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SUSTAINABILITY STATEMENT



Celebrating the winners of AEIOU Challenge Season 6.

SCOPE OF THIS REPORT

This Sustainability Statement presents a view of the Bank's Economic, Environmental and Social ("EES") initiatives and outcomes that took place between 1 April 2021 and 31 March 2022. We have aligned our statement with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on Sustainability Statements in Annual Reports published in 2016 and the second edition of Bursa Malaysia's Sustainability Reporting Guide published in 2018.

Our corporate responsibility agenda is also aligned with Bank Negara Malaysia ("BNM")'s requirements for financial institutions. Additionally, Alliance Bank is a constituent of the FTSE4Good Bursa Malaysia Index ("FTSE4Good").

The Group is committed to aligning its operations to sustainable practices by adopting BNM's Climate Change and Principle-based Taxonomy ("CCPT") guidelines for new and existing business loans/financing. We are also committed to progressively adopt the recommendations

of the Task Force on Climate-related Financial Disclosures ("TCFD") starting 2022. We will continue to improve our disclosures to align with best practice reporting standards.

APPROACH TO SUSTAINABILITY

We strive to help improve the financial and social well-being of our customers, beginning with business owners. This is because we recognise that business owners have a large footprint in the local economy.

In 2020, small and medium-sized enterprises ("SMEs") contributed 38.2% to Malaysia's gross domestic product ("GDP") and provided employment to 15.1 million Malaysians. Business owners are the bedrock of local communities as they create employment, pay taxes, and contribute to economic growth. Therefore, by serving business owners, we can create positive socio-economic impact in the wider community, including business owners' family members, employees and customers.

Our Sustainability Purpose

Our sustainability purpose is to help business owners adopt practical environmental, social and governance (ESG) practices to create value for the business, community and environment. At the same time, we are also changing the way we operate to be more sustainable in the long term.

By FY2025, we aim to:

1

Achieve RM10 billion in new sustainable banking business

2

Help customers adopt sustainable lifestyles and business practices

3

Reduce the Bank's greenhouse gas (GHG) emission footprint

Our sustainability goals are supported by five pillars and aligned with relevant United Nations Sustainable Development Goals (“UN SDGs”):

Pillars	Description	Relevant UN SDGs
 Sustainable Financing	We provide financing to companies looking to transform their business processes to be sustainable in the long term, and deliver sustainable solutions to their customers.	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #ffc107; padding: 5px; text-align: center;">7 AFFORDABLE AND CLEAN ENERGY</div> <div style="background-color: #dc3545; padding: 5px; text-align: center;">8 DECENT WORK AND ECONOMIC GROWTH</div> <div style="background-color: #ffc107; padding: 5px; text-align: center;">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div style="background-color: #28a745; padding: 5px; text-align: center;">13 CLIMATE CHANGE</div> </div>
 Digital Transformation	We encourage businesses to use our innovative digital solutions, such as the BizSmart® Mobile app and BizSmart® eTrade, to run their business more efficiently.	<div style="background-color: #fd7e14; padding: 5px; text-align: center;">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>
 ESG Advisory	We collaborate with strategic partners including the Malaysian Green Technology and Climate Change Corporation and Bursa Malaysia Berhad, among others, to help businesses structure their ESG roadmap in order to implement sustainable business practices.	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #ffc107; padding: 5px; text-align: center;">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div style="background-color: #28a745; padding: 5px; text-align: center;">13 CLIMATE CHANGE</div> <div style="background-color: #003366; padding: 5px; text-align: center;">17 PARTNERSHIPS FOR THE GOALS</div> </div>
 Economic Empowerment	We provide education, upskilling and relevant business sustainability solutions via our BizSmart® Solution portal. In addition, we offer financial education to vulnerable communities to help them better manage their finances through the AEIOU and Economic Empowerment Programmes.	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #dc3545; padding: 5px; text-align: center;">1 NO POVERTY</div> <div style="background-color: #dc3545; padding: 5px; text-align: center;">4 QUALITY EDUCATION</div> <div style="background-color: #dc3545; padding: 5px; text-align: center;">8 DECENT WORK AND ECONOMIC GROWTH</div> <div style="background-color: #e83c8d; padding: 5px; text-align: center;">10 REDUCE INEQUALITIES</div> </div>
 Sustainable Operations	We are transforming our business by embedding ESG practices into our business policies, processes and operations to reduce our emission footprint. This includes embedding sustainability into our procurement practices.	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #dc3545; padding: 5px; text-align: center;">4 QUALITY EDUCATION</div> <div style="background-color: #dc3545; padding: 5px; text-align: center;">5 GENDER EQUALITY</div> <div style="background-color: #ffc107; padding: 5px; text-align: center;">7 AFFORDABLE AND CLEAN ENERGY</div> <div style="background-color: #ffc107; padding: 5px; text-align: center;">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div> <div style="background-color: #28a745; padding: 5px; text-align: center; margin-top: 10px;">13 CLIMATE CHANGE</div>

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

We have a structured sustainability governance model to ensure that we deliver on our ESG commitments efficiently and effectively.

We have a comprehensive sustainability capability development plan for our Board members, senior management and subject matter experts. These training programmes cover key ESG issues such as sustainable finance, risk management, and disclosures.



Sustainability Governance Organisation Chart

Alliance Bank & Alliance Islamic Bank Board of Directors

The Board sets the tone from the top and is responsible for reviewing and approving the Bank’s sustainability strategies, policies and processes.

Group Risk Management Committee & Executive Risk Management Committee

The Group Risk Management Committee and Executive Risk Management Committee review ESG risks and their impact on market, credit and operational risks. Policies, frameworks and initiatives to address these risks are deliberated and endorsed by these committees.

Group Sustainability Committee & Management Committee

The Group Sustainability Committee comprises three independent directors. Supported by the Management Committee, their role is to assist the Bank’s Board of Directors by providing oversight on all matters related to sustainability. The committee ensures we embed ESG principles into our business strategies and provide oversight on the implementation of ESG initiatives across the Bank.

Sustainability Steering Committee

At the management level, the Sustainability Steering Committee (“SSC”) oversees the implementation of the Bank’s sustainability strategies, policies and procedures.

The SSC provides regular reports on the Group’s sustainability initiatives to the Group Sustainability Committee and the Board.

Chief Executive Officer of Alliance Islamic Bank

The Chief Executive Officer of Alliance Islamic Bank plays a leadership and coordinator role in ensuring that the Bank’s sustainability strategies, policies and processes are effectively implemented across our operations.

Head of Sustainability

The Head of Sustainability is responsible for driving the Bank’s sustainability initiatives, and also assists the AIS Chief Executive Officer in implementing the Bank’s sustainability strategies, policies and processes.

Stakeholder Engagement

We regularly engage our stakeholders using different mediums on various platforms to inform them of our corporate development, business direction and sustainability initiatives, and to obtain feedback on our efforts.

For our efforts in building trust, we garnered a “Special Mention” in the FBM Mid 70 Index category in the PwC Malaysia-Asia School of Business’s Trust and Leadership Survey 2021. Furthermore, our Group Chief Executive Officer, Mr. Joel Kornreich, was commended by the Malaysian Investor Relations Association as being the “Best Chief Executive for Investor Relations” in the mid-cap category.



Stakeholder Mapping

Stakeholders	Government, Policymakers, Regulators	Shareholders, Investors	Customers	Communities	Employees
Focus Areas	Corporate Development, Business Direction and Sustainability Initiatives				
	Regulatory and Compliance		Knowledge Sharing		Talent Development
Platform/ Tools	<ul style="list-style-type: none"> Dialogues Conferences Periodic and regular reporting Participate in industry’s and regulator’s initiatives 	<ul style="list-style-type: none"> Annual General Meeting Quarterly analyst briefings ESG briefing One-on-one and group investor meetings with the management and investor relations team Bank’s corporate website 	<ul style="list-style-type: none"> Digital touchpoints Physical branches Market research Networking events Bank’s corporate website Bank’s social media channels Customer satisfaction surveys 	<ul style="list-style-type: none"> Community programmes Bank’s corporate website Bank’s social media channels 	<ul style="list-style-type: none"> Intranet Employee surveys Department meetings Trainings Mentoring programmes Rewards & Recognition programmes Social activities

SUSTAINABILITY STATEMENT

Stakeholder Mapping (cont'd)

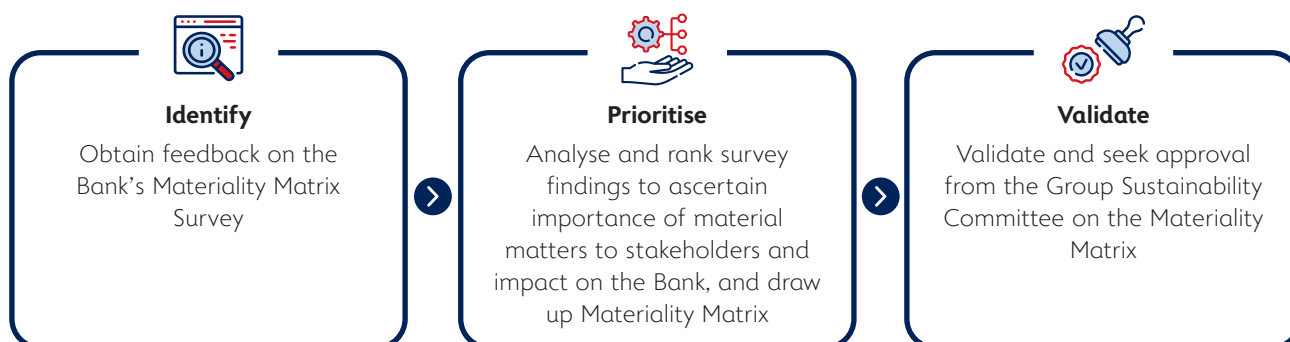
Stakeholders	Government, Policymakers, Regulators	Shareholders, Investors	Customers	Communities	Employees
Focus Areas	Corporate Development, Business Direction and Sustainability Initiatives				
	Regulatory and Compliance	Knowledge Sharing			Community Programmes
Addressing Expectations	Talent Development				
	<ul style="list-style-type: none"> Establish a robust compliance system which is continuously reviewed and enhanced to ensure that all regulatory requirements are met Stay updated on changes in local laws and regulations Provide necessary reports and information on a timely basis Actively participate and contribute to the programmes initiated by the government, policymakers and regulator 	<ul style="list-style-type: none"> Pursue a balanced, sustainable growth via strategic plans, and staying competitive while keeping the Bank safe Focus on strong risk management, maintain a healthy capital position, and actively manage liquidity to sustain financial viability Provide timely and comprehensive updates and disclosures on performance, strategic progress and significant corporate milestones Maintain active engagement with shareholders and investors 	<ul style="list-style-type: none"> Use of Alliance Way to put ourselves in our customers' situation to understand their needs and concerns, and providing the right solutions to achieve their objectives in a fast, simple and responsive manner Continuous focus on introducing and enhancing our products and solutions to deliver innovative solutions in a fast and simple manner Provide effective solutions for customers impacted by COVID-19 A proactive Customer Experience Council that meets regularly to identify areas for improvement and implement measures to address key customer issues 	<ul style="list-style-type: none"> Collaborate with strategic partners to advocate economic empowerment Promote financial literacy especially among children, B40 segment and SMEs Provide financial assistance through SocioBiz crowdfunding platform and zakat 	<ul style="list-style-type: none"> Advocate open and transparent communication via weekly meetings, monthly department meetings and townhalls Promote a culture of appreciation via quarterly Voice of Employee surveys, Alliance Heroes and ManCo Appreciates You initiatives Offer various career advancement paths for professional growth, and nurture talent pipelines through development programmes like Alliance Bank Leadership Excellence Academy and Alliance Development Programme Organise employee engagement and well-being initiatives via the Recreational and Sports Club and Fit@Alliance Attract and retain talent by introducing hybrid work arrangements and flexible employee benefits

Material Matters

Material matters are key areas that impact the Bank and influence stakeholder decision to do business or associate with the Bank. In 2018, we prioritised the top seven out of 13 identified material matters. These were economic performance, digitisation, customer experience, customer data privacy, corporate responsibility, talent attraction and retention, and employee engagement and wellness.

Materiality Assessment Methodology

Our approach in assessing material matters involves:







This year, we conducted a materiality assessment exercise to refresh our list of material matters and included seven additional material matters. These are ethics and compliance, product stewardship, responsible lending, ESG/climate impact management, learning and development, diversity and equal opportunity, and sustainable procurement. The inclusion of these latest material matters reflect the Bank's commitment towards helping our customers adopt ESG practices, while reducing our own carbon emission footprint.

Materiality Matrix



SUSTAINABILITY STATEMENT

We have classified our material matters according to our five sustainability pillars, and the Economic, Environmental and Social themes of the Sustainability Statement.

Sustainability Pillars	Sustainability Statement Themes		
	Economic	Environmental	Social
 Sustainable Financing	<ul style="list-style-type: none"> • Responsible Lending • Product Stewardship 		
 Digital Transformation	<ul style="list-style-type: none"> • Digitisation 		
 ESG Advisory	<ul style="list-style-type: none"> • Product Stewardship 	<ul style="list-style-type: none"> • ESG/Climate Impact Management 	
 Economic Empowerment			<ul style="list-style-type: none"> • Corporate Responsibility
 Sustainable Operations	<ul style="list-style-type: none"> • Economic Performance • Sustainable Procurement 	<ul style="list-style-type: none"> • ESG/Climate Impact Management 	<ul style="list-style-type: none"> • Ethics & Compliance • Customer Experience • Customer Data Privacy • Talent Attraction & Retention • Employee Engagement & Wellness • Diversity & Equal Opportunity • Learning & Development

THE THREE PILLARS OF SUSTAINABILITY

Throughout the year, the Group implemented various business support and community programmes under the Economic, Environmental and Social themes.

A. Economic

Stable Financial Operations

To support our lending activities and sustain future growth, we continued to maintain a capital base that is well above the regulatory thresholds. Our capital position remained strong with Common Equity Tier-1 ratio at 16.0%, Tier-1 capital ratio at 16.9% and total capital ratio at 21.0%. We also maintained a healthy liquidity position for FY2022, with liquidity coverage ratio consistently above the regulatory threshold of 100% and net stable funding ratio at over 100%.

As part of our on-going risk management and capital adequacy assessments, we regularly conduct stress tests to evaluate our readiness in facing macroeconomic challenges such as slowing or negative gross domestic product (“GDP”) growth, rising unemployment and higher interest rates.

In recent years, we have assessed our exposure to sectors that were impacted by the pandemic. In FY2022, we continued to offer financial and non-financial assistance to our personal and business banking customers impacted by the pandemic to protect their financial well-being. Due to our proactive actions in mitigating the risks of the pandemic, the Bank has continued to deliver economic value to its stakeholders, as depicted in the following table.

	FY2022 RM Million	FY2021 RM Million	FY2020 RM Million
Direct Economic Value Generated			
Revenue	1,867.6	1,817.5	1,689.3
Share of Results of Joint Venture	0.1	0.1	0.1
Total for Economic Value Generated	1,867.7	1,817.6	1,689.4
Economic Value Distributed			
Employee wages and benefits	529.6	511.7	516.1
Community investments (administrative expenses – donation)	1.0	2.1	4.8
Payments to Government – taxation	254.6	125.2	143.6
Operating costs (excluding personnel expenses and community investments)	201.9	198.4	202.3
Payments to providers of capital – cash dividends paid to shareholders	218.1	-	219.8
Net bad debts	217.4	533.0	314.5
Total for Economic Value Distributed	1,422.6	1,370.4	1,401.1
Economic Value Retained			
Depreciation and amortisation	90.4	88.4	83.8
Profits after Dividend	354.7	358.8	204.5
Total for Economic Value Retained	445.1	447.2	288.3

Supporting SMEs

In FY2022, we continued to support our clients to weather the effects of the pandemic and help them grow their business as the economic recovery continued to gain momentum.

BizSmart® Solution

BizSmart® Solution is our one-stop online business community portal that enables business owners to reach out to new customers and access relevant solutions and resources at preferential rates to manage their business more efficiently. During the year, we doubled the number of our partners on the portal to over 200.

We also signed two strategic partnerships – the first, with Bursa Malaysia Berhad and another with the Malaysian Green Technology and Climate Change Corporation (“MGTC”). Our collaboration with Bursa Malaysia on their #financing4ESG programme aims to improve ESG adoption practices among Malaysian public listed companies (“PLCs”). Under this programme, PLCs undergo a FTSE4GOOD gap analysis conducted by Bursa Malaysia. Subsequently, we provide funding to help these PLCs transform their operations to address the identified gaps and match them with green solution providers via BizSmart® Solution.

We help business owners improve their ESG practices with advisory and training under the Green SME Nurturing and Development Programme. Furthermore, MGTC assists ESG solution providers to obtain the MyHIJAU certification and be listed on the MyHIJAU Directory, an online resource for certified green products and services. The MyHIJAU Mark is the official green recognition endorsed by the Malaysian Government.

SUSTAINABILITY STATEMENT

Through MGTC, we provide business owners access to almost 50 MyHIJAU solution providers that offer a wide range of ESG solutions. On our part, we helped to lower the barrier for businesses to adopt sustainability by offering financing support. We also worked with MGTC on other business matching programmes, including the International Greentech & Eco Products Exhibition & Conference Malaysia 2021 (“iGEM 2021”) and Dubai@Expo 2022.

In FY2022, the BizSmart® Solution won five local and regional awards, including the prestigious Asian Banker Excellence in Retail Financial Services International Awards 2021 for Best Beyond Banking Service.

#SupportLokal

The #SupportLokal initiative helps local businesses widen their customer reach by taking their businesses online. Our #SupportLokal microsite features over 110 small businesses and has driven over 430,000 visits to their websites in the past two years. Our #SupportLokal page also lists social enterprises that offer products and services to consumers.



Halal in One Programme

Alliance Islamic Bank’s (“AIS”) Halal in One programme offers end-to-end halal certification support, advisory, Shariah-compliant funding and global market access to businesses seeking to expand their customer reach in the halal segment.

During the year, we strengthened our Halal in One programme for businesses with more digitisation options, training, and access to online marketplace via partnerships with Fusionex, eJazmine and the International Institute for Halal Research (“INHART”). Our collaborations with Fusionex enabled business owners to create an online presence and use market

analytics and intelligence to boost business growth, while eJazmine offered preferential rates to local businesses looking to expand their businesses internationally. At the same time, INHART ran specialised training on Shariah compliance and provided international halal audit services to businesses looking to enter foreign markets.

In addition, we helped four of our BizSmart® Challenge finalists with their halal journey by funding part of their halal certification cost.



The Alliance Bank-EcoWorld BizSmart® Challenge

Since 2013, the Alliance Bank-EcoWorld BizSmart® Challenge has provided business training, coaching, mentoring, networking, brand exposure and financing to high-potential young businesses. In FY2022, we continued to provide support to 20 of our BizSmart® Challenge finalists in the form of financial and non-financial solutions. These include financing, subsidising the cost of their halal certification programme, and helping them improve their brand exposure.

Digitisation

The e-KYC Solution

The e-KYC Solution is our fully digital onboarding solution that allows customers to open a digital savings account or apply for a personal loan or credit card via our allianceonline mobile app without physically visiting a branch. This is in line with our goal of delivering fast, simple and responsive banking services to our customers anytime and anywhere.

In FY2022, we opened close to 7,700 digital CASA accounts and we anticipate to open an additional 14,000 in the coming year. The e-KYC Solution won four awards, including “Best Digital Account Opening” at the Global Retail Banking Innovation Awards 2021.

Branch-in-a-Tablet

Our Branch-in-a-Tablet initiative enabled our relationship managers to perform simple banking applications such as account opening and loan applications for our customers at the location of their choice. For businesses, clients can open a business account in “1-day, 1-visit”.

Despite the movement control periods, our relationship managers’ use of the Branch-in-a-Tablet to help our customers with their banking needs gained us 32% additional new-to-bank customers in FY2022.

Digital Loans

The Digital Personal Loan application provides approval-in-principle within 10 minutes, with funds disbursed within 24 hours of approval. In FY2022, digital personal loans accounted for 34% of total personal loans bookings. In February 2022, we launched our digital store on Shopee offering digital personal loan and the Alliance SavePlus Account.

For micro and small SMEs, the Bank introduced Digital SME (“DSME”) lending, providing up to RM500,000 collateral-free financing. Under DSME, customers only need to complete a simple online application and will be notified within 24 hours of their loan approval. In FY2022, we provided RM60 million in Digital SME loans.

BizSmart® Mobile

The Bank’s BizSmart® Mobile App enables business owners to manage their business account, make payments and perform collections via their mobile phone without a physical token. In FY2022, we enhanced the BizSmart® Mobile features to make it more convenient for business owners to contribute towards employee statutory payroll payments, and for their employees to place e-Fixed deposit or perform withdrawals.

BizSmart® eTrade

The Alliance BizSmart® eTrade is Malaysia’s first mobile trade financing submission platform that facilitates the disbursement of funds into the customer’s account in a convenient, paperless, and fast manner. Business owners can submit their Bankers’ Acceptance or Trust Receipts

financing electronically via the BizSmart® Mobile app without physically visiting the branch. Approved trade proceeds are credited into the customer’s account within 24 hours of approval.

In FY2022, we improved BizSmart® eTrade to enable foreign currency transaction to over 85 countries for Bankers Acceptance, Trust Receipts and Promissory Note. These new features are especially useful for businesses involved in international trade. The BizSmart® eTrade accounted for over 40% of our total trade financing transactions in FY2022.

BizSmart® eTrade’s unique propositions won it eight regional and local awards during the year, including the Retail Banker International Asia Trailblazer 2021 Awards for Excellence in Customer Centricity, and the Asian Banking & Finance Retail Banking Awards 2021 for Mobile Banking & Payment Initiative of the Year – Malaysia.

Sustainable Supply Chain

We remain committed to ensure our supply chain is sustainable by ensuring fairness, transparency and accountability in our procurement practices. All our purchasing decisions were made in compliance with the Bank’s Procurement Policy and Standard Operating Procedures to ensure fair treatment to our vendors and suppliers.

Our suppliers are expected to abide by our Code of Conduct and Procurement Integrity terms which are clearly stated in the Bank’s Purchase Order terms and conditions. Furthermore, we require all our suppliers to use our e-Procurement system to submit their cost quotations and tender submissions for various projects. Our Tender Committee is responsible for overseeing the contract award process for purchases of above RM250,000.

B. ENVIRONMENTAL

In FY2022, we made significant changes to our policies and procedures to help our customers transform to be more sustainable while addressing our ESG risks. This included revising our credit policy on selected sectors, introducing enhanced risk assessment criteria, and equipping our relationship managers with a new ESG Screener to help our customers understand and make informed decisions on how to improve their business practices towards being more sustainable.

SUSTAINABILITY STATEMENT

Roadmap for ESG Management (Aligned to the Task Force on Climate-related Financial Disclosures¹ (“TCFD”) Recommendations)

Our sustainability efforts began in FY2021, and increased in momentum in FY2022 with further aspirations for FY2023.

Phases of Our ESG Management Efforts (Roadmap)

FY2021 Exploratory	FY2022 Foundation Building	FY2023 Advocacy & Outreach
Governance		
<ul style="list-style-type: none"> We established the management-level Sustainability Steering Committee which looked into the implementation of CCPT. We established a Sustainability Framework incorporating BNM’s CCPT and Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”). 	<ul style="list-style-type: none"> We set up the Board-level Group Sustainability Committee to provide oversight on sustainability matters and promote sustainability considerations in business strategies. We put in place a Sustainability Strategy Framework that laid out our sustainability purpose, goals, strategy, governance, and initiatives. We also incorporated ESG metrics into the balanced scorecard and senior management’s scorecards. 	<ul style="list-style-type: none"> We will develop an ESG remuneration framework for executives. We will enhance and expand our ESG management capability within the Bank.
Strategy		
	<ul style="list-style-type: none"> We established a Sustainability Strategy Framework with three topline goals to be achieved by FY2025: <ul style="list-style-type: none"> Achieve RM10 billion in new sustainable banking business Help our customers adopt more sustainable lifestyles and business practices. Reduce our greenhouse gas (“GHG”) emission footprint We have identified five focus areas to support our goals: <ul style="list-style-type: none"> Improve the ESG profile of the Bank’s portfolio Enhance our risk management infrastructure Improve the Bank’s ESG practices Improve our ESG capability and engagement with stakeholders Enhance disclosures and communications 	<ul style="list-style-type: none"> We will expand and roll out new sustainability offerings to our customers. We will increase engagement and advocacy activities with stakeholders. We will enhance ESG risk management capabilities, focusing primarily on climate change.

¹ The Task Force on Climate-related Financial Disclosures (“TCFD”) is a set of recommended disclosures provided to stakeholders to apprise them of the possible financial risk factors related to climate change.

Phases of Our ESG Management Efforts (Roadmap)

FY2021 Exploratory	FY2022 Foundation Building	FY2023 Advocacy & Outreach
Risk Management		
<ul style="list-style-type: none"> We performed a desktop baseline of our portfolio according to the CCPT guidance document. 	<ul style="list-style-type: none"> We enhanced the identification of ESG risk in our portfolio via the development of ESG Risk Acceptance Criteria (“RAC”) and the rollout of an ESG Screener Tool. We began preparatory initiatives to comply with BNM’s Climate Risk Management and Scenario Analysis (“CRMSA”) Exposure Draft. 	<ul style="list-style-type: none"> We will enhance our risk management capability and infrastructure for effective CRMSA implementation. We will improve our risk assessment tools and extend ESG due diligence to our procurement practices.

Metrics & Targets				
Topline Goals	FY2022 (Achieved)	FY2023	FY2025	
1. New sustainable banking business (cumulative)	RM2 billion	RM4 billion	RM10 billion	
2. Help our customers adopt more sustainable lifestyles and business practices (i.e. to have no more than X% of businesses that have not yet considered the adoption of sustainable practices)	<65%	<60%	<20%	
3. Reduce our GHG emission footprint	We have developed a GHG reduction plan and will announce our GHG emissions targets soon. Our reduction targets are in line with the commitment made together with the Association of Banks in Malaysia, where we pledge to be Carbon Net Zero by 2050.			

SUSTAINABILITY STATEMENT

Responsible Lending & Financing

Prohibited Lending

Our credit policy prohibits the funding of projects or activities that cause severe environmental harm or are illegal, such as adult entertainment centres. We took a firm stand against financing coal-fired power plants, coal mines, and businesses that extracted oil & gas using unconventional methods such as tar sand and hydraulic fracturing. Our stringent credit policy also excludes lending to arms trading businesses or for the purpose of a hostile takeover of a company.

ESG Screener Tool

We want to help businesses transform to be more sustainable. In this regard, we implemented an ESG Screener Tool to enable our relationship managers to identify customers who require help in adopting sustainable practices using our business solutions.

We also used the ESG Screener Tool to assess our business clients' ESG risks and commitment. In doing so, we were able to categorise our business clients based on Bank Negara Malaysia's Climate Change and Principle-based Taxonomy ("CCPT") guidelines. This led us to reduce our exposure to businesses with little to no inclination to embed ESG measures into their business strategies to not more than 65% of our portfolio.

ESG Risk Acceptance Criteria

In addition to the ESG Screener Tool, we established the General ESG Risk Acceptance Criteria ("RAC") framework to assist us in evaluating companies' inclination to practice sustainability in their business operations. We also laid out additional industry-specific RACs for ESG-sensitive sectors such as palm oil, mining and quarrying, oil and gas, and forestry and logging.

Minimising Our Emission

One of our sustainability goals is to reduce our greenhouse gas ("GHG") emission footprint. On this point, we successfully established the baseline of our operational GHG emission in FY2022, and have set up a plan to further reduce it.

Energy Management

We continued to find ways to ensure that our business operations were more energy efficient. One of the measures we took was to optimise the temperature setting of our computer room air-conditioning. We also replaced our low-efficiency split unit air conditioners with a better energy-efficient model and our lights with energy-efficient LED lights. Over the past one year, we reduced our energy consumption¹ by over 1,300 MWh or about 10% YOY.

Use of Environmentally Friendly Materials

The Bank also ensured the environmentally-friendly materials used in all our office renovations and refurbishments such as carpets and furniture, comply with green certifications. In addition, all our new air conditioners installed during the year use eco-friendly refrigerant.

Reducing the Use of Paper

Our digitisation initiatives at the office have helped us reduce our paper consumption. We continued to closely monitor our paper consumption at the head office and send monthly reports on print volume to the heads of businesses. In FY2022, our bank-wide print volume decreased by more than 7% YOY.

C. SOCIAL

For the year under review, we made good progress in adopting ESG best practices at the Bank. We embedded the ESG metrics into our management's balanced scorecards starting with the Group Chief Executive Officer. Each division now carries these ESG metrics be it in building new sustainable banking business, reducing the proportion of our exposure to ESG non-committed or non-compliant companies, or proactive emission management, in their scorecards. In the coming year, we will implement our ESG-based remuneration framework. During the year, we also organised sustainability trainings for our directors and employees to build bench strength in this subject.

¹ Excludes energy consumption of East Malaysian branches.

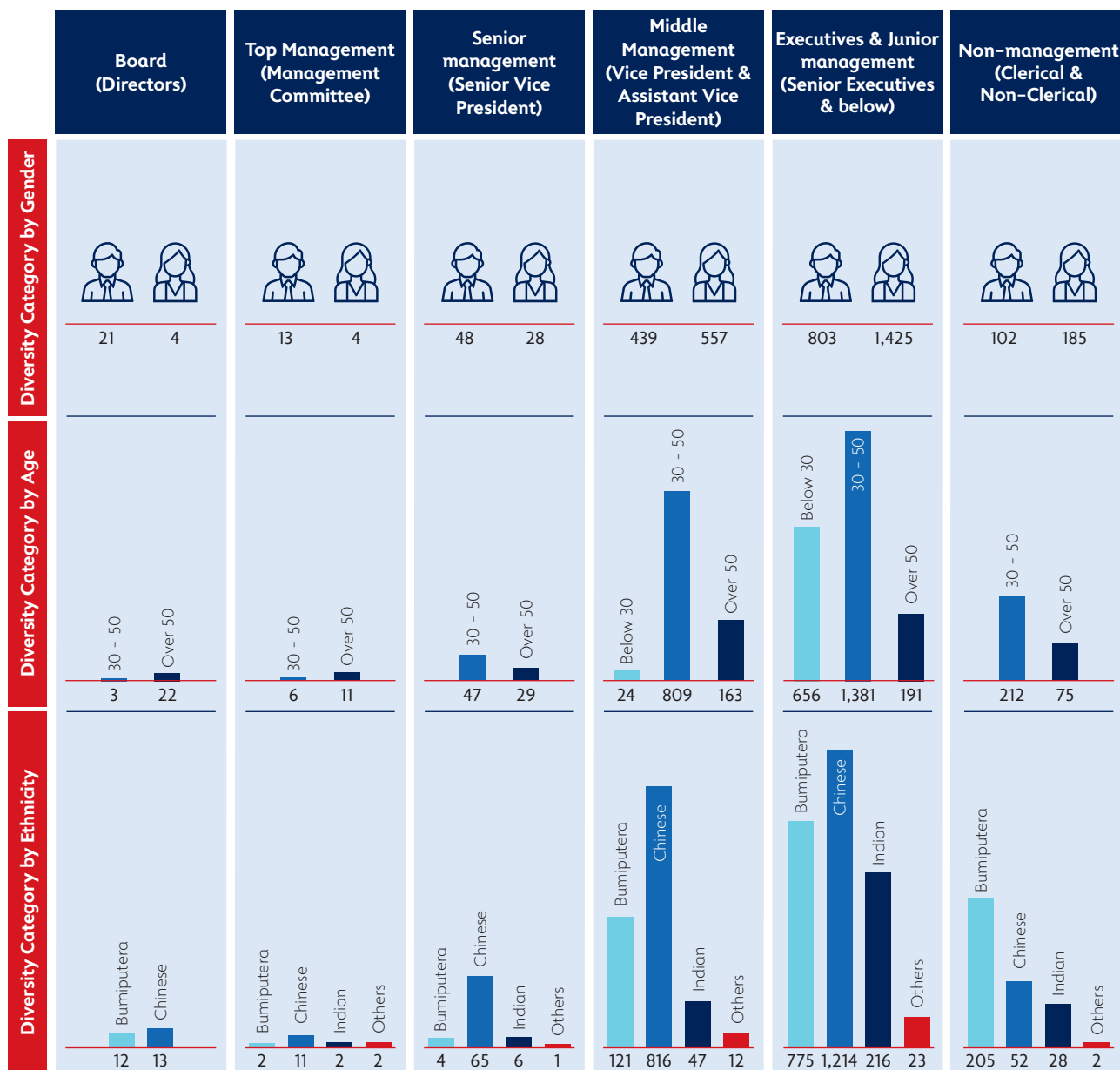
Our Workforce

We have a diverse workforce of over 3,600 employees at the Bank. In FY2022, 61% of our workforce were women, of which 80% held various management positions (Senior Executives and above). Women representation in our Management Committee stood at 24% and 16% in the Group’s Board of Directors.

Our recruitment practice is based on meritocracy. Likewise, we identify employees for career progression based on behavioural and professional criteria. A committee comprising senior management members oversees all promotions and financial compensation within the Bank.

We are an equal opportunity employer. This means, we do not discriminate against nationality, race, religion, gender, age, sexual-orientation, and disability. In this respect, any complaints of discrimination are investigated thoroughly and subjected to our consequence management procedures.

Diversity Category by Gender, Age and Ethnicity



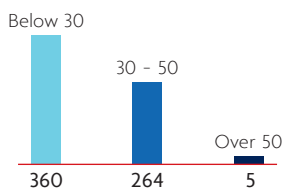
SUSTAINABILITY STATEMENT

Recruitment by Gender in FY2022 (excluding Directors and Interns)



280 349

Recruitment by Age in FY2022 (excluding Directors and Interns)

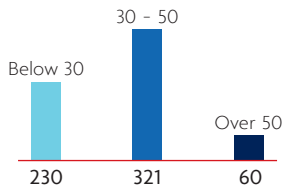


Employee Turnover by Gender in FY2022 (excluding Directors and Interns)

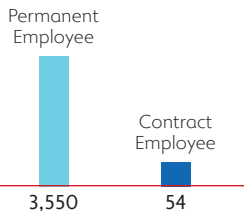


275 336

Employee Turnover by Age in FY2022 (excluding Directors and Interns)



Employment Status in FY2022 (excluding Directors and Interns)



Child Labour

We do not tolerate, engage in, or support, the use of child labour. The minimum age of employment at the Bank is 18 years old. We do not recruit any employee below the age of 18 on a part-time, full-time or contract basis.

Forced or Compulsory Labour

We do not tolerate, engage in, or support, any form of forced or compulsory labour including bonded labour, indentured labour and slave labour, or human trafficking. We also do not require that our employees surrender any government-issued identification, such as a passport or work permit, to the Bank as a condition of employment.

Code of Conduct & Whistle Blowing Policy

The Bank has a Code of Conduct that clearly outlines the proper standards of professional conduct and practices expected of its employees, and a Whistle Blowing Policy that sets out the types of complaints that can be raised under such circumstance. In addition, the Whistle Blowing Policy states the channels for our employees and external parties to report any form of misconduct without fear of reprisals. We also include a whistleblowing reporting clause in all our third-party contracts and agreements.

We maintain a robust mechanism to ensure the strictest confidence for complaints made in good faith. We inform our employees about the Code of Conduct and Whistle Blowing Policy via staff induction programmes and internal staff bulletins. For external stakeholders, they may refer to our Whistle Blowing Statement on our corporate website on how to report any instances of unethical conduct, harassment, discrimination and unreasonable behaviours.

Anti-Bribery & Corruption

We take a firm zero-tolerance stand against all acts of bribery and corruption. This is clearly outlined in our Code of Conduct, Anti-Bribery & Corruption (“ABC”) Policy, and Gifts & Entertainment Policy. These policies are stored in our inAlliance intranet portal for our employees’ reference, and a copy of the ABC policy can also be found on our corporate website. Our employees are briefed about the Bank’s Anti-Bribery & Corruption stand during their induction programme, and we regularly send out staff bulletins to remind our employees of this.

All our employees are also mandated to complete an annual e-Learning module on Anti-Bribery & Corruption with a minimum score of 70%. In FY2022, none of our employees were disciplined or dismissed due to non-compliance with our ABC policy.

The Right to Freedom of Association & Collective Bargaining

We recognise the constitutional right of our employees to freedom of association and comply with all national laws concerning the same. Correspondingly, we support the rights of our employees to form and/or join trade unions and recognise four trade unions as negotiating bodies in respect of the categories of employees represented (Clericals, Non-Clericals, Special Grade Clerks and Officers).

Alliance Bank, through its trade representatives, the Malayan Commercial Bank's Association, the Sarawak Commercial Bank's Association and the Sabah Commercial Bank's Association, engages in separate collective agreement negotiations with these four unions. In FY2022, 17% of Alliance Bank employees are represented by trade unions or covered under a collective agreement.

The Right to Minimum or Living Wage

We recognise the standards and rights conferred by all applicable national labour and industrial relations laws and fully comply with them. Our employment policies and practices also promote employee empowerment and recognition while regulating individual and collective employment relations. All our employees are currently paid above the nation's minimum wages.

The Bank continues to monitor published living wages and benchmark against industry practices. This is to ensure that employees' total annual wages remain competitive.

Performance Management

Our performance culture is based on meritocracy. We evaluate performance using a balanced scorecard that measures key financials and franchise-building initiatives, talent, culture, leadership development and sustainability efforts.

The Board sets the tone from the top by reviewing and approving the Group's balanced scorecard. The Group's balanced scorecard metrics are then cascaded to the various functional units and employees.

In FY2022, we embedded our sustainability objectives of growing new sustainable banking business, helping customers adopt sustainable lifestyles and business practices, and reducing our emission footprint, into our balanced scorecard. All our business and support units' balanced scorecards now carry environmental, social, and governance ("ESG") metrics alongside other business-related measurements.

We align our employees' key performance indicators ("KPIs") to the divisions' balanced scorecard. Formal employee assessments are held bi-annually, and employees' achievements are reflected in remuneration outcomes.

Career Break and Other Forms of Break

Our employees have the option of taking a "Career Break" at the Bank's discretion if they require an extended break for personal or professional reasons. In addition, we offer maternity and paternity leave, and compassionate leave to those who need to take care of their family members.

Employee Engagement & Wellness

Voice of Employee Survey

Our bi-annual Voice of Employee survey provides insight into our employees' needs at the workplace, measures participation, and helps us improve our employee engagement initiatives.

In FY2022, the Bank achieved a score of 90% in the Sustainability Engagement Index, ahead of the scores for the Malaysian Financial Services and the Global High Performing Average. This score reflected the improvement in employees' sentiments, in particular:

- The well-being index, which measures employees' sentiments with regard to mental, emotional and physical support provided by the Bank, improved to 89% in FY2022 from 87% in FY2021
- The communication index improved to 89% in FY2022 from 87% in FY2021
- 85% of employees responded that they were able to balance their work and personal commitments

SUSTAINABILITY STATEMENT

Allies of Alliance Portal

The Bank consistently encourages employees to provide innovative solutions and ideas via the Allies of Alliance platform on the intranet. Since 2017, we have developed several new solutions and enhanced some of our processes at the Bank.

Fit@Alliance

The Fit@Alliance programme encourages our employees to lead an active, well-balanced lifestyle and practice financial wellness.

During the pandemic, we successfully adapted the Fit@Alliance programme to a digital platform. We worked with health professionals to conduct over 15 wellness webinars. Our wealth management team also held a series of online financial talks to support our employees' financial goals.

We also used digital mobile applications to help our employees stay emotionally and physically active through our partnerships with PERKESO, BookDoc and Zurich Malaysia. About a quarter of our employees downloaded and used the BookDoc and Zurich Malaysia's app to monitor their physical well-being.

We participated in the PERKESO's Activ@Work Challenge 2021 ("AWC 2021") for the third consecutive year, and ranked third out of over 80 companies nationwide for the number of steps achieved by employees. Based on the average daily steps achieved by our employees during the AWC 2021, the Bank donated RM10,000 to help communities impacted by the COVID-19 pandemic.

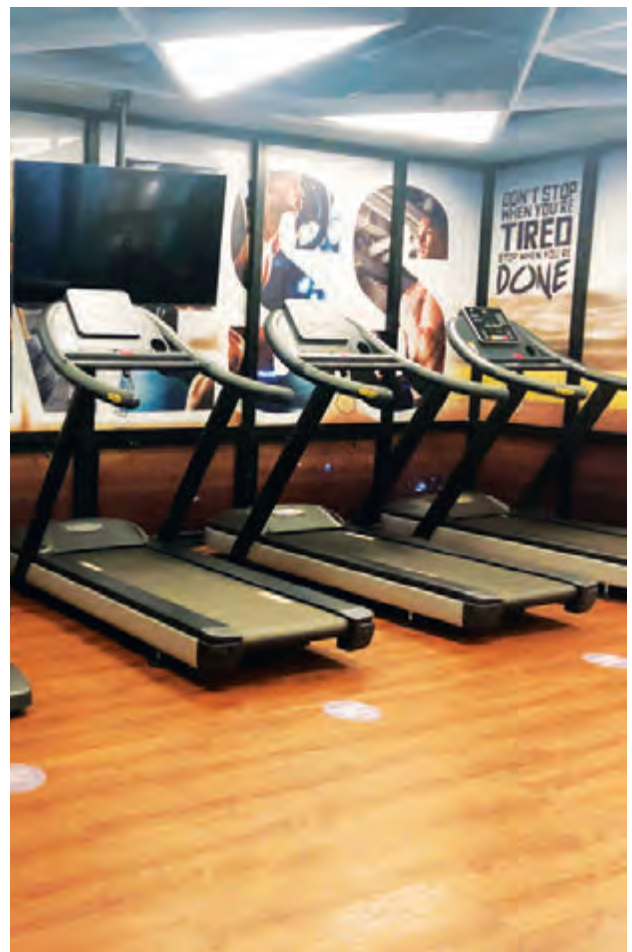
Recreational and Sports Club

In adapting to the operational restrictions of the year in review, the Bank's Recreational and Sports Club organised virtual and physical activities in FY2022. Employees participated in virtual events such as a Virtual Escape Room game and e-Sports Tournament. The Recreational and Sports Club also saw an increase in the number of employees using the Bank's gym, AREA 15, when we re-opened the gym.

Other Engagement Initiatives

Employee Participation in Solidarity with Our Community Programme

We encourage employee voluntarism in community programmes such as the Solidarity with Our Community ("SWC") programme. We leveraged our social crowdfunding platform, SocioBiz, to raise funds to purchase and distribute food items to those impacted by the pandemic. Employees contributed to the SWC programme by donating cash via the SocioBiz platform. The Bank also donated RM10,000 to the SWC programme based on the number of steps employees took in the PERKESO's Activ@Work Challenge 2021.



The Alliance Relaxation and Exercise Arena on Level 15 (AREA 15) in the headquarters.



Donation of food boxes to families during the Solidarity with Our Community campaign.

ManCo Appreciates You

We foster a culture of appreciation at the Bank through our ManCo Appreciates You page on our inAlliance intranet portal. Our Management Committee uses this platform to recognise employees who exemplify our key behaviours.

Alliance Heroes

The Alliance Heroes initiative is a bank-wide peer recognition initiative that allows employees to award a digital badge to their colleagues for actions that best demonstrate the Bank's Key Behaviour and Core Values. Since October 2019, 10,000 digital badges have been awarded.

Engagement Champion Committee

To encourage engagement within the various segments of our organisation, the Bank allocates an annual budget for divisional engagement initiatives. These activities are organised by the Engagement Champion Committee, which comprises employees selected by the Divisional Heads. The committee also addresses any disparities identified through the Bank's Voice of Employee surveys.

Talent Development at the Bank

As part of our commitment to help employees realise their professional goals, we offer our employees various career advancement paths. In this regard, we prioritise internal candidates for job vacancies, job rotations and promotion opportunities, stretch assignments and special projects.

Training our employees remains a priority for the Bank. In FY2022, we invested over RM5 million in various employee development initiatives.

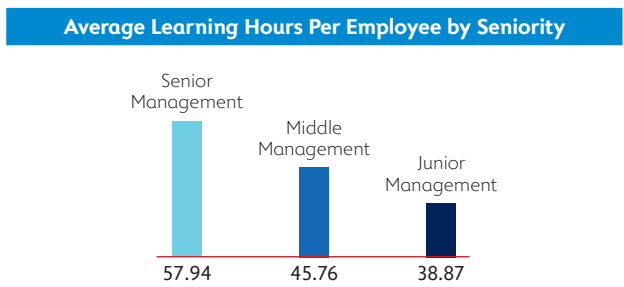
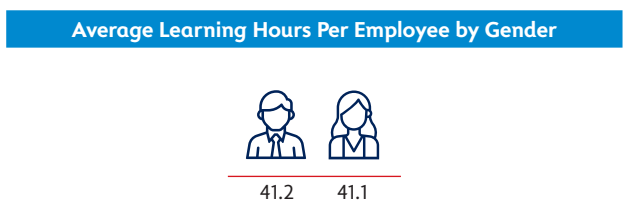
Our key learning priorities are:

- 1 A systematic way of approaching customers
- 2 Harnessing digital to improve customer value proposition and scale up
- 3 Leveraging technology to streamline processes
- 4 Managers enabling their teams to succeed
- 5 Embedding strong governance

In the past year, we accelerated sustainability training for our directors and employees to build up knowledge experts on this subject. On this point, we will be rolling out an e-Learning module to introduce the concept of sustainability to all our employees. We also enrolled eight of our employees who are part of our sustainability working group for a six-month online certification course in sustainable finance offered by the Frankfurt School of Finance & Management. Another nine employees have just begun their certification journey in the same programme. In addition, our GSC board members attended various sustainability workshops, including one on "How Board's Oversight and Governance Can Drive Sustainability Agenda".

SUSTAINABILITY STATEMENT

Meanwhile, to allow our employees greater convenience and flexibility in learning, we have migrated our training modules onto digital platforms. Employees also have access to training on wealth products, services and trends on our newly-developed Wealth Management online learning platform. On average, each employee completed 41 learning hours, or 5 days, during the year. The Bank spent close to 150,000 hours on employee development training in FY2022.



The Alliance Bank Leadership Excellence Academy

In addition to our learning programmes, the Bank also has structured talent development programmes under its Alliance Bank Leadership Excellence (“ABLE”) Academy. The ABLE Academy’s blended learning of on-the-job learning, mentoring, and structured development helps ensure there is a healthy talent pipeline for the Bank. Employees participating in the ABLE Academy are given the opportunity to participate in transformational projects that will fast-track their career into leadership or specialist roles.

The Bank’s structured long-term development programmes include the Management Trainee Programme, Alliance Managers Programme, and Alliance Leaders Programme.

Management Trainee Programme

The 12-month Alliance Bank Management Trainee (“MT”) Programme serves as an induction programme for young graduates to gain relevant work experience and leadership skills in the financial sector. Since 2012, more than 230 management trainees have graduated from the programme.

We continuously review and improve our MT Programme to include relevant subjects such as the Industrial Revolution 4.0, Machine Learning, Artificial Intelligence, and Robotic Process Automation.

In May 2022, we welcomed 13 graduates to the 10th cohort. They will be learning new subjects including ESG and Sustainable Financing, Developing Business Acumen and Data to Business Story.

Alliance Managers Programme

The 10-month Alliance Managers Programme (“AMP”) prepares high-performing young managers to transition from individual contributors to leaders at the Bank. The learning programme trains participants in leadership competencies and Alliance Way by combining job rotation and special project assignments.

Alliance Leaders Programme

The Alliance Leaders Programme (“ALP”) is a 12-month leadership development programme to prepare selected Vice Presidents and Senior Vice Presidents for senior leadership roles. It comprises a structured syllabus and customised development plan to help them build a strong foundation of leadership knowledge and skills. Candidates compete for a spot in the immersive six-month transition programme comprising group coaching, an international immersion experience, and a leadership challenge.

15 executives have completed the ALP and are now leading strategic transformation projects or have moved on to expanded roles within the Bank. For example, one of our ALP graduates was promoted to the Management Committee team. We recently selected 13 participants for the FY2023 cohort.

Other Development Programmes

Internship Programme

During the year, the Bank facilitated 21 internship opportunities for tertiary students. As the demand for data analytics in the financial industry increased, we also designed a customised Decision Management Structured Internship Programme that enables students to apply their data analytics skills in a banking environment.

Alliance Development Programme

The Bank launched the Alliance Development Programme (“ADP”) to develop leadership capabilities in all our employees. The programme comprises three levels, i.e. Leading Self, Leading Others and Leading Business. Each level features different modules and outcomes:

Level	Target Audience	Learning Outcomes
Leading Self	Junior Management	Delivering priorities and building a leader’s mindset
Leading Others/ Teams	Middle Management	Driving results and leading team performance
Leading Business	Senior Management	Leading business strategically and managing change

The ADP strengths-based leadership and culture modules help our employees to understand their strengths and improve their interpersonal and managerial skills. Our managers and supervisors who are certified Strengths Coaches help coach our ADP participants.

Our learning roadmap considers the development of the employee from a new recruit to an experienced Alliance Banker. In this regard, we set up customised learning roadmaps to address the learning needs of different

teams and roles in the Bank and provide structured learning for all employees.

Continuous Learning

To facilitate continuous learning, we provide learning materials in various mediums to our employees. Some of these materials complement our signature leadership programmes and training. Others, like the Learning Packs and e-Learning modules, have been carefully curated to facilitate learning and development anytime, anywhere.

Learning Packs

We publish Learning Packs every month to keep our employees informed of industry trends and prepare them for future challenges. Our employees are encouraged to complete the core training modules. For in-depth learning, they can access curated content such as podcasts, articles and videos. Our Learning Pack content covers leadership, continuing professional education, and compliance.

e-Learning Modules

e-Learning has revolutionised the way we learn as it enables greater flexibility and accessibility in meeting education and training objectives while optimising business man-hours. The Bank’s mandatory e-Learning modules cover topics on compliance, risk management, cyber security, data management, wealth management products, services and trends.

Keeping Our Employees Safe

Ensuring the safety and well-being of our employees remains a key priority, especially as COVID-19 continues to pose a health risk to everyone.

We implemented split operations for critical functions, while non-critical workforce switched to work-from-home or flexible work arrangements. In FY2022, approximately 40% of our employees continued to work from home. To better support remote work arrangement, we continued to improve our IT infrastructure. This included increasing the bandwidth at the Bank, purchasing more notebooks software licences, and expanding our virtual private network (“VPN”) capacity.

We continued to update our employees on COVID-19-related concerns at the Bank via a COVID-19 Information Centre on our intranet. The Bank also broadcasted safety messages using animated videos and screensavers, in addition to regular staff bulletins. Supervisors frequently check in on the well-being of their team members via emails, phone calls and WhatsApp.

The Bank also published a comprehensive COVID-19 Enhanced Safety Directives (“ESD”) to guide our employees on personal and team interaction, personal hygiene, medical care, work arrangement, COVID-19 screening and quarantine, and more. We regularly update the ESD to accommodate new developments.

To minimise the risk of in-office virus transmission, we frequently distribute hand sanitisers, gloves, and face masks to our employees to protect them, and mandated that all Bank visitors complete a health and travel declaration form before visiting our office. We also require that all employees who visit their business partners or customers at the location of their choice to document the appointments using an “External Appointments Contact Tracing” online form.

We engaged a third-party medical administrator to help expedite the vaccination of our employees outside the Klang Valley. We granted one day leave to employees with vaccination appointments. Employees who contracted the COVID-19 virus or were considered “close contact”, were allowed to take a leave of absence without submitting a medical certificate to recuperate.

SUSTAINABILITY STATEMENT

Our Customers

Measuring Customer Satisfaction

The Bank uses the net promoter score (“NPS”) to measure customer loyalty and willingness to recommend its products and services to others.

Every month, our Customer Experience Council comprising officers from relevant business and support teams convene to analyse the NPS results and identify key areas for improvement. Measures to address customer issues and enhance customer satisfaction are then implemented.

In FY2022, we recorded our best-ever composite NPS since FY2019. Four of our key touch points, i.e. problem resolution, branch service, consumer lending and digital banking, achieved all-time high NPS. Our relationship managers proactively contacted all our business clients to understand their financial situation and facilitate their loan modifications as required. As a result of our efforts, we ranked second in customer satisfaction for COVID-19 support measures in an independent study in 2021.

Safeguarding Customer’s Data

Alliance Bank is committed to upholding the Personal Data Protection Act 2010, Financial Services Act 2013, the Islamic Financial Services Act 2013 and all relevant legislations. We also have Privacy and Data Management Policies which govern our collection, use, and management of customers’ personal data. Data is kept securely at the Bank with access given only to authorised personnel. We store all hardcopy materials in locked cabinets in a secure location. Printed materials that are no longer in use are destroyed.

We regularly review and update our cyber security infrastructure to guard against unauthorised access, security breaches and information leaks. Our employees are frequently reminded to remain vigilant of cyber-attacks through our mandatory e-Learning modules and staff bulletins.

Our Community

Meanwhile, the Bank continued to empower vulnerable groups with its financial literacy programmes and support communities affected by the COVID-19 pandemic and floods.

Financial Literacy Programmes

The AEIOU Programme

Alliance Bank’s AEIOU Programme is an award-winning financial literacy initiative that aims to instil smart financial habits in schoolchildren aged 9 to 12 years old. The programme comprises three components – financial literacy education, the Comic Challenge, and e-Game Challenge.

The six-month AEIOU Challenge Season 6 featured the theme of “Saving for A Rainy Day: Preparation During a Crisis”. The Challenge featured cash prizes worth over RM16,000. The school with the highest number of participants also received a cash prize of RM3,000 for its school development fund, and teachers who championed this programme in their respective schools were rewarded up to RM6,000.

To ensure the safety of participants and their families, the AEIOU programme was conducted digitally. We digitised all our AEIOU learning materials, launched three edu-videos, and adapted virtual means for our key events such as roadshows, train-the-trainer sessions, and award ceremony.

Our partners for this season’s AEIOU programme were the Ministry of Education Malaysia, A.W. Faber-Castell, LimKokWing University of Creative Technology, and SmartStudy.

The sixth season was the most successful edition of the AEIOU Challenge, with over 1,000 Malaysian schools participating. We trained teachers from over 600 schools. The Challenge also received more than 55,000 submissions compared to 32,000 in the preceding season.

The AEIOU programme was also part of Global Money Week 2021, an annual global awareness campaign that aims to educate young people to be financially adept.

Since 2015, the AEIOU Challenge has reached almost 700,000 children nationwide. We have conducted close to 800 physical roadshows, including school briefings. The programme’s teacher training component has trained more than 620 teachers in several states to enable them to conduct financial literacy workshops at their respective schools.

The Group also sponsored RM115,000 worth of school supplies for 1,000 students through the AEIOU Education Step-Up programme.

EcoBiz Challenge 4

Launched in 2016, the EcoBiz Challenge is an environmental-themed competition in which tertiary students develop sustainable business solutions to address environmental, economic and social issues. The challenge promotes a culture of environmental conservation among university students through competitive learning platforms and collaboration with industry experts.

In FY2022, the Bank collaborated with the Malaysian Green Technology and Climate Change Corporation (“MGTC”) to launch the fourth season of the EcoBiz Challenge with the theme of “Inspiring Malaysia to be a Zero-Waste Nation”. This edition saw the participation of almost 500 students, who formed 138 teams, from various universities nationwide.

To address concerns on the rising number of unemployed graduates, EcoBiz Challenge 4 introduced MGTC’s *Jana Graduan Usahawan Hijau* (“JaGUH”) approach, a 20-week comprehensive eco-entrepreneur learning programme. Through the JaGUH approach, participants received guidance from industry leaders and sustainability mentors, and acquired key entrepreneurial skills and knowledge that are critical for their career development and progress.

Team Genesys from Universiti Tun Hussein Onn Malaysia emerged as the grand prize winner of EcoBiz Challenge 4 and won RM10,000 cash. The first and second runners-up took home RM5,000 and RM3,000 respectively. Seven other teams received RM1,500 each.

The winning teams will now undergo a six-month Performance Monitoring programme to support their social enterprises in aspects such as sales growth, improving customer engagement and other crucial business topics.

Since its inception, the Challenge has reached out to more than 5,000 students and garnered over 600 submissions from 157 universities across Malaysia.

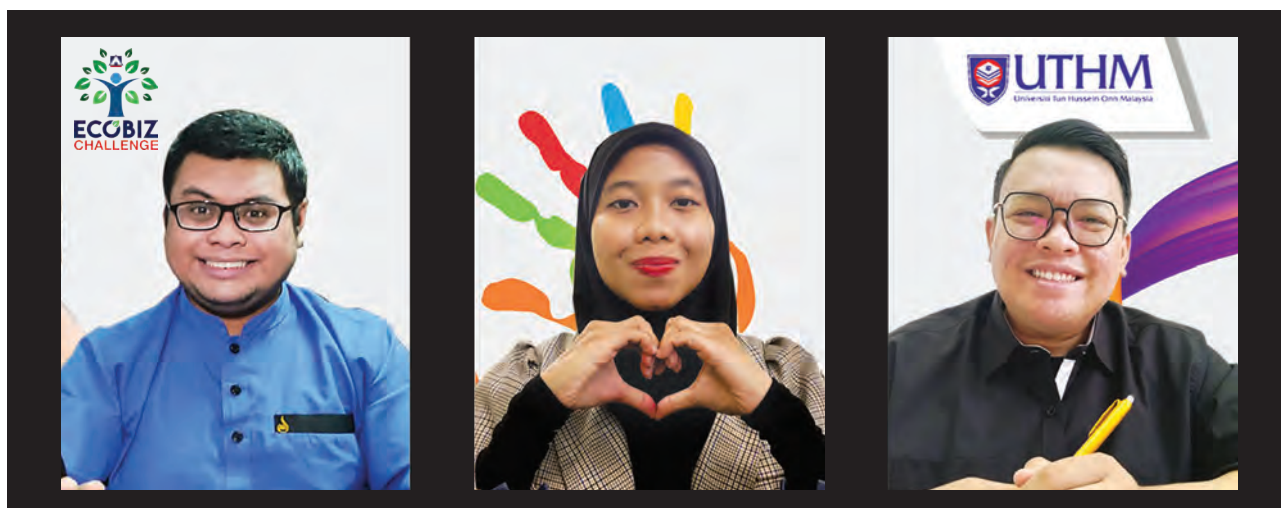
Helping Our Communities Thrive with SocioBiz

SocioBiz is Alliance Islamic Bank’s crowdfunding platform that organises socially sourced funds to provide disadvantaged individuals with entrepreneurial and upskilling opportunities. Through this platform, we aim to deliver sustainable social and environmental impact by empowering vulnerable communities.

SocioBiz is a collaborative effort between Alliance Islamic Bank and its digital crowdfunding platform partner, Global Sadaqah. The Bank also works together with other partners to effectively manage and track the impact of the contributions.

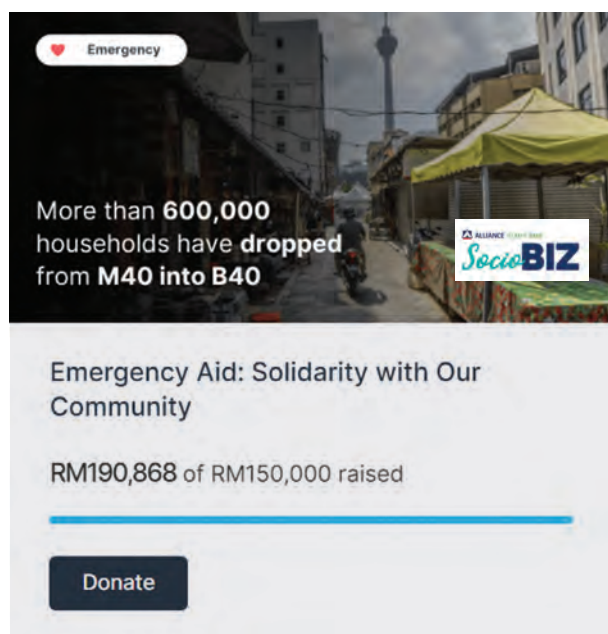
During the year under review, we partnered with Yayasan Pembangunan Ekonomi Islam Malaysia (“YaPEIM”) to raise funds for their beneficiaries, helping them to start or expand their business.

Since the inception of SocioBiz, we have rolled out over 32 campaigns and jointly raised over RM1.5 million. We continued to expand our platform in FY2022 to help social enterprises obtain alternative funding opportunities for their initiatives.



Team Genesys from Universiti Tun Hussein Onn Malaysia won the EcoBiz Challenge 4.

SUSTAINABILITY STATEMENT



Solidarity with the Community Programme

In October 2021, the Bank successfully raised over RM190,000 through its “Solidarity with Our Community” campaign on SocioBiz to provide immediate relief to those who have lost their livelihood during the COVID-19 pandemic. We then matched our employees and the community’s fundraising efforts by providing a 2:1 match for every ringgit donated via SocioBiz.

We also worked with our charity partner, Yayasan Kebajikan Negara (“YKN”), to distribute 1,300 food boxes to individuals and families in need. Beneficiaries of this initiative included communities in *Program Perumahan Rakyat (PPR)* and the B40 segment, as well as organisations like *Persatuan Orang Buta Malaysia* and *Persatuan Ibu Tunggal*.

YaPEIM: Aid in Sabah under Alliance Bank HaRAP Programme

In response to the floods affecting several states across the country in May 2021, Alliance Bank initiated its new Humanitarian and Response Action Programme (“HaRAP”). Through HaRAP, we successfully raised over RM55,000 via SocioBiz to purchase safety and relief equipment for more than 1,000 victims affected by the floods in Kampung Gurama and Kampung Kuridak in Beaufort, Sabah.

We also partnered with Yayasan Pembangunan Ekonomi Islam Malaysia (“YaPEIM”) to extend the aid, which enabled clean water storage and future flood preparation. The funds covered the cost of four water tanks and four rescue boats.

With a total capacity of 36,000 gallons, the four water tanks provided the villagers with clean water supply. The four rescue boats were donated to the Beaufort Fire and Rescue Station to enable them to carry out search and rescue operations and deliver necessities during the flood season.

Emergency Flood Relief Campaign under Alliance Bank HaRAP Programme

In December 2021, we activated HaRAP again to raise funds to provide for general and immediate needs such as cash, food, infant formula and diapers to those affected by the floods. Our pledge to match the public’s contribution on a 3:1 ratio saw us raise over RM250,000 (including the Bank’s contribution) for the cause. In addition, we provided post-flood necessities such as cleaning equipment and materials to flood victims nationwide.

Supporting Social Enterprises via SocioBiz (PENJANA Social Impact Matching (SIM) Grant)

We also leveraged SocioBiz platform to help social enterprises apply for the Social Impact Matching (“SIM”) Grant by *Pelan Jana Semula Ekonomi Negara* (“PENJANA”). Managed by Malaysian Global Innovation and Creativity Centre (“MaGIC”), the SIM Grant pledged to match every ringgit raised through SocioBiz on a conditional one-for-one basis. At present, five social enterprises are listed on the SocioBiz platform under this initiative - Green Hero, Halaman Nurani, Klinik Kenit, Urban Farm Tech and WarmingUp.

The project collaboratively raised over RM450,000 for these social enterprises. Furthermore, Klinik Kenit, Urban Farm Tech and WarmingUp have successfully obtained the PENJANA SIM Grant to expand their businesses.

#BUYFORIMPACT Movement

The Bank continues to promote conscious buying behaviour and social innovation through its support for the #BUYFORIMPACT movement. Launched by MaGIC in 2020, the #BUYFORIMPACT initiative features innovative social enterprises that have positively impacted the community and the environment with their business.



Alliance Bank partnered The Hive to celebrate International Women's Day 2022.

To show its support, Alliance Islamic Bank has committed to purchase its event gifts from the social enterprises participating in the movement.

Economic Empowerment Programme

The Economic Empowerment Programme's objective is to help micro-entrepreneurs from the B40 segment improve their income through entrepreneurial and digital skills training.

In the year under review, 50 micro-entrepreneurs were equipped with practical knowledge on business innovation, marketing, customer analysis and financial management. The three-month mentorship programme helped participants improve their average income by over 300%. Participants also reported positive impacts for their family wealth, health, living standards and community after completing the programme.

Furthermore, 92% of the participants reported that they had used their increased income to improve their living standards and contribute to the community, while 90% said they could afford more nutritious food and access to healthcare. Additionally, 66% of participants cited a positive spill-over effect on their family's education as they could afford to buy school supplies and pay for their children's school fees.

Alliance Bank Celebrates Women Making a Difference in Our Community

In support of International Women's Day in FY2022, Alliance Bank collaborated with a sustainable female-owned business, The Hive Bulk Foods. The Hive is a zero-waste store that offers bulk whole foods option, cleaning products and a wide selection of eco-friendly personal care and lifestyle products. The Bank encouraged its employees to make sustainable purchases from The Hive Bulk Foods by making available special offers. We also supported the business directly by procuring gift items for our employee engagement initiatives.

Our Zakat Contribution

In FY2022, Alliance Islamic Bank allocated RM400,000 in zakat (Islamic tithes) to various beneficiaries, some of whom were identified by our partners, Yayasan Kebajikan Negara and Yayasan Pembangunan Ekonomi Islam Malaysia ("YaPEIM"). We channelled our contributions to disadvantaged communities affected by the COVID-19 pandemic and floods that occurred in our country in 2021.

We also collaborated with People Systems Consultancy to financially support asnaf entrepreneurs in growing their businesses. In addition, we worked together with YaPEIM to contribute zakat to fund the renovation of asnaf entrepreneurs' premises as well as to purchase equipment required to obtain the Halal certification for their businesses. We also made zakat contributions to help underprivileged students at Universiti Teknologi MARA pay for their outstanding tuition fees.

SUSTAINABILITY STATEMENT

Key Highlights of Initiatives and Impact Created

Initiatives During the Year	Impact/Milestones Achieved
Economic	
Supporting SMEs	
• BizSmart® Solution	• Enrolled over 200 partners into the BizSmart® Solution ecosystem
• #SupportLokal	• Supported over 100 small businesses
• Halal in One	• Provided over RM250 million in financing for participants
• BizSmart® Challenge	• Supported 20 high-potential young businesses with financial and non-financial assistance
Digitisation	
• e-KYC Solution	• Opened close to 7,700 digital CASA accounts and won four awards
• Branch-in-a-Tablet	• Gained an additional 32% new-to-bank customers
• Digital Loans	• Digital personal loans made up 34% of total personal loans bookings • Provided RM60 million in Digital SME loans
• BizSmart® eTrade	• Enabled foreign currency transaction to over 85 countries • Accounted for over 40% of our total trade financing transactions • Won eight local and regional awards
Environmental	
Responsible Lending & Financing	
	• Announced prohibition of lending for coal-fired power plants, coal mines, and businesses that extract oil & gas via unconventional methods • Implemented ESG Screener Tool to categorise businesses based on BNM's CCPT guidelines • Established General RAC and four industry-specific RACs for ESG-sensitive sectors
Operational Emissions	
	• Established our operational GHG emissions baseline
Energy Management	
	• Reduced energy consumption by about 10% YOY
Paper Usage	
	• Print volume decreased by over 7% YOY

Key Highlights of Initiatives and Impact Created (cont'd)

Initiatives During the Year	Impact/Milestones Achieved
Social	
Workforce	
• Performance Management	• Embedded sustainability metrics in the balanced scorecard
• Voice of Employee Survey	• Achieved a score of 90% in the Sustainability Engagement Index
• Fit@Alliance	• Conducted over 15 wellness webinars with close to 1,000 participants
• Talent and Development	• Invested over RM5 million in employee development initiatives
Customers	
• Customer Satisfaction Measurement	• Recorded the best-ever composite NPS since FY2019 • Ranked second among banks in customer satisfaction for COVID-19 support measures in an independent study done in 2021
Community	
• AEIOU Programme	• Received more than 55,000 submissions from over 1,000 Malaysian schools
• EcoBiz Challenge 4	• Almost 500 students from 30 universities joined the Challenge
• SocioBiz and Community Initiatives	• Raised close to RM950,000 to support social enterprises, micro-entrepreneurs, and disaster and pandemic-relief initiatives
• Economic Empowerment Programme	• Trained 50 micro-entrepreneurs, leading to an improvement in average income of over 300%
• Zakat Contribution	• Contributed RM400,000 in zakat to support community initiatives

CONCLUSION

Alliance Bank will continue to engage in activities that will create long-term value for its stakeholders and communities. We made good progress in our sustainability agenda in FY2022, and have set plans to achieve our FY2025 goals. We will continue to embed sustainable practices across our operations and ensure transparent communications with our stakeholders.