CY2018	CY2019
Total Number of Accidents	21	15	11
Accidents with Fatality	0	0	0
Accidents with Lost Workdays	19	14	11
Total Lost Workdays Due to Incidents	1,323	469	418
Accident without Lost Workdays	2	1	0
Fatality Rate	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0.63	0.58	0.44
Lost Time Injury Incident Rate (LTIIR)	1.84	1.44	1.10

\* Safety & Health's (DOSH) Calendar Year Online Incident Reporting using JKKP Form 8

**Note:**

All data related to OSH are reported on a calendar year basis.

## OSH e-Learning

99.80% of employees completed the OSH e-Learning module as at 10<sup>th</sup> April 2020.

## Audit Results by DOSH

Branch	Region	Date	Grade	%
Plaza Shell (KK)	Sabah	29 March 2019	A	90.12
Wangsa Maju	Kuala Lumpur	16 July 2019	A	92.18
Sri Petaling	Kuala Lumpur	17 July 2019	A	92.18
Setapak	Kuala Lumpur	15 July 2019	A	93.40
Jalan Pudu	Kuala Lumpur	24 July 2019	A	94.00
Bandar Manjalara	Kuala Lumpur	23 July 2019	A	94.00
Bandar Sri Hartamas	Kuala Lumpur	16 August 2019	A	93.37
NU Sentral	Kuala Lumpur	17 September 2019	B	83.69
Selayang	Kuala Lumpur	5 September 2019	A	91.60
Mentakab	Pahang	6 November 2019	A	90.27
Ayer Keroh	Melaka	14 January 2019	A	94.00
Jasin	Melaka	15 November 2019	A	90.65
Labuan	Labuan	20 November 2019	A	96.50

## ISO 45001:2018 Certification Audit

- Successfully retained the ISO 45001:2018 Certification by the National Institute of Occupational Safety & Health Sdn Bhd, reinforcing AmBank Group's position as the first financial institution in Malaysia to receive this internationally recognised OSH standard.

## Conferred the Following OSH Awards:

- MSOSH OSH Gold Class 2 Award in the Service Sector category at the MSOSH Occupational Safety and Health Award 2018 ceremony held on 1 August 2019.
- National Council for Occupational Safety & Health (NCOSH) Award 2019 under the Financial category. AmBank Group has won this award for the second consecutive year.



## Conscious **Self-Conduct**



### M7: Responsible Sourcing & Procurement

The impact of our ESG performance extends across the supply chains. Sourcing from suppliers that conduct unethical practices and environmental non-compliances may impact the Group's reputation as well as lead to financial losses such as penalties, fines and work stop-orders. In addition to monitoring the sustainability practices of suppliers, the supply chain is an opportunity to maximise our socio-economic contributions to financially underserved businesses.

As part of our Responsible Sourcing and Green Procurement for Supplier's Onboarding Programme, potential and existing suppliers are required to complete a questionnaire that outlines the Group's key expectations in regard to ethics, safety, social and environmental performance. Recognising the importance of a responsible supply chain, AmBank Group integrates sustainability principles in all our procurement activities. We are increasing our efforts to procure businesses that prioritise environmental, social and ethical activities. To do so, we carry out due diligence reviews such as vendor evaluations and risk impact assessments as part of our vendor selection criteria.

Suppliers are required to meet a minimum of 40% of AmBank Group's Responsible Sourcing and Green Procurement criteria to be considered by the Group. However, we understand that sustainability is a relatively new field in which our vendors are still adapting to, and we believe that it is our responsibility to help them do so. Suppliers who score within 35% to 39% of the environmental and social criteria, while meeting other requirements, are placed on a Supplier Improvement Plan, which aims to help the supplier achieve the 40% requirement within 12 months.

#### 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.

The criteria involved in the outsourcing of products and services reflect the standards expected by suppliers to enhance customer satisfaction, ethical practices and regulatory compliance. Our procurement procedures are guided by AmBank Group's Sourcing Policy and Supplier Code of Conduct, which promotes responsible and inclusive supply chain practices. The Group's procurement contracts are based on the requirements stipulated in this policy, as well as relevant laws and regulations including:

- Cyber Security Clauses for IT and Outsourcing Vendors
- Financial Services Acts 2013
- Islamic Financial Services Act 2013
- Companies Act 2016

Additionally, we prioritise local suppliers and SMEs in support of local employment and economic growth. Awarding contracts to local suppliers also lower operating costs as well as minimises our logistical carbon footprint. Therefore, by supporting local suppliers, we contribute positively to the ESG agenda.

KEY INITIATIVES FOR FY2020

Supplier Screening and Onboarding

- Assessed 179 suppliers, comprising of 80% current and 20% new vendors, according to the responsible sourcing and green procurement criteria.
- Placed suppliers that failed the assessment on the Supplier Improvement Plan, with a reassessment planned for FY2021.

Sustainable Procurement

- Amended the Company Constitution so that the 'Notice of Annual General Meeting' is delivered in as a postcard without the accompanying CD-ROM and abridged copy of the report. This reduces the sourcing of printing and materials.
- Purchased from socially-conscious enterprises, such as The Silent Teddies Bakery that employs deaf and mute bakers; and The Picha Project, a catering company that provides home-cooked meals prepared by marginalised communities.

eProcurement Portal

- Continue to digitalise our procurement practices for improved processing efficiency, cost savings and enhanced transparency.
- Utilise an e-Contracting module to better manage our contractual commitments and supplier deliverables.
- Embarked on a journey to source and implement a new ARIBA module for Sourcing and Supplier Lifecycle Management, as well as invest in Robotic Processing Automation (RPA) to robotise processing. The new systems are implemented in phases and will be ready to go live by FY2021. The investment in this new sourcing module and RPA will improve the end-to-end procurement processes and provide better efficiency, control and compliance. Stakeholders will be trained on the system functionalities and suppliers will be provided with a web link and guidelines on a 'help-themselves' approach on supplier registration via the new ARIBA system and ESG assessments on suppliers is one of the key features embedded in the system.

eProcurement Portal

- 100% of Request for Information (RFI), Request for Quotation (RFQ), Request for Proposal (RFP) and Bidding processes are conducted online.
- The new ARIBA system provides better features on traceability, progress-tracking on projects, record-keeping, improved adherence to compliance, controls, efficiency and many more.
- The robotising of order processing will allow current resources to be upskilled and contribute to more strategic tasks.



ACHIEVEMENTS IN FY2020

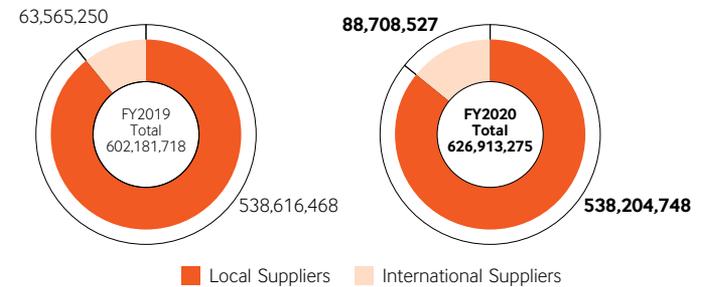
Supplier Value Creation

- 94% of active contracts made up of local suppliers, which constituted 86% of our total supplier spending in FY2020.

Local vs International Suppliers



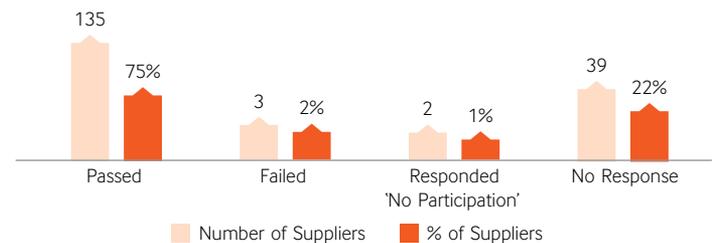
Economic Contribution to Suppliers (RM)



Supplier Screening and Onboarding

- 100% of new suppliers and contract renewals screened using ESG criteria

Responsible Sourcing and Green Procurement Assessment





### M10: Energy, Water & Waste Management

The impact of improper energy and waste management, such as pollution and degradation, affects the environment in which we operate and the well-being of the communities in which we serve. This negatively affects our reputation and commitment to being a responsible bank. High consumption of natural resource also releases greenhouse gas (GHG) into the atmosphere and contributes to the global climate emergency. The change in climate will directly impact and disrupt business operations, while also posing a risk to the economic growth and physical health of society at large.

In playing our part, AmBank Group strives to minimise the potential environmental impacts of our operations, which we see as fundamental to achieving sustainable growth and shareholder returns. We are continuously improving the environmental management of our operations by actively identifying and implementing green initiatives, such as energy-efficient infrastructure, responsible disposal of equipment and minimising the single-use of plastic products. The Group's operations require minimal waste consumption and thus, the total volume remains insignificant.

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

- 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

As we track our progress on a year-on-year basis, we aim to reduce our overall carbon emissions from our operations by 20% within the next four years, with FY2019 as the baseline. As we progress with our environmental efforts, we will set more long-term strategies and targets to play our part in protecting our stakeholders against climate risks.

AmBank Group's Environmental Management System (EMS) is governed by the Group's Environmental Policy, which ensures all activities and practices consistently adhere to environmental laws, regulations and related policies. This policy was established in FY2019, and resulted in the upgrade of our RAMSUS Environment Rating from Bronze to Silver.

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

##### Principle 1

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

##### Principle 2

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

##### Principle 3

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

##### Principle 4

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

##### Principle 5

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

##### Principle 6

Environmental protection is the responsibility of all our employees.

#### Restatement of FY2019 Data

In FY2020, we established AmBank Group's GHG Accounting and Reporting Practice Guide to better understand and track our carbon emissions. As a result, we are improving upon our GHG reporting with the following changes:

- Scope 2: Computing the Scope 2 emissions by directly tracking our electricity consumption in kWh. In doing so, we are able to provide more accurate emissions data compared to FY2019, in which we tracked the costs of electricity consumption.
- Scope 3: Including the emissions from the shuttle services involved in our employees' commute. This includes shuttles between Wisma AmFirst and Glenmarie LRT Station, as well as Damansara Fairway 3 (DF3) to Kelana Jaya LRT Station.

Due to the changes in GHG accounting, we are restating the FY2019 figures for Scope 2 and Scope 3 for more consistent and accurate data reporting.

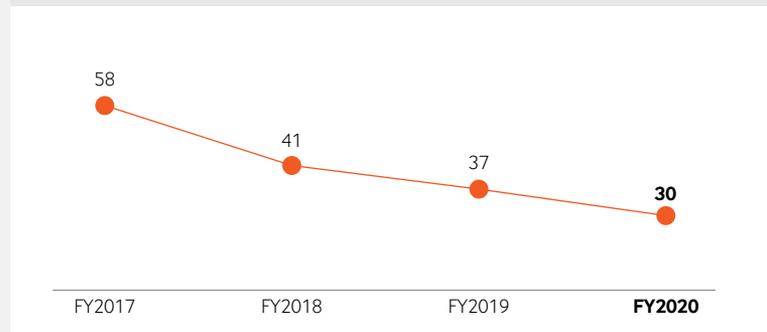
KEY INITIATIVES FOR FY2020

SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION

Vehicle Rationalisation

- Minimised the number of vehicle fleet by disposing seven more vehicles, with the total number of vehicles decreasing from 37 to 30.

Number of Vehicle Fleets



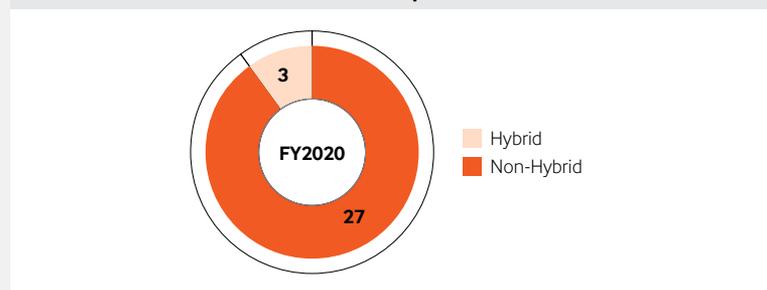
Shuttle Service

- Provide shuttle service between Menara AmBank and Bangunan AmBank Group to minimise the number of employees driving between the two offices.
- Reduced 24,388 km of distance travelled by vehicles by replacing 9,759 single-passenger car trips.

Electric Vehicles

- Purchased Hybrid cars that are more fuel-efficient and generate fewer carbon emissions compared to conventional cars. At the moment, 3 out of 30 vehicles owned by the Group are hybrid cars and it contributes 15% of the total carbon emissions produced from petrol. The number of hybrid cars is expected to grow over time as the Group complies with its Group Environmental Policy.

Vehicle Compositions



SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION

Energy Efficiency Plan

- The Revised Energy Efficiency Plan for the three years to FY2022 are set out in the table on page 184. In FY2020, the implementation of LED lights replacement for WAF and DF3 was carried out in June 2019 and completed in July 2019. The savings are achieved from August 2019 to March 2020 instead of the full financial year. The full-year targeted savings for FY2021 are set out in the table on page 184.
- The main changes to the Energy Efficiency Plan include:
  - The acceleration of the plan from five to three.
  - The revision of the targeted savings for AmBank Group branches, which was lowered from 20% to 10% as we are re-evaluating the strategy for air-conditioning improvement.
  - The exclusion of electricity consumption for the Data Centre at Level 7, DF3 due to the implementation of LED change for DF3 excluded the data centre as the LED lights are already installed at the data centre beforehand.
  - The re-statement of FY2019 data in kWh.
  - The total number of branches involved for the replacement of LED lights is revised from 170 to 166 due to the exclusion of Putrajaya, Bandar Sunway, Menara AmBank and Bangunan AmBank Group. Putrajaya and Bandar Sunway branches were relocated to new locations and the data is not comparable. As for Menara AmBank and Bangunan AmBank Group, it will be done concurrently with the main building's replacement of LED lights.

**Energy Efficiency Plan (continued)**

The Revised Energy Efficiency Plan									
Implementation Year	Buildings/ Branches	kWh Savings				CO <sub>2</sub> e Savings (Tonnes)			
		Actual		Target		Actual		Target	
		2019	2020	2021	2022	2019	2020	2021	2022
2019	MAB (Level 22,23,25,45)	113,105	<b>93,786</b>	n/a	n/a	66	<b>55</b>	n/a	<b>n/a</b>
<b>2020</b>	WAF & DF3 (excluding data centre)	n/a	<b>110,175</b>	143,175	n/a	n/a	<b>64</b>	84	<b>n/a</b>
	17 Branches	n/a	<b>128,253</b>	141,882	n/a	n/a	<b>75</b>	83	<b>n/a</b>
2021	MAB (the remaining floors) & BAG	n/a	<b>n/a</b>	157,615	472,844	n/a	<b>n/a</b>	92	<b>277</b>
	149 Branches	n/a	<b>n/a</b>	499,510	1,281,979	n/a	<b>n/a</b>	272	<b>691</b>

**LED Lighting System**

- Replaced conventional lights with an LED lighting system for Wisma AmFirst and Damansara Fairway 3 buildings in July 2019.
- Replaced conventional lights with an LED lighting system for 17 AmBank Group branches in the central region. Due to the MCO, the appointed contractor was not able to continue with the installation of the LED lights for the remaining branches.
- Targeted to continue with the installation of the LED lights for the remaining branches following the containment of COVID-19. The exercise is expected to complete by FY2021.

**Office Space Optimisation**

- Reduced our leased office space in Plaza See Hoy Chan and optimised the office space within Menara AmBank through a restacking exercise.

**Earth Hour Campaign**

- Participated in the Global Earth Hour Campaign on 28 March 2020 to raise awareness on the importance of climate action.
- Switched off all lights for the following AmBank Group buildings:
  - 1 Bangunan AmBank Group (BAG), Jalan Raja Chulan
  - 2 Menara AmBank (MAB), Jalan Yap Kwan Seng
  - 3 Wisma AmFirst (WAF), Kelana Jaya
  - 4 Damansara Fairway 3 (DF3), Tropicana
  - 5 Bangunan AmBank Group, Kuching

**Renewable Energy**

- Entered into an agreement with GSPARX Sdn Bhd, a wholly-owned subsidiary company of TNB Renewables Sdn Bhd, for the installation of a solar photovoltaic (PV) system on the rooftop of AmBank Group's Damansara Fairway 3 building.
- Once installed, the solar panels are expected to generate over 70,000 kWh of electricity annually and offset approximately 40.95 metric tonnes of carbon emissions yearly. This is equivalent to the carbon absorbed by 677 tree seedlings grown over ten years.
- The installation of the solar panels was supposed to take place in April 2020. However, it is postponed due to the Movement Control Order (MCO) during the COVID-19 pandemic period. The installation work will commence after the MCO period is over.

**SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL****Shuttle Service**

- Outsourced shuttle services to serve employees commuting at the following locations:
  - I. Wisma AmFirst to Glenmarie LRT station and vice versa
  - II. Damansara Fairway 3 (DF3) to Kelana Jaya LRT station and vice versa
- Replaced 100,256 single-passenger car trips for FY2020 to save 75,684 km of distance travelled by individual vehicles. This amounts to approximately 11.18 tonnes of CO<sub>2</sub> emissions saved.

**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.
- Reduced the CO<sub>2</sub> emissions from business air travel by 18.6% to 340.75 tonnes in FY2020.

**RESOURCE CONSERVATION AND WASTE MANAGEMENT****Paperless Environment**

- Encouraged customers to opt for electronic Fixed Deposit (FD) and Term Deposit receipts, as well as passbook-less transactions, wherever possible. However, for customers that do not have access to AmOnline, such as children below 18 years old and senior citizens, we continue the requirement of maintaining their passbooks.
- Promoted the adoption of e-statements and email communications with clients to reduce paper consumption and waste.
- Replaced 214 conventional printers at the head office with Multi-Function printers that reduce the number of papers printed.

**Recycling Programmes**

- Provided recycling bins at the lobby and every floor of Menara AmBank and Bangunan AmBank Group to encourage waste separation for recyclables. The recycling bins not only reduce the amount of waste sent to landfills, but also lowered the transportation costs related to the collection and disposal of wastes.
- Hired a qualified licensed third-party paper recycling vendor to ensure that all documents are shredded without compromising the confidentiality of the data.
- Started to monitor the food waste generated from the food and beverages outlets within Bangunan AmBank Group, Menara AmBank and Wisma AmFirst. We are currently exploring Food Composting Machines that can recycle the food waste generated into compost.

**No Single-Use Plastic Programme**

- Launched the "No Single-Use Plastic Programme", a group-wide initiative to eliminate the use of single-use plastics including plastic straws, plastic containers and plastic cutleries at AmBank Group premises. This aligns with Malaysia's Roadmap Towards Zero Single-Use Plastics 2018-2030.
- Commenced Phase 1 of the programme, which involved the participation of all food and beverages outlets at Menara AmBank, Bangunan AmBank Group and Wisma AmFirst. These outlets include cafeterias and other food and beverages tenant outlets. All patrons of these eateries are encouraged to bring their own containers and bags or opt to purchase biodegradable plastic at RM0.20 each.
- Postponed the implementation of Phase 2 due to the Movement Control Order (MCO) during the COVID-19 pandemic period. Phase 2 involves other tenants within the various AmBank Group buildings such as clinics, florists, cafes and others, as well as all pantries in all AmBank Group locations including at the branches. The effort includes discontinuation of plastic-based marketing collaterals and merchandise items by AmBank Group and the full implementation of Bring Your Own (BYO) containers for takeaways at all food and beverages outlets.



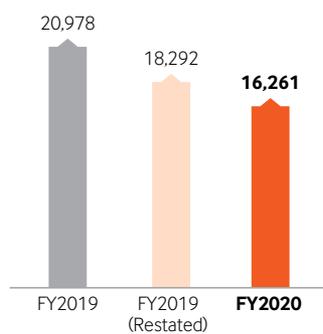


## ACHIEVEMENTS IN FY2020

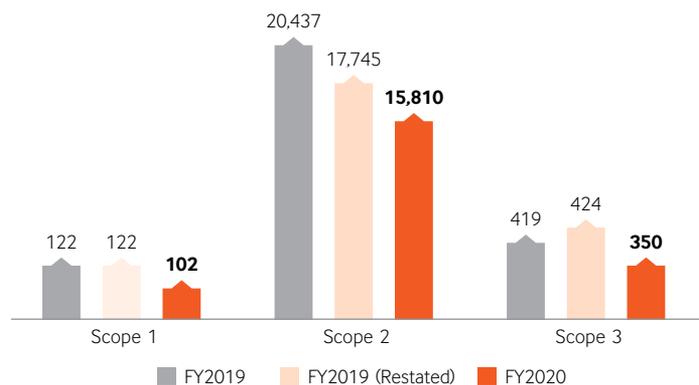
## Overall Carbon Emissions

- 16,261 tCO<sub>2</sub>e
- 11% drop in total GHG emissions, with a 12% reduction in emissions per Full-Time Equivalent (FTE)

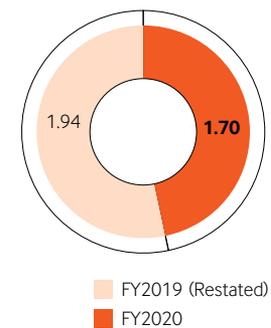
## Total GHG Emissions



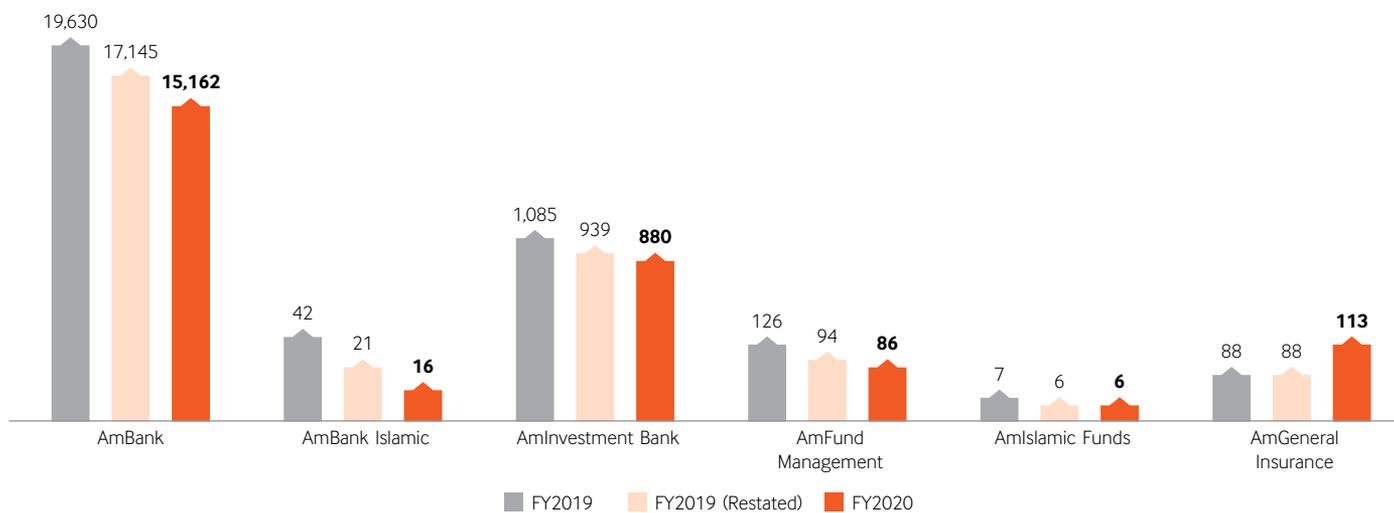
## GHG Emissions by Scope



## GHG Emissions/FTE



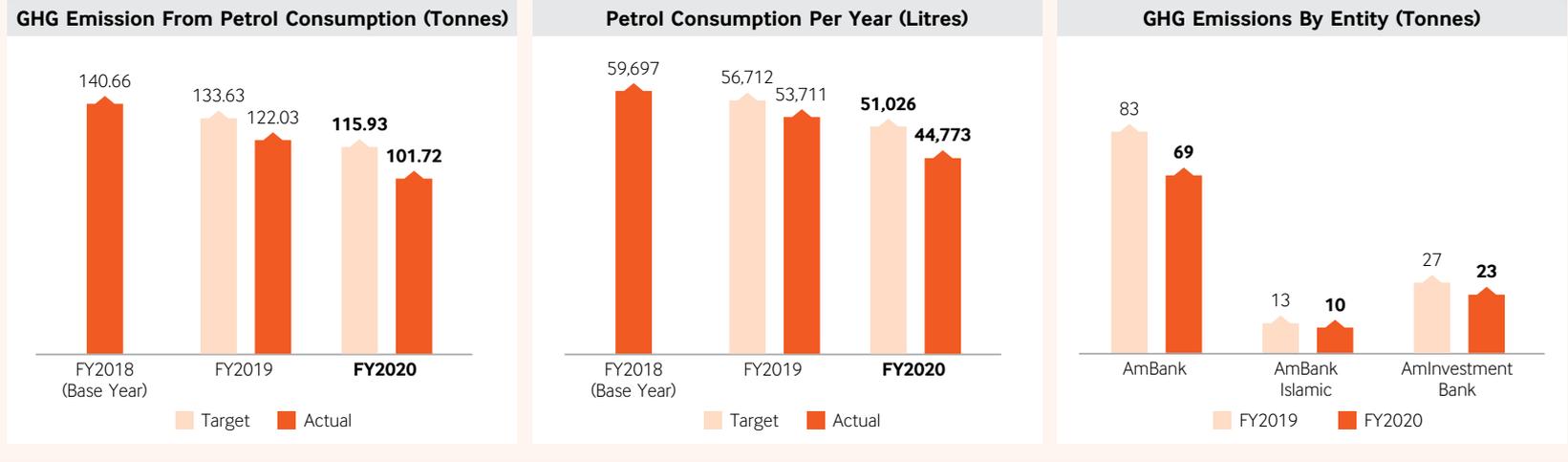
## Total GHG Emissions by Entity



**SCOPE 1: DIRECT EMISSIONS FROM FUEL CONSUMPTION**

**Emissions And Petrol Consumption**

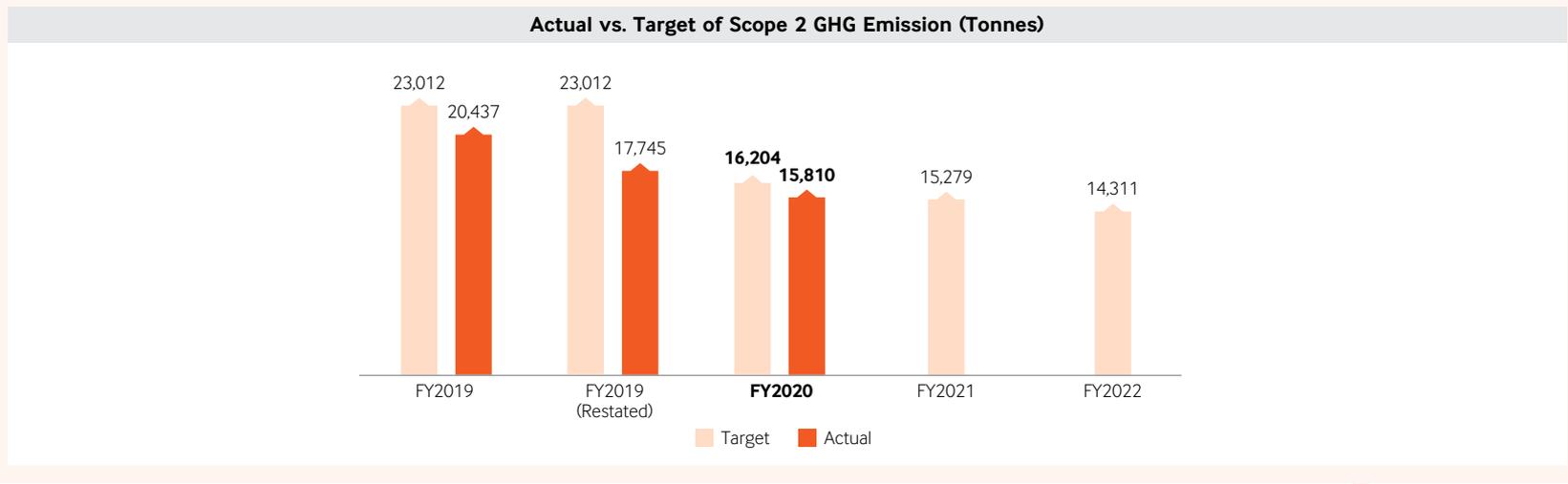
- 101.72 tCO<sub>2</sub>e
- 17% reduction in Scope 1 emissions and petrol consumption by vehicle fleet, which is 12% higher than the set target



**SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY CONSUMPTION**

**Electricity Consumption**

- 15,809.78 tCO<sub>2</sub>e
- 0.08 tCO<sub>2</sub>e per square meter of office space
- 11% and 10% reduction in Scope 2 emissions and electricity consumption respectively
- The Group is targeting to achieve an overall savings of 19% from its Scope 2 GHG emissions (3,434 tonnes) by FY2022, with FY2019 as the baseline.



## Electricity Consumption (continued)

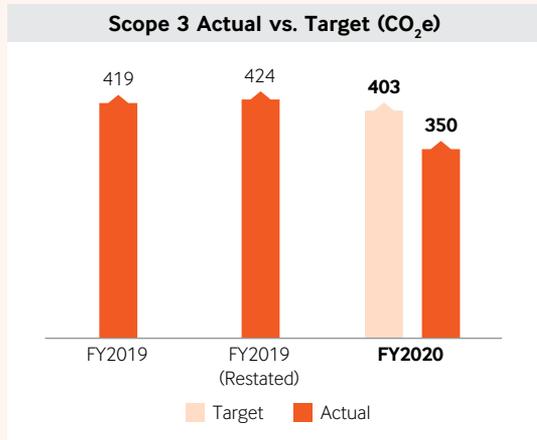
Total Electricity Consumption									
Entities	FY2019			FY2019 (Restated)			FY2020		
	RM ('000)	kWh ('000)	tCO <sub>2</sub> e	RM ('000)	kWh ('000)	tCO <sub>2</sub> e	RM ('000)	kWh ('000)	tCO <sub>2</sub> e
AmBank	13,536	28,007	19,255	14,024	29,883	16,765	<b>12,422</b>	<b>26,687</b>	<b>14,881</b>
AmBank Islamic	22	43	30	7	14	8	<b>5</b>	<b>11</b>	<b>6</b>
AmInvestment Bank	712	1,491	1,036	772	1,625	889	<b>729</b>	<b>1,534</b>	<b>840</b>
AmFunds Management	82	160	111	67	135	79	<b>66</b>	<b>134</b>	<b>78</b>
AmIslamic Funds Management	4	9	6	4	8	5	<b>4</b>	<b>8</b>	<b>5</b>
<b>Total</b>	<b>14,356</b>	<b>29,709</b>	<b>20,437</b>	<b>14,874</b>	<b>31,665</b>	<b>17,745</b>	<b>13,226</b>	<b>28,374</b>	<b>15,810</b>

Main 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	862	1,715	60	1,034	1,004
Bangunan AmBank Group, Jalan Raja Chulan	BAG	816	1,638	59	787	958
Menara MBF, Jalan Sultan Ismail	MBF	206	373	52	900	218
Plaza See Hoy Chan, Jalan Raja Chulan	PSC	48	99	67	889	58
Damansara Fairway 3	DF3	1,549	3,933	243	13,377	2,301
Wisma AmFirst, Kelana Jaya	WAF	269	531	66	444	311
Damansara Utama	DU	54	107	67	2,103	63
Wisma AmBank, Jalan Pudu	WAB	127	257	37	N/A	150
Menara Dion, Jalan Sultan Ismail	MD	0	1	3	N/A	1
<b>Total</b>		<b>3,932</b>	<b>8,654</b>	<b>88</b>	<b>1,491</b>	<b>5,063</b>

Main Buildings and Branches					
Building/Location	RM ('000)	kWh ('000)	kWh/m <sup>2</sup>	kWh/FTE	tCO <sub>2</sub> e
Main Buildings	3,932	8,654	88	1,491	5,063
Branches	9,294	19,720	182	9,364	10,747
<b>Total</b>	<b>13,226</b>	<b>28,374</b>	<b>137</b>	<b>3,586</b>	<b>15,810</b>

**SCOPE 3: INDIRECT EMISSIONS FROM EMPLOYEE TRAVEL**

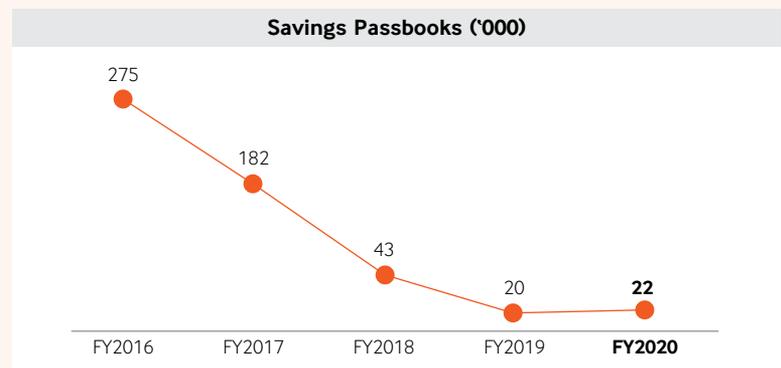
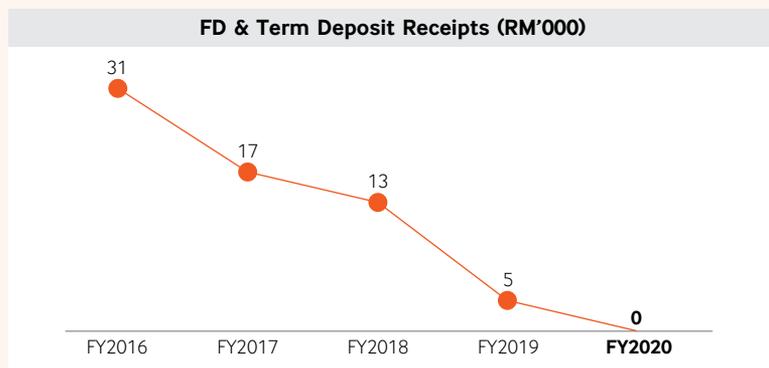
- 349.84 tCO<sub>2</sub>e
- 18% reduction in Scope 3 emissions, which is 13% higher than the set target
- 19% reduction in carbon generated from business-related air travel
- The Group is targeting to achieve an overall savings of 25% from its Scope 3 GHG emissions (109 tonnes) by FY2022, with FY2019 as the baseline.



Business Unit	tCO <sub>2</sub> e		
	FY2019	FY2019 (Restated)	FY2020
AmBank & AmBank Islamic	292	298	<b>212</b>
AmGeneral Insurance	88	88	<b>113</b>
AmInvestment Bank	23	23	<b>17</b>
AmFunds Management	15	15	<b>7</b>
AmIslamic Funds Management	1	1	<b>1</b>
<b>Total</b>	<b>419</b>	<b>424</b>	<b>350</b>

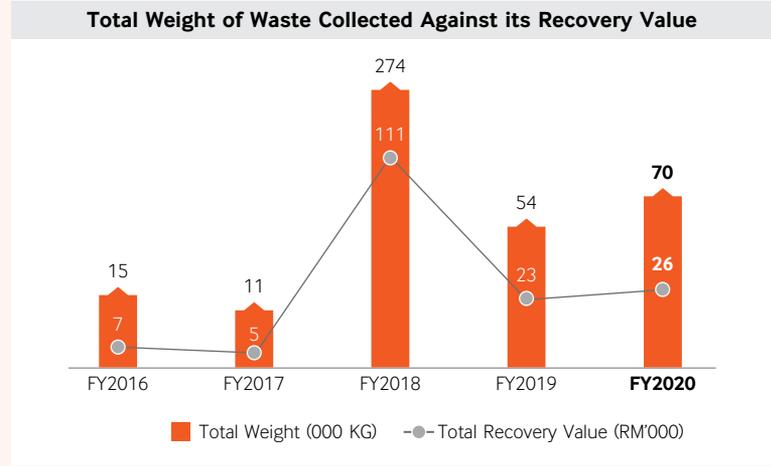
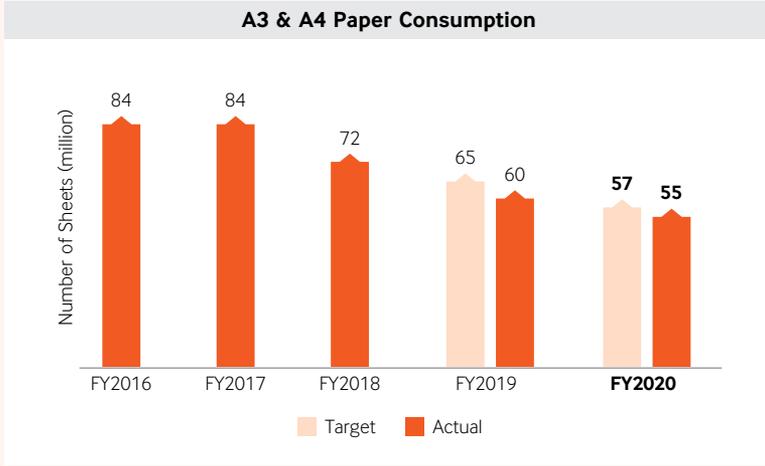
**RESOURCE CONSERVATION AND WASTE MANAGEMENT**

- 100% of FD and Term Deposit receipts are now paperless
- 6% rise in the number of savings passbooks due to new requirement by AmBank Group in July 2019 to maintain passbooks for children below 18 years old as they do not have access to AmOnline. Savings passbooks are also issued to senior citizens customers upon request.

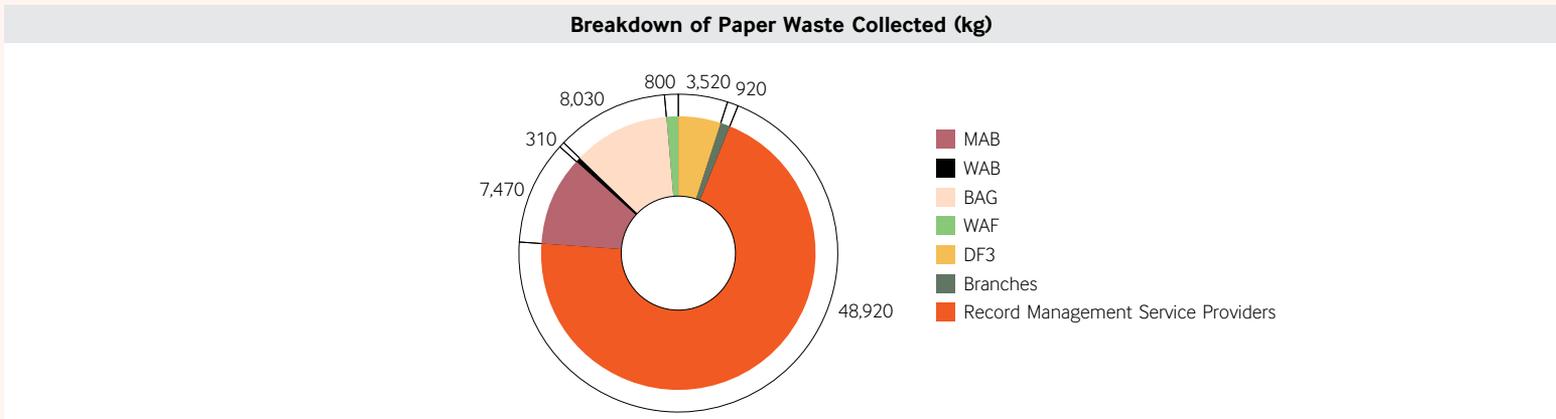


Conscious **Self-Conduct**

- 8% reduction in paper consumption, which is 3% higher than our set target.



- RM26,000 in recovery value for paper waste recycled by the third-party recycling vendor. The majority of paper waste collected was from the record management service providers due to the destruction of records and documents that passed the seven-year retention period.



# Positive Societal Impact

We take a forward-looking approach to be a force for good, in which we invest in our communities to create long-term growth and value. We strive to continuously improve our positive contributions and minimise the negative impacts of the business to our communities. Through our efforts, we aim to create an ecosystem that promotes social well-being within the Group as well as for all corners of society.



## M9: Community Investment & Development

Social progress requires the economic empowerment of all communities. As a good corporate citizen, it is important to invest in community programmes that help close social gaps and improve the quality of life for underdeveloped communities. Social programmes also foster a sense of ownership and fulfilment in employees, who are able to volunteer and adopt a hands-on approach to contribute, thus improving their engagement, productivity and performance.

As a strong advocate of inclusive economic growth and shared prosperity, AmBank Group takes a leading role in reaching out to society and addressing common development issues faced by communities. We actively engage with communities to understand their expectations and circumstances, as well as integrating their input into our decisions. AmBank Group's CSR investments fall under the AmKasih Programme, which aims to enable social mobility and improve the quality of life across all levels of society. We also give back to society through Zakat contributions, in which AmBank Islamic distributes funds to associations and charity homes that support underprivileged communities.

Similarly, AmBank Group actively contributes to the Financial Industry Collective Outreach (FINCO), implementing volunteer programme that allows our staff to engage in charity activities focusing on two key pillars: English Proficiency and Life Aspiration. This resonates with Tan Sri Azman Hashim's role as the Chairman of both AmBank Group and FINCO, who is a strong advocate for equipping school children with the proper guidance, resources and skills needed to achieve their dreams.

In addition to CSR programmes, we give back to society through Zakat contributions, in which AmBank Islamic distributes funds to associations and charity homes that support underprivileged communities. In 1985, the Group established AmGroup Foundation to receive and administer funds for educational, scientific, medical, charitable, religious and cultural benefits. Over the past 35 years, AmGroup Foundation continues to play a key role in social empowerment, mobility and inclusion. The mandates for AmGroup Foundation include:

### Religion

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



### Research

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



### Education

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



### Human Rights

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



## Positive Societal Impact

### KEY INITIATIVES FOR FY2020

In FY2020, we invested RM1,764,865 in community initiatives, benefitting 207 social organisations and schools, while improving the lives of 2,894 people and 500 families.

\* The initiatives listed are non-exhaustive, detailing the larger community investments made during the financial year.

#### Kelab AmBank Group (KAG)

##### Blood Donation Drive 2019

- Encouraged employees to donate blood and save lives through a blood drive. A total of 377 donors participated in the event, which was held at AmBank Group's main office buildings as well as at other locations, such as branches in Menara Shell and various shopping malls nationwide.

##### Outreach Programmes

- **Treasure Hunt Programmes:** Collected and donated 'treasures', collected by employees in two treasure hunts, to Rapha Children Home, a children's shelter home in Kuantan. The donated items include basic essential items such as food products, washing detergent, toothpaste and more.
- **Christmas Celebration:** Organised a Christmas celebration party for Orang Asli community in Kampung Tras, Raub, Pahang. The two-day event involved 100 children from SEMOA (Semenanjung Orang Asli) Education Centre, who participated in exciting activities such as Christmas decorating, colouring contests and live performances.

#### AmGroup Foundation

##### Research

- **Perdana Leadership Foundation:** Provided a Silver Sponsorship Package for Perdana Leadership Foundation CEO Forum 2019. With the theme "Accelerating the Fourth Industrial Revolution in Malaysia", the forum encourages dialogue and debate amongst delegates on pressing economic and business issues.

##### Education

- **Karnival Kewangan 2019:** Sponsored the School Adoption Programme to enable 100 students to participate in financial carnivals held in Perlis and Terengganu. Participating students were given the opportunity to learn about the importance of savings and financial literacy at a young age through fun and engaging talks and activities.
- **AmBank Group SEMOA Orang Asli Education Centre Sponsorship:** Continue to sponsor the AmBank Group SEMOA Orang Asli Education Centre, which focuses on the social and educational development of indigenous people residing in Tras, Raub, Pahang. The centre runs as a boarding house where Orang Asli students from all over Malaysia can live in a safe and structured environment while attending local schools.
- **Yayasan Munarah:** Provided sponsorship for the Golf Amal Keputeraan 2019. The Charity Golf Sponsorship was supported by DYMM Yang Di Pertuan Besar Negeri Sembilan, which aims to raise funds for Tuanku Muhammad School, Kuala Pilah, to improve the school's facilities and enable religious classes for the students.

##### Welfare

- **Association of Voices of Peace, Conscience and Reason (PCORE):** Provided support and funding to PCORE for their efforts to promote the culture of goodwill, harmony and mutual respect through culture and the arts which include visual art, literature, music, dance, drama. The association also organised an Interschool Art Competition between 200 schools to stimulate creative synergy among school communities of all age groups, ethnicities and cultures from Kuala Lumpur and Selangor.
- **Tabung Rayuan Hari Pahlawan:** Sponsored the Kempen Tabung Pahlawan Charity Annual Dinner 2019, which aims to raise special funds in aiding former military personnel and their families. Focusing on the disabled and injured, aid was given in the form of funds, medical needs, and educational assistance.
- **Malaysian Red Crescent Society (MRCS) Relief Fund:** Sponsored the BEATLEMANIA-Charity Concert in Aid of Malaysian Red Crescent Society. The aim of the concert was to raise funds for the Malaysian Red Crescent Society and Yayasan Sultanah Bahiyah. This enabled the non-profit organisations to continue their voluntary missions in providing a range of services to vulnerable communities, such as disaster response and relief, 24-hour emergency and ambulance service, community and healthcare services, first-aid as well community programmes.

### Sports

- **Majlis Sukan Negara Malaysia:** Provided a Silver Sponsorship Package for Tennis Malaysia National Circuit 2019. Organised by Majlis Sukan Negara & Persatuan Tennis Malaysia, the event consisted of a National Tennis Circuit for players from each state.
- **Yayasan Kecemerlangan Sukan:** Acted as the main sponsor to the 14<sup>th</sup> AmBank Group – Sport Excel International Junior Golf Championship 2019. The tournament featured 72 junior golfers from Malaysia and 72 International players from India, Taiwan, Indonesia, China, Switzerland, Australia, Thailand, Brunei, Philippines, Japan, USA and South Korea.
- **Malaysian Ladies Golf Association (MALGA):** Sponsored a golf event organised by MALGA where members of the public were welcomed to join.

### COVID-19 Aid

- **MERCY Malaysia:** Pledged our support and contribution to the MERCY Malaysia COVID-19 Strategic Preparedness and Response Plan in collaboration with the National Crisis Preparedness and Response Centre (CPRC) and the Ministry of Health (MOH). The programme aims to support the severely strained healthcare system, and reach to communities in need through its COVID-19 Pandemic Fund.
- **Food Packs:** Distributed 210 food packs to healthcare frontliners at University Malaya Medical Centre and Hospital Putrajaya, in support of their service during the COVID-19 Pandemic.

### AmBank Group Community Programmes

#### Financial Industry Collective Outreach (FINCO)

- Collaborated with 107 Malaysian financial institutions and industry associations to conduct a series of social programmes through FINCO, the industry's vehicle to carry out community outreach initiatives.
- FINCO provides educational tools to underprivileged children and youth to help them achieve their life goals and build a better future.
- As an active FINCO member, the Group's Corporate Communications & Marketing (GCCM) team worked with AmBank's Kota Kinabalu Branch to volunteer at the FINCO Reads Activity Fair held at underserved schools in rural Sabah. This aligns with the Group's aspiration to support FINCO's English Proficiency Pillar.

#### AmKasih E-Wallet CSR Programme for the Urban Hardcore Poor

- Implemented food aid initiatives to provide targeted groups with an allowance that helps offset the cost of essential food items.
- Identified the families that need food aid with the help of local council NGOs (PDKs). The families are screened against a list of criteria and assessed independently. Once approved, accounts will be opened against the recipients' MyKad, who are often single mothers or housewives.
- Upload RM100 in spending credit into the recipients' MyKad account each month for one year. The allowances are withdrawn at participating retailers.

#### AmBank Group & Taylor's Education Group CSR Partnership

- Organised an English & Financial Literacy Partnership Programme for the B40 community, in collaboration with FINCO and Teach for Malaysia Alumni Association.
- Emphasised on measurable and scalable English and financial literacy for various age groups, thus benefiting adults, youths and children.
- The programme covers three main topics:
  - Financial Literacy & Management
  - Fun English Competency
  - Emotional Well-Being

#### Encouraging High-Achievers

- AmMetLife Insurance announced its support for Junior Achievement Malaysia in driving financial literacy among school children.
- Provided opportunities for students to learn and experience the process of entrepreneurship, including setting up a business and designing and selling their products.

#### Pertubuhan Tindakan Wanita Islam (PERTIWI) Malaysia Soup Kitchen

- Collaborated with PERTIWI Soup Kitchen to sponsor food donations for homeless and underprivileged communities.
- Organised an event for KAG members to distribute the food around Chow Kit and Petaling Street during the fasting month.

## Positive Societal Impact

### Hari Raya Shopping

- Invited 100 children from SK Batu Sembilan, Cheras, for Hari Raya shopping at Mydin Subang Jaya to buy Raya clothes, shoes and cookies, as well as necessary stationery items for school.
- The group of children were also invited to join AmBank Group Chairman, Tan Sri Azman Hashim, at a *Majlis Berbuka Puasa*.



### Teaching Fire Safety at RAPHA Children's Home

- Improved the fire safety of RAPHA Children's Home in Kuantan. The Group OSH personnel visited the home to implement the following measures:
  - Inspected the house for improvements in fire prevention
  - Installed two fire extinguishers and one smoke detector
  - Conducted a fire prevention briefing and quiz to raise the awareness of the children and workers
  - Collaborated with BOMBA Pahang for a fire demonstration

### Zakat Contribution

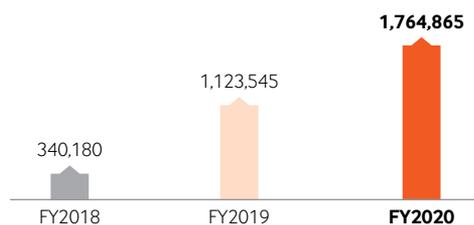
- Paid Zakat contributions at all 14 state collection centres. The money provided is disbursed to asnaf groups from local universities, old folks' homes, charity organisations and Muallaf associations, and is used for education, medical aid, monthly sustenance and religious programmes.



## ACHIEVEMENTS IN FY2020

### Community Investments

#### Total Investments (RM)



#### Investments by Entity (RM)

	AmBank Group	AmGroup Foundation
FY2020	72,405	1,692,460

### Community Reach

#### Total People Reached & Institutions Sponsored

FY2018	469
FY2019	3,189
<b>FY2020</b>	<b>3,601</b>

### Zakat Contributions

	FY2018	FY2019	FY2020
Total Contributed (RM)	1,807,212	1,855,141	<b>2,445,268</b>

### Awards & Recognition

**Winner of the Outstanding Volunteer Award** at the FINCO Educators Conference 2020 in Kota Kinabalu, Sabah.



# GRI Content Index

This Sustainability Report has been prepared 'In Accordance' with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines: Core Option. The following table showcases the GRI Content Index and refers to information disclosed in two key documents: AmBank Group Sustainability Report and AmBank Group Integrated Annual Report 2020.

## CORE REQUIREMENTS

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Organisational Profile</b>				
<b>102-1</b>	Name of the organisation	AMMB Holdings Berhad	–	Full
<b>102-2</b>	Activities, brands, products, and services	<b>What We Do</b>	9	Full
<b>102-3</b>	Location of headquarters	Kuala Lumpur, Malaysia	3	Full
<b>102-4</b>	Location of operations	<b>Where We Operate</b>	8	Full
<b>102-5</b>	Ownership and legal form	AMBB Holdings Berhad	–	Full
<b>102-6</b>	Markets served	<b>Where We Operate</b> AmBank Group serves over 170 branches and 11 regional offices all over Malaysia.	8	Full
<b>102-7</b>	Scale of the organisation	<b>Overview of AmBank Group</b> Market Capitalisation: RM9.0 billion Assets: RM169.2 billion <i>*As of 31 March 2020</i>	6	Full
<b>102-8</b>	Information on employees and other workers	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	167-179	Full
<b>102-9</b>	Supply Chain	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b> We have 1,633 suppliers and contributed RM538.2 million to local suppliers.	181	Full
<b>102-10</b>	Significant changes to the organisation and its supply chain	No significant changes in the organisation and supply chain.	–	Full
<b>102-11</b>	Precautionary principle or approach	<b>Conscious Self-Conduct – M10: Energy, Waster &amp; Waste Management</b> We are guided by AmBank Group's Environmental Policy, which supports a precautionary approach to environmental risks and impacts.	149 & 182	Full
<b>102-12</b>	External initiatives	<b>Membership &amp; Associations</b> We contribute and participate in FINCO, Malaysia's largest collective impact on CSR programmes.	150-151	Full
<b>102-13</b>	Membership of associations	<b>Membership &amp; Associations</b> We actively participate in professional associations and memberships to exchange knowledge and ideas on industry best practices.	150-151	Full
<b>Strategy</b>				
<b>102-14</b>	Statement from senior decision-maker	<b>Leadership Commitment</b>	136-137	Full
<b>102-15</b>	Key impacts, risks, and opportunities	<b>Sustainability Matters – Management Approach</b> The importance, risks and opportunities of AmBank Group's sustainability matters are elaborated within the report.	140-141	Full
<b>Ethics and Integrity</b>				
<b>102-16</b>	Values, principles, standards, and norms of behaviour	<b>Overview of AmBank Group – Our Purpose Our Value Creating Business Model</b> AmBank Group Values: Proactive, Principled, Appreciative, Collaborative, and Experimental.	6 34-35	Full
<b>Governance</b>				
<b>102-18</b>	Governance structure	<b>Sustainability Governance</b> We are continuously reviewing and strengthening our sustainability governance approach.	144	Full

## GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	<b>Stakeholder Engagement</b> Key stakeholder groups: customers; employees; suppliers, government & regulators; communities, NGOs & civil society; shareholders & investors; business partners; media; and sustainability-certified bodies.	40-41	Full
102-41	Collective bargaining agreements	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> 12% of AmBank Group employees are covered by collective bargaining agreements.	170	Full
102-42	Identifying and selecting stakeholders	We identify stakeholders according to their influence on the business, and the impact of the business on the stakeholders.	40	Full
102-43	Approach to stakeholder engagement	We engage with stakeholders through various internal and external platforms.	40-41	Full
102-44	Key topics and concerns raised	The list of topics of interest raised by stakeholders are addressed in the report.	40-41	Full
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	Annual Report (AmBank Group Financial Statement/Report)	–	Full
102-46	Defining report content and topic Boundaries	<b>Scope of Sustainability Reporting</b> The sustainability report covers AmBank Group's sustainability initiatives and ESG impacts across our operations in Malaysia.	138	Full
102-47	List of material topics	<b>Sustainability Matters</b> We identified ten sustainability matters that are material to our business and stakeholders.	139-140	Full
102-48	Restatement of information	<b>Restatement of FY2019 Data</b> Due to changes in our GHG accounting, we are restating the FY2019 figures for Scope 2 and Scope 3 reporting.	182	Full
102-49	Changes in reporting	<b>Sustainability Matters</b> We regrouped our sustainability matters into three new themes that reflect AmBank Group's sustainability efforts: Responsible Banking, Conscious Self-Conduct, and Positive Societal Impact.	139	Full
102-50	Reporting period	<b>Scope of Sustainability Reporting</b> This report covers the financial year 1 April 2019 to 31 March 2020, unless otherwise specified.	138	Full
102-51	Date of most recent report	Our most recent Sustainability Report was published in AmBank Group's Integrated Annual Report 2019.	–	Full
102-52	Reporting cycle	Annual	–	Full
102-53	Contact point for questions regarding the report	AmBank Group IR team; email ir@ambankgroup.com	77	Full
102-54	Claims of reporting in accordance with the GRI Standards	<b>Scope of Sustainability Reporting</b> The scope of our sustainability disclosures is "In Accordance" with GRI Standards: Core Option.	138	Full
102-55	GRI content index	This is the GRI Content Index.	195-201	Full
102-56	External assurance	The authenticity of this report was verified by an external auditor, SIRIM QAS International Sdn Bhd.	202-205	Full

## TOPIC-SPECIFIC DISCLOSURES

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Responsible Banking</b>				
<b>Material Topic 1: Data Security, IT Infrastructure &amp; Digital Transformation</b>				
<b>103-1</b>	Explanation of the material topic and its boundary	<b>Responsible Banking – M1: Data Security, IT Infrastructure &amp; Digital Transformation</b>	152	Full
<b>103-2</b>	The management approach and its components	<b>Responsible Banking – M1: Data Security, IT Infrastructure &amp; Digital Transformation</b>	152-156	Full
<b>103-3</b>	Evaluation of the management approach	<b>Responsible Banking – M1: Data Security, IT Infrastructure &amp; Digital Transformation</b>	156	Full
<b>201-1</b>	Direct economic value generated and distributed	<b>Performance Review</b> <b>Economic Value Generated:</b> RM9,324.6 million of operating revenue <b>Economic Value Distributed:</b> RM1,241.0 million for employees RM3.0 million capital payments RM327.0 million for government RM1.8 million for Community Investment RM2.4 million for Zakat Contributions	65 & 194	Full
<b>417-1</b>	Requirements for product and service information and labeling	<b>Responsible Banking – M1: Data Security, IT Infrastructure &amp; Digital Transformation</b> Through AmDigital, we aim to improve customer efficiencies and better serve our customers.	152-156	Full
<b>Material Topic 2: Customer Satisfaction</b>				
<b>103-1</b>	Explanation of the material topic and its Boundary	<b>Responsible Banking – M2: Customer Satisfaction</b>	157	Full
<b>103-2</b>	The management approach and its components	<b>Responsible Banking – M2: Customer Satisfaction</b>	157-158	Full
<b>103-3</b>	Evaluation of the management approach	<b>Responsible Banking – M2: Customer Satisfaction</b>	158	Full
<b>416-1</b>	Assessment of the health and safety impacts of products and service categories	<b>Responsible Banking – M2: Customer Satisfaction</b> We implemented measures to address the financial distress faced by customers during COVID-19.	159-160	Partial
<b>417-1</b>	Requirements for product and service information and labeling	<b>Sustainability Governance – Key Policies and Governance Guidelines That Address Sustainability Matters</b> We comply with our Code of Conduct (Treating Customers Fairly) and Customer Service Charter (Service Standards) to ensure the best product and services are delivered to our customers.	145	Full
<b>Non-GRI disclosure</b>	Net Promoter Score (NPS)	<b>Achievements in FY2020</b> 15-point improvement in NPS, from -21 to -06. No. 2 ranking in NPS amongst industry competitors.	158	–

## GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Material Topic 5: Financial Inclusion &amp; Responsible Lending</b>				
103-1	Explanation of the material topic and its Boundary	<b>Responsible Banking – M5: Financial Inclusion &amp; Responsible Lending</b>	159	Full
103-2	The management approach and its components	<b>Responsible Banking – M5: Financial Inclusion &amp; Responsible Lending</b>	159-160	Full
103-3	Evaluation of the management approach	<b>Responsible Banking – M5: Financial Inclusion &amp; Responsible Lending</b>	159	Full
203-1	Infrastructure investments and services supported	<b>Responsible Banking – M5: Financial Inclusion &amp; Responsible Lending</b> We offer cashless collection solutions via JomPAY to mosques, Zakat centres and NGOs. We also deliver retirement solutions to investors.	160	Full
203-2	Significant indirect economic impacts	<b>Responsible Banking – M5: Financial Inclusion &amp; Responsible Lending</b> We implemented COVID-19 Protection initiatives, including payment programmes and loans deferment for customers impacted by the pandemic.	160	Full
<b>Material Topic 6: Responsible Marketing, Product &amp; Services</b>				
103-1	Explanation of the material topic and its Boundary	<b>Responsible Banking – M6: Responsible Marketing, Product &amp; Service Design</b>	161	Full
103-2	The management approach and its components	<b>Responsible Banking – M6: Responsible Marketing, Product &amp; Service Design</b>	161-162	Full
103-3	Evaluation of the management approach	<b>Responsible Banking – M6: Responsible Marketing, Product &amp; Service Design</b>	162	Full
417-1	Requirements for product and service information and labeling	<b>Responsible Banking – M6: Responsible Marketing, Product &amp; Service Design</b> We ensure ethical marketing activities, branding and communication through our Brand Governance, Group Campaign Marketing Review Checklist, and other regulatory guidelines.	162	Full
<b>Material Topic 8: Environmentally &amp; Socially Responsible Investment</b>				
103-1	Explanation of the material topic and its Boundary	<b>Responsible Banking – M8: Environmentally &amp; Socially Responsible Investment</b>	163	Full
103-2	The management approach and its components	<b>Responsible Banking – M8: Environmentally &amp; Socially Responsible Investment</b>	163	Full
103-3	Evaluation of the management approach	<b>Responsible Banking – M8: Environmentally &amp; Socially Responsible Investment</b>	163	Full
<b>Non-GRI disclosure</b>	Sustainable and Responsible Investment	<b>Responsible Banking – M8: Environmentally &amp; Socially Responsible Investment</b> We spur ethical financing through SRI, SUKUK and Green Bonds. We are responsible for raising the first ASEAN Green Bond and GREEN SRI Sukuk.	163	–
<b>Conscious Self-Conduct</b>				
<b>Material Topic 3: Ethics, Governance &amp; Compliance</b>				
103-1	Explanation of the material topic and its Boundary	<b>Conscious Self-Conduct – M3: Ethics, Governance &amp; Compliance</b>	164	Full
103-2	The management approach and its components	<b>Conscious Self-Conduct – M3: Ethics, Governance &amp; Compliance</b>	164-166	Full
103-3	Evaluation of the management approach	<b>Conscious Self-Conduct – M3: Ethics, Governance &amp; Compliance</b>	166	Full

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Material Topic 3: Ethics, Governance &amp; Compliance</b>				
<b>205-1</b>	Operations assessed for risks related to corruption	<b>Sustainability Matters – Management Approach</b> Our response to the risk, opportunities and response related to corruption is included in the Management Approach table.	140-141	Full
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	<b>Conscious Self-Conduct – M3: Ethics, Governance &amp; Compliance</b> We provide various compliance training and awareness programmes to employees and other relevant stakeholders.	164-166	Full
<b>Material Topic 4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>				
<b>103-1</b>	Explanation of the Material topic and its Boundary	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	167	Full
<b>103-2</b>	The management approach and its components	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	167, 169, 173-174, 176 & 178	Full
<b>103-3</b>	Evaluation of the management approach	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	170-173, 174-175 & 179	Full
<b>401-1</b>	New employee hires and employee turnover	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> High performer retention rate: Female 97%, Male 96% Employee turnover rate: Voluntary 13%, Involuntary 1%	170-171	Full
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Full-time employees are provided with life insurance, health care, parental leave, retirement provision and others.	169 & 173	Full
<b>401-3</b>	Parental leave	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> Both male and female employees are provided with parental leave, with 3% and 5% utilising this benefit in FY2020, respectively.	173	Full
<b>403-1</b>	Occupational health and safety management system	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> Our stringent OSH management System protects our people against accidents and injuries. We conduct regular OSH audits, Groupwide OSH communication and training seminars.	176 & 178	Full
<b>403-2</b>	Hazard identification, risks assessment, and incident investigation	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> During the year, we achieved zero fatality cases in the workplace, with 11 work-related accidents reported.	179	Full
<b>403-3</b>	Occupational health services	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> Our stringent OSH Management System protects our people against accidents and injuries. Carried out wellness activities including health screening, health talks, fitness challenge campaigns and public runs for a healthier lifestyle. Provision of comprehensive healthcare coverage, gymnasium facilities, health club membership and health-oriented activities.	169 & 176	Partial

## GRI Content Index

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Material Topic 4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>				
403-4	Worker participation, consultation, and communication on occupational health and safety	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> We publish monthly OSH bulletins, periodic OSH memorandums, prohibitions and updates within the Group's internal intranet and portal. Carried out biannual OSH Feedback Solicitation initiative.	178	Full
403-5	Worker training on occupational health and safety	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> We implemented Health and Safety Training, OSH e-Learning and OSH seminars that comply with Occupational Safety and Health Policy Statement.	176-179	Full
403-6	Promotion of workers health	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> We provide health facilities to employees. We also organised AmBank Group Health & Wellness Month Campaign. KAG continue to invest in employee well-being through comprehensive healthcare coverage and provision of gymnasium facilities.	169	Full
403-7	Workers covered by an occupational health and safety management system	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> We have systems in place to mitigate risks to workplace safety. A stringent OSH Management System protects the physical health of our people against accidents and injuries.	176	Full
403-9	Work-related injuries	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	179	Full
404-1	Average hours of training per employee	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> Each employee received an average of 66 hours of training.	175	Full
404-2	Programs for upgrading employee Skills and transition assistance programs	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> We continue to invest in our talent and leadership development programmes.	173-175	Partial
405-1	Diversity of governance bodies and employees	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b> 39% of Top/Senior Management positions are held by women, whilst 25% of the Board of Directors are female.	171	Full
405-2	Ratio of basic salary and remuneration between male & female employees	<b>Conscious Self-Conduct – M4: Conducive &amp; Inclusive Workplace and Human Capital Development</b>	172	Full
<b>Material Topic 7: Responsible Sourcing &amp; Procurement</b>				
103-1	Explanation of the material topic and its boundary	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b>	180	Full
103-2	The management approach and its components	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b>	180-181	Full

GRI Standards	Brief Description of the Disclosures	Brief Information (Key Disclosures and References)	Page Number	Full or Partial Disclosures
<b>Material Topic 7: Responsible Sourcing &amp; Procurement</b>				
<b>103-3</b>	Evaluation of the management approach	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b>	181	Full
<b>204-1</b>	Proportion of spending on local suppliers	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b> RM538,204,748 contributed to our local suppliers.	181	Full
<b>308-1</b>	New suppliers that were screened using environmental criteria	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b> 100% of new suppliers and contract renewals screened using ESG criteria.	181	Full
<b>414-1</b>	New suppliers that were screened using social criteria	<b>Conscious Self-Conduct – M7: Responsible Sourcing &amp; Procurement</b> 100% of new suppliers and contract renewals screened using ESG criteria.	181	Full
<b>Material Topic 10: Energy, Water &amp; Waste Management</b>				
<b>103-1</b>	Explanation of the material topic and its boundary	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b>	182	Full
<b>103-2</b>	The Management approach and its components	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b>	182-185	Full
<b>103-3</b>	Evaluation of the management approach	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b>	186-190	Full
<b>302-1</b>	Energy consumption within the organisation	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b> Total of energy consumption: 28,374,000 kWh	187-190	Full
<b>302-4</b>	Reduction of energy consumption	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b> Total reduction of energy consumption: 3,291,000 kWh (10%)	187-188	Full
<b>305-1</b>	Direct (Scope 1) GHG Emissions	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b> Scope 1 Emissions: 101.72 tCO <sub>2</sub> e	187	Full
<b>305-2</b>	Energy indirect (Scope 2) GHG Emissions	<b>Conscious Self-Conduct – M10: Energy, Water &amp; Waste Management</b> Scope 2 Emissions: 15,809.78 tCO <sub>2</sub> e (11% emission reduction)	187-188	Full
<b>305-3</b>	Other indirect (Scope 3) GHG Emissions	<b>Conscious Self-Conduct – Achievements in FY2020</b> Scope 3 Emissions: 349.84 tCO <sub>2</sub> e from business-related travel.	189-190	Full
<b>Positive Societal Impact</b>				
<b>Material Topic 9: Community Investment &amp; Development</b>				
<b>103-2</b>	The management approach and its components	<b>Positive Societal Impact – M9: Community Investment &amp; Development</b>	191	Full
<b>103-3</b>	Evaluation of the management approach	<b>Positive Societal Impact – M9: Community Investment &amp; Development</b>	192-194	Full
<b>203-1</b>	Infrastructure investments and services supported	<b>Positive Societal Impact – M9: Community Investment &amp; Development</b> We invest in social mobility and community outreach through our AmKasih Programme. We also give back to the society through Zakat contributions, in which AmBank Islamic distributes funds to associations and charity homes that support underprivileged communities.	192-194	Full
<b>413-1</b>	Operations with local community engagement, impact assessment, and development programs	<b>Positive Societal Impact – M9: Community Investment &amp; Development</b> The AmGroup Foundation receives and administers funds for educational, scientific, medical, charitable, religious and cultural benefits. The money from Zakat contributions are disbursed to asnaf groups from local universities, old folks homes, charity organisations and Muafaf associations. These engagements were assessed to obtain social and environmental impacts.	192-194	Full

# Independent Assurance Statement



**SIRIM QAS INTERNATIONAL SDN. BHD.** (410334-X)  
 SIRIM Complex,  
 1, Persiaran Dato' Menteri, Section 2,  
 40700 Shah Alam, Selangor Darul Ehsan, Malaysia.  
 Tel : 603-5544 6400 Fax : 603-5544 6810  
 www.sirim-qas.com.my

## INDEPENDENT ASSURANCE STATEMENT (PARTIAL)

### Scope and Objective

SIRIM QAS International Sdn. Bhd., a Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by AMMB Holdings Berhad (hereafter referred to as AmBank Group) to perform an independent verification and provide partial assurance of AmBank Group Sustainability Statement 2020. The main objective of verification process is to provide assurance to AmBank Group and its stakeholders of the accuracy and reliability of the selected information presented in the Sustainability Statement. This was confirmed through checking and verifying claims made in the statement. The verification audit by SIRIM QAS International covered only sustainability-related activities selected by AmBank Group which had been included in AmBank Group Sustainability Report of the Integrated Annual Report 2020.

The management of AmBank Group was responsible for the preparation of the Sustainability Statement. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the AmBank Group Integrated Annual Report 2020.

### Verification team

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader



ISO/IEC 17021-1:2015 QS 02121998 CB 01  
 ISO/IEC 17021-1:2015 EMS 1122002 CB 02  
 ISO/IEC 17065:2012 PC 04102004 CB 01  
 ISO/IEC 17001:2015 OHS 04020016 CB 01  
 ISO/IEC 15024-1:2018 HPCCP 05020308 CB 03  
 ISO/IEC 22003:2013 FMS 20220509 CB 01  
 MS ISO/IEC 17021:2011 FSPC 10122009 CB 02  
 MS ISO/IEC 27001:2011 ISMS 17020011 CB 01  
 ISO/IEC 17024-1:2015 EMS 03010014 CB 01  
 ISO/IEC 17021-1:2015 MOQMS 30082015 CB 04  
 ISO/IEC 17021-1:2015 OHS 09102015 CB 04  
 ISO/IEC 17021-1:2015 MSND 25072017 CB 06  
 ISO/IEC 17064:2012 PE 03020017 CB 03

MS ISO/IEC 17025  
 CALIBRATION TESTING  
 SAMM NO 085 SAMM NO 086  
 SAMM NO 087 SAMM NO 219  
 SAMM NO 735 SAMM NO 240  
 SAMM NO 734 SAMM NO 377

MS ISO/IEC 17020  
 MBAS NO 003

074

A wholly-owned subsidiary of SIRIM Berhad