

# SUSTAINABILITY STATEMENT

## SCOPE AND BOUNDARY

**This Sustainability Statement (“Statement”) covers the key material Economic as well as Environmental, Social and Governance (“ESG”) activities that Alliance Bank Malaysia Berhad (“Alliance Bank” or “the Bank”), our business segments, our subsidiaries and our joint venture operations (where relevant), undertook in financial year 2023 (“FY2023”) through engagement with both our internal and external stakeholders. It is anchored by the Bank’s operations throughout Malaysia for the period of 1 April 2022 to 31 March 2023.**

This Statement aims to align with the requirements of Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements and its Sustainability Reporting Guide (3rd edition). It also aligns with the criteria as per the Task Force on Climate-related Financial Disclosures (“TCFD”), and reports with reference to the Global Reporting Initiative (“GRI”) Standards 2021.

In crafting this Statement, we have ensured that the highest levels of transparency and accountability have been observed in our reporting efforts. This Statement has not been subjected to any assurance process. As part of our commitment to continuously improve our disclosures, we aim to seek external assurance for our Sustainability Statement in the next financial year.



# SUSTAINABILITY STATEMENT

## FY2023 KEY SUSTAINABILITY PERFORMANCE HIGHLIGHTS

### Economic



**RM1.92 billion**

in total economic value generated<sup>1</sup>



**RM8.1 billion**

in new sustainable banking business

Reduced C5<sup>2</sup> of portfolio to

**35%**

Launched our **Sustainability Assistance Programme (“SAP”)**

Launched our inaugural ESG thought leadership publication,

**“ESG Insights from Malaysian SMEs: Building A Better Future Together”**



Launched Alliance Bank’s **BeESG Campaign**

Launched Malaysia’s First

**Zakat Microfinancing Book**



Signed an MoU to offer **sustainable mortgage financing packages**



Highest-ever **Customer Net Promoter Score**

**92%** of our procurement spent on

**local suppliers**



**ESG** considerations embedded into our **Procurement Policy & Procedures**

### Environment



**16.6% reduction**

in Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions against FY2020 baseline<sup>3</sup>



Expanded our palm oil **Risk Acceptance Criteria (“RAC”)** to encapsulate the larger Agribusiness sector



**15% decrease**

in printing volume compared to pre-Covid levels in FY2020



Established the **Group Climate and Sustainability Risk** unit

**100%**

of the Board of Directors and Senior Management trained on **climate-related risks**



**Installed flood gates**

at three branches

**15% decrease**

in energy consumption against FY2020 baseline<sup>3</sup>

1. Economic value generated from revenue.

2. C5 refers to Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (“CCPT”) classification of businesses and transactions that do not demonstrate a commitment to remediate any harm caused nor any initiative to transition to more sustainable practices.

3. Please refer to the “Minimising Our Own Emissions” and “Energy Management” sub-sections on pages 79 and 80 respectively for our FY2020 baseline.

## Social



**57%**

of women holding managerial roles

Introduced the **Guidelines on Workplace Harassment & Discrimination**

**Zero**

cases of non-compliance with labour standards

Invested over **RM7.2 million**

in various employee development initiatives

**128,105**

total training hours for employees



Launched the Bank's

**Sustainability e-Learning Programme**

**89%** score in the **Sustainability Engagement Index**

**Zero**

substantiated complaints concerning human rights violations

**Zero**

work-related fatalities

Invested **RM1.2 million** in communities impacting **3,520 lives**



## Governance

**Embedded sustainability performance into remuneration**

of our GCEO and Senior Management



Became a member of the **UN Global Compact Network Malaysia & Brunei**

and committed to their Ten Principles on ESG

**Zero**

incidents of corruption



**Zero**

monetary fines and non-monetary sanctions

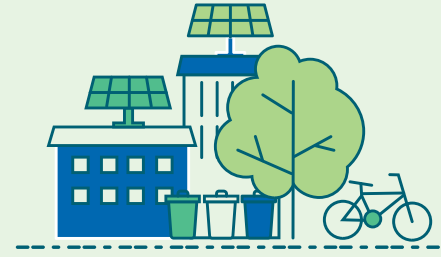
**Zero**

substantiated complaints concerning breaches of customer privacy

# SUSTAINABILITY STATEMENT

## OUR SUSTAINABILITY JOURNEY

Embedding ESG at the heart of our business and operations



**FY2020  
and prior**

**FY2021**

**FY2022**

### Exploratory and Initial Efforts

### Foundation Building Sustainability

- We started by introducing community-oriented initiatives to help build financial resilience and enhance financial wellbeing, driven through Corporate Social and Responsibility (“CSR”) activities and value creation anchored upon Value Based Intermediation<sup>1</sup> (“VBI”).
- Over the years, the increasing impact of climate change resulted in pressure for businesses to take action to reduce their environmental impact. This compelled us to embed ESG in the way we help customers do business.
- To formalise the Bank’s sustainability journey, we established our sustainability purpose, governance and strategy.

- The next phase of our sustainability journey included:
  1. Strengthening our sustainability capabilities, enhancing our risk management and infrastructure, as well as improving our sustainability disclosures
  2. Helping our customers adopt sustainable practices to support the transition to a low-carbon economy



- Included in FTSE4Good Bursa Malaysia Index since 2015
- Launched “SocioBiz”<sup>2</sup>
- Supported green business initiatives through the Eco-Biz Dream Project

- Established the Sustainability Steering Committee (“SSC”)
- Developed and rolled out of the Sustainability Framework
- Launched a solar panel financing programme for employees
- Performed BNM Climate Change and Principle-based Taxonomy (“CCPT”) portfolio baselining

- Developed a 4-year roadmap Sustainability Strategy Framework (FY2022-FY2025)
- Established the Group Sustainability Committee (“GSC”)
- Developed and announced new sustainable business targets and sector exclusions
- Achieved RM2.1 billion in new sustainable business
- Established our GHG emissions baseline
- Rolled out an ESG Screener
- Rolled out an ESG Risk Acceptance Criteria

1. Value-based Intermediation is a Bank Negara Malaysia (“BNM”) initiative to deliver the intended positive and sustainable impact outcomes to the economy, community and environment anchored on Shariah tenets.  
 2. A digital social crowdfunding platform to help disadvantaged individuals start or expand a business or learn skills to earn sustainable livelihoods and positively impact the community.



**and Helping Customers with Goals**

- This year, we accelerated our Sustainability Strategy by setting sustainability goals, establishing thought leadership and curated assistance to help our customers navigate the ESG landscape.

**Securing Impact of Sustainability**

- Moving forward, we will establish a carbon net zero roadmap, build more robust risk management practices and upskill our employees in sustainability to be a more sustainable and resilient organisation.
- We also seek to further understand our customers' needs relating to sustainability adoption to craft suitable propositions and solutions for them.
- We will strive to provide innovative product and solution offerings to both individuals and businesses; and aim to ensure that our customers and organisation reap the rewards of transitioning towards more sustainable operations and lifestyles.

**FY2025 ABMB AMBITIONS**

**Brand Purpose:  
To be the Bank for Life**

We will continuously work towards embedding the sustainability agenda in greater measure into our procedures, processes and operations to inculcate a stronger sustainability-driven culture within our Bank while propelling our customers closer towards adopting their own ESG best practices.

- Introduced Acceler8 2027, the Bank's new transformation strategy with a reinforced mandate to build an ESG-focused organisation
- Doubled our FY2025 sustainable business targets from RM5 billion to RM10 billion
- Reduced the C5<sup>3</sup> proportion of our portfolio to 35%
- Announced a 20% GHG emissions reduction target by FY2027 against the FY2020 baseline in Scope 1 and Scope 2 GHG emissions<sup>4</sup>
- Began development of an internal sustainable product framework
- Established key ESG partnerships and affiliations
- Strengthened our ESG thought leadership and sustainable financing propositions for businesses
- Set up the Group Climate and Sustainability Risk unit
- Developed an internal sustainability skills and competency framework as part of our talent capacity building for employees
- Developed a supplier ESG due diligence checklist

3. C5 refers to BNM's CCPT classification of businesses and transactions that do not demonstrate a commitment to remediate any harm caused nor any initiative to transition to more sustainable practices.  
 4. Please refer to the "Minimising Our Own Emissions" and "Energy Management" sub-sections on pages 79 and 80 respectively for our FY2020 baseline.

# SUSTAINABILITY STATEMENT

## OUR SUSTAINABILITY APPROACH

### SUSTAINABILITY STRATEGY FRAMEWORK

#### FY2025 AMBITIONS

**Vision: The Preferred Banking Partner**

**Sustainability Purpose:**

1. We will help business owners adopt ESG practices in a way that creates value for the business, the community and environment in which they operate
2. We aim to create a meaningful impact on sustainability in collaboration with our people and our community

#### FY2025 TOPLINE GOALS

- Grow RM10 billion in sustainable banking business
- Help customers adopt sustainable lifestyles and business practices
- Reduce the Bank's greenhouse gas ("GHG") emissions footprint

#### ESG GOVERNANCE

#### STRATEGY

##### FY2022

##### Establish Foundation for Sustainability Management

- Improve ESG Profile of Portfolio
- Enhance Risk Management Infrastructure
- Improve Bank's ESG Practices
- Enhance Disclosures and Communications
- Improve Capability and Engagement

##### FY2023/FY2024

##### Help Our Customers with Sustainability Goals

- Roll out Sustainability Solutions
  - Green/Social Funding
  - Advisory Propositions
- Engagement/Advocacy with Customers/Stakeholders
- Enhance Risk Mitigation/Management/Reporting

##### FY2024/FY2025

##### Secure Impact of Sustainability

- Monitoring of Customers' ESG Impact
- Introduction of Incentives/Disincentives for ESG Propositions

#### Talent and Resources



## Fulfilling our Sustainability Purpose

While we work on creating a meaningful impact on the environment, our people, and community through improving our management of sustainability, we are also helping our customers navigate the transition towards more sustainable business practices. As we pursue the initiatives under our refreshed Acceler8 strategy, we are strengthening our Sustainability Purpose through key stakeholder advocacy across our ecosystem.



**Consumers**

We encourage our consumers to adopt sustainable lifestyles through our various sustainable financing proposition products and services, giving them the opportunity to do their part in creating a more sustainable future.



**Employees**

As our people are key to driving the Bank's sustainability goals, we strive to develop a highly engaged workforce that understands the importance of sustainability and how it impacts our business, the community, as well as our environment.



**Business Customers/ Partners**

We believe that being ESG-proficient can be a competitive advantage for our business customers. As such, we aim to help businesses create profitable propositions through our unique 3As Approach – “Advocacy”, “Advice” and “Answers”. In doing so, we are enabling our customers and partners to contribute back to the community and planet.

### Our Three-Step Approach to ESG Adoption

The 3As Approach was designed to support our customers on their respective sustainability journeys.



# SUSTAINABILITY STATEMENT



## Executing Our Sustainability Strategy

Our sustainability purpose is anchored against our three topline goals, which we have made significant progress towards achieving:

<b>1</b>	<b>2</b>	<b>3</b>
<b>Grow our sustainable banking business</b>	<b>Help our customers adopt sustainable lifestyles and business practices</b>	<b>Reduce the Bank's greenhouse gas ("GHG") emissions footprint</b>



### Target

**RM10 billion in new sustainable banking business by FY2025**

**C5%\* of portfolio to be <20% by FY2025**

**Reduce our emissions by 20% by FY2027 against our FY2020 baseline**



### Achievement as of FY2023

Achieved RM8.1 billion in new sustainable banking business

Reduced C5%\* of portfolio to 35%

Reduced our emissions by 16.6% against our FY2020 baseline



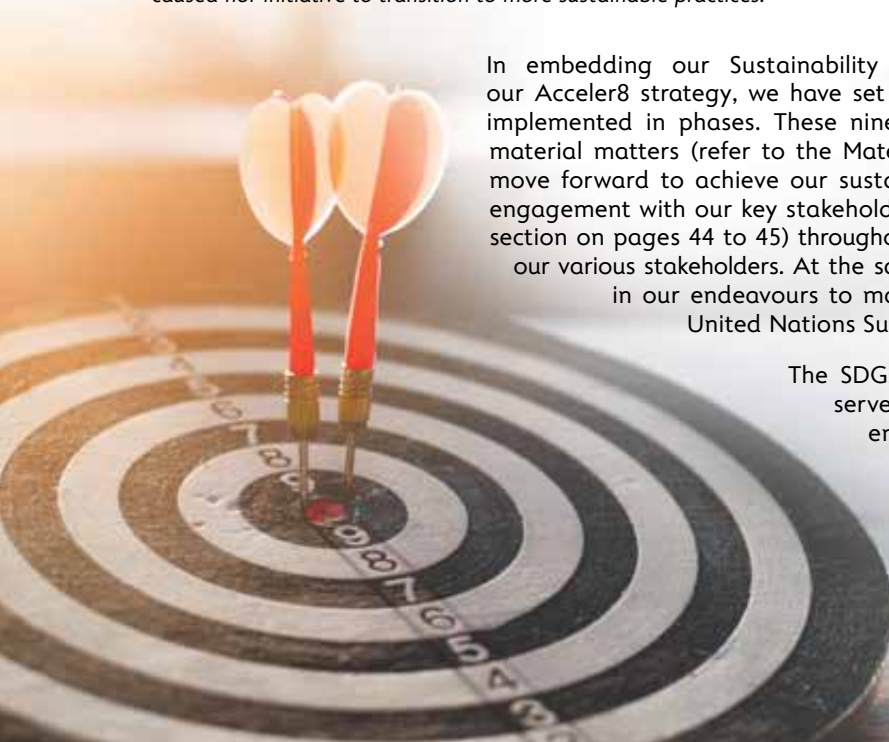
### Our key efforts

We developed new sustainable financing propositions for businesses

We partnered with various organisations to help our customers understand and adopt sustainable business practices

We upskilled our people and improved our internal processes to be more sustainable

\*C5 refers to BNM's CCPT classification of businesses and transactions that do not demonstrate a commitment to remediate any harm caused nor initiative to transition to more sustainable practices.



In embedding our Sustainability Strategy Framework (FY2022-FY2025) within our Acceler8 strategy, we have set in place nine sustainability commitments to be implemented in phases. These nine commitments, which also address the Bank's material matters (refer to the Materiality Matrix on page 48), will guide us as we move forward to achieve our sustainability goals. We will also maintain constant engagement with our key stakeholders (refer to the "Key Stakeholder Engagement" section on pages 44 to 45) throughout this process to understand the diverse views of our various stakeholders. At the same time, the nine commitments will support us in our endeavours to maximise our contributions towards achieving the United Nations Sustainable Development Goals ("UN SDGs").

The SDGs are a collection of interlinked objectives that serve as a call for action by the UN with the purpose of ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity by 2030. Of the 17 SDGs, the Bank has committed to upholding the 10 SDGs which are most pertinent to our business.

For further information, please refer to <https://sdgs.un.org/goals>



The table below outlines the Bank’s nine sustainability commitments and how they relate to our material matters and the UN SDGs. This alignment with the SDGs will help us better coordinate our support for the global sustainability agenda.














Please refer to pages 46 to 48 for more details on our Material Matters.

Our Commitment	Description	Material Matters Relevant to the Bank	UN SDGs Supported
<p><b>Improve the ESG Profile of Our Portfolio</b></p>	<p>We are deeply committed to enhancing our ESG profile by incorporating sustainable practices into our operations. Specifically, we are focused on increasing our sustainable financing and investments, which will allow us to support environmentally and socially responsible initiatives to enable a just transition to a low-carbon economy. Additionally, we are actively working with our customers to encourage the adoption of more sustainable practices.</p>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Product Stewardship</li> <li>• Responsible Lending</li> </ul>	
<p><b>Enhance Our Risk Management Infrastructure</b></p>	<p>We are in the process of incorporating the consideration for sustainability and climate-related risks into our overall management framework to ensure we are equipped to address these emerging risks. Our approach is aligned with the guidelines set by BNM’s Climate Change and Principle-based Taxonomy (“CCPT”) policy document.</p>	<ul style="list-style-type: none"> <li>• Ethics and Compliance</li> <li>• Climate Change</li> </ul>	
<p><b>Improve the Bank’s ESG Practices</b></p>	<p>We are committed to the ongoing enhancement of our internal processes and procedures to ensure that we operate sustainably and responsibly. To this end, we are incorporating ESG best practices into our business operations and actively reducing our carbon footprint through a range of initiatives.</p>	<ul style="list-style-type: none"> <li>• Ethics and Compliance</li> <li>• Digitalisation</li> <li>• Customer Experience and Data Privacy</li> <li>• Sustainable Procurement</li> <li>• Conserving the Environment</li> <li>• Climate Change</li> <li>• Diversity, Equity and Inclusion</li> </ul>	
<p><b>Improve Our Capability and Engagement Efforts</b></p>	<p>We are focused on improving our people’s capability and engagement efforts related to sustainability at all levels, beginning with our Board and Senior Management, whom regularly attend training on sustainability matters. We also provide sustainability training to employees and train our Sustainability Champions within each division. In addition, we promote employee engagement through sustainability-related initiatives and activities to inculcate a sustainability culture within the Bank.</p>	<ul style="list-style-type: none"> <li>• Talent Management</li> <li>• Employee Engagement, Health, Safety and Wellbeing</li> </ul>	

FY2022

# SUSTAINABILITY STATEMENT

	Our Commitment	Description	Material Matters Relevant to the Bank	UN SDGs Supported
FY2022	Enhance Disclosures and Communication	We are committed to helping our stakeholders understand our sustainability goals and initiatives through on-going communication efforts. We strive to achieve this by adopting internationally recognised sustainability reporting frameworks.	<ul style="list-style-type: none"> <li>Product Stewardship</li> <li>Corporate Social Responsibility</li> </ul>	
FY2023/FY2024	Roll Out Sustainability Solutions	We will ramp up our initiatives to provide sustainability solutions to our customers through green/social funding and advisory propositions.	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Product Stewardship</li> <li>Responsible Lending</li> </ul>	     
	Strengthen Engagement and Advocacy	We will advocate sustainability through continuously developing our internal capabilities and increasing our sustainability communications and brand presence.	<ul style="list-style-type: none"> <li>Talent Management</li> <li>Product Stewardship</li> <li>Corporate Social Responsibility</li> </ul>	 
FY2024/FY2025	Enhance Risk Mitigation/ Management/ Reporting	We commit to going beyond preparing the foundation of our ESG risk infrastructure, to enhancing the identification, management, mitigation, and reporting of sustainability and climate-related risks in alignment to BNM's Policy Document on Climate Risk Management and Scenario Analysis ("CRMSA").	<ul style="list-style-type: none"> <li>Ethics and Compliance</li> <li>Climate Change</li> </ul>	
	Proactive Monitoring of Customers' ESG Impact	In line with our purpose to create meaningful sustainability impact, we will put in place measures to monitor the ESG impact of our customers, and take proactive measures to introduce incentives/disincentives for sustainability-related propositions.	<ul style="list-style-type: none"> <li>Product Stewardship</li> <li>Responsible Lending</li> </ul>	   



## Participating in Associations

Our goals and strategies are aligned to the commitments we made as part of our memberships in several ESG-focused associations, in our efforts to contribute to the acceleration of the nation's sustainability agenda.



### Joint Committee on Climate Change (“JC3”) BNM Climate Change and Principle-based Taxonomy (“CCPT”) Implementation Group

A collaborative platform mandated by the JC3 (a collaboration among financial industry players and regulators towards building climate resilience within the industry) to serve financial industry players by sharing knowledge, experiences and common issues on CCPT operationalisation.



### ESG Committee, Association of Banks Malaysia (“ABM”)

We are committed to collaborate with the industry through our involvement in the ESG Committee of the ABM and to adopt the seven ESG Principles by the ABM to promote sustainable practices within the financial sector. These principles are in support of the Government of Malaysia's Intended Nationally Determined Contribution in accordance with the United Nations Framework Convention on Climate Change (“UNFCCC”) and to support a just transition to a low-carbon economy.



### UN Global Compact Network Malaysia & Brunei (“UNGCMYB”)

In FY2023, Alliance Bank joined UN Global Compact Network Malaysia & Brunei by committing to its 10 principles on human rights, labour standards, environmental protection and anti-corruption. We were the first Malaysian financial institution to sign a Memorandum of Understanding (“MoU”) with UNGCMYB to empower SMEs in sustainability adoption through collaboration on initiatives including:

- The 6-month programme called Action Centre for Sustainable SMEs (“ACCESS”) Supply Chain Development Programme in partnership with UNGCMYB and SME Corporation Malaysia (SME Corp. Malaysia);
- The Climate Change Programme to provide an assessment, report, and climate action plan for SMEs; and
- An ESG thought leadership publication titled “ESG Insights from Malaysian SMEs: Building A Better Future Together” in partnership with UNGCMYB and SME Corp. Malaysia.

## SUSTAINABILITY STATEMENT

### UPHOLDING STRONG GOVERNANCE PRACTICES FOR SUSTAINABLE GROWTH

**Our long-term value creation efforts are underpinned by the foundations of robust governance and value systems, strong product stewardship, responsible lending practices in advocacy for financial inclusion, and customer satisfaction to drive viable and sustainable economic growth.**

The Bank is focused on building an ESG-focused organisation as one of the key priorities under Acceler8. By integrating sustainability into our business strategy with a top-down approach and inculcating sustainable practices into our business operations, we remain committed to ensuring continued value creation for the Bank and our stakeholders.

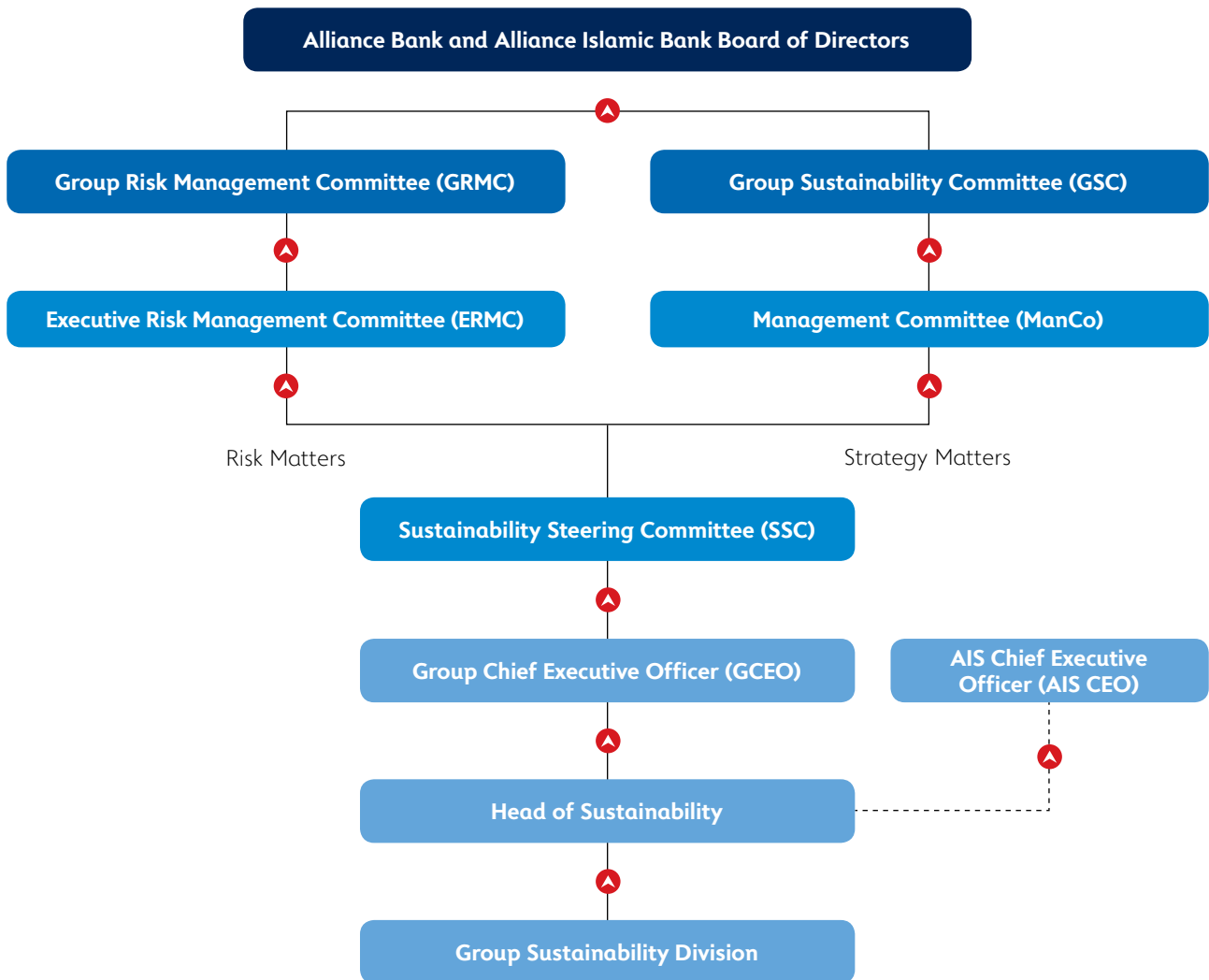
Our value creation efforts are focused on promoting economic growth of the Bank, while supporting our customers and supply chain in the transition to a low-carbon economy. At the same time, a robust corporate governance structure and system of internal controls are in place to keep the Bank's sustainability strategy on course. A strong governance culture will ensure that we can continue to build trust with our stakeholders and achieve sustainable growth for the long-term.





## Sustainability Governance

As a part of our robust management of sustainability matters, we have established a sustainability governance structure in FY2021 which has enabled us to achieve our sustainability goals progressively and ensure that sustainability considerations are embedded into our decision-making processes. This governance structure enables us to effectively manage and mitigate sustainability and climate-related risks as well as prudently evaluate opportunities.



Board-level committee

Senior Management level committee

## SUSTAINABILITY STATEMENT

### Board-level Oversight

#### Alliance Bank and Alliance Islamic Bank Board of Directors

The Board of Directors, as the Bank's highest governance body, sets the tone from the top and oversees sustainability strategies, policies and processes. The Board discusses sustainability matters including climate-related topics at least twice a year.

#### Group Sustainability Committee ("GSC")

The GSC is the dedicated Board-level sustainability committee which oversees, endorses, and monitors the Bank's sustainability matters including climate-related topics, risks and opportunities. The GSC promotes sustainability by ensuring appropriate sustainability considerations are embedded into the Group's business strategies and provides oversight by taking into consideration a holistic perspective to ensure the Bank effectively delivers its sustainability initiatives.

Comprising three independent directors, the GSC convenes quarterly to deliberate and endorse sustainability-related frameworks, policies, goals, metrics and initiatives including progress against our topline goals, sustainability capability building, and enhanced sustainability disclosures.

#### Group Risk Management Committee ("GRMC")

The GRMC is a Board-level risk committee that oversees management of enterprise risks which include sustainability. The GRMC deliberates sustainability and climate-related risks as and when required and includes considerations of the broader sustainability strategy.

### Other Board Committees

To ensure effective governance, specific sustainability aspects are embedded within the oversight of two Board committees, namely:

1. The Group Nomination & Remuneration Committee ("GNRC"), which oversees the linkage of Senior Management remuneration to performance against specific sustainability and climate-related targets; and
2. The Group Audit Committee ("GAC"), which oversees internal audits related to the Bank's ESG practices.

### Management of Sustainability

#### Management Committee ("ManCo")

At the management level, the ManCo deliberates and endorses the Bank's sustainability strategy and initiatives before escalation to the GSC as and when required.

#### Executive Risk Management Committee ("ERMC")

The ERMC deliberates on and endorses frameworks, policies, and initiatives to address sustainability risks including climate-related risks prior to their escalation to the GRMC (as and when required).

#### Sustainability Steering Committee ("SSC")

The SSC is responsible for steering, coordinating, and implementing the Bank's sustainability strategies, policies and procedures. The SSC is also responsible for managing and monitoring the Bank's material sustainability matters including climate-related matters.

The SSC is chaired by the Group Chief Executive Officer ("GCEO") and comprises the Senior Management with key leads from the relevant divisions involved in the sustainability workstreams. It convenes at least quarterly, or as and when required, and provides regular reports on the Bank's sustainability initiatives to the GSC and Board.

## Sustainability Execution

### Group Chief Executive Officer (“GCEO”)

The GCEO, supported by the AIS CEO and Head of Sustainability provides oversight on the integration of sustainability and climate-related matters across the Bank’s strategy, frameworks, policies, and processes.

### Alliance Islamic Bank Chief Executive Officer (“AIS CEO”)

As Alternate Chairman of the SSC, the AIS CEO spearheads the coordination of the Bank’s sustainability strategies across the Bank’s operations. The AIS CEO also integrates Value-based Intermediation elements from the Islamic Banking space into the Group’s sustainability strategy to create positive community and environmental impact.

### Head of Sustainability

The Head of Sustainability drives the coordination, implementation and execution of the sustainability strategy framework through various sustainability initiatives to achieve the Bank’s topline goals. Supported by the Group Sustainability Division, sustainability initiatives are implemented in collaboration with various divisions which have been organised into five sustainability workstreams.

### Sustainability Workstreams

Five sustainability workstreams comprising all business units and various support functions (such as Group Risk Management, Group Credit, Group Finance, Group Human Resource, Group Strategy, Business Development and Performance Management), catalysed and coordinated by the Group Sustainability Division, collaborate to implement initiatives that contribute to the Bank’s overall sustainability strategy and topline goals.

## Embedding ESG-linked Remuneration to Senior Management Performance

The Bank’s overall performance is measured using the balanced scorecard approach which encompasses several metrics, including the fulfilment of our sustainability agenda. The Board sets the tone from the top by reviewing and approving the Bank’s balanced scorecard while the GSC has oversight for sustainability goals and their implementation. The balanced scorecard approach promotes accountability to ensure the Senior Management upholds their sustainability commitments and delivers on the sustainability related Key Performance Indicators (“KPIs”).

To ensure the Bank’s sustainability goals are achieved, we have incorporated the sustainability topline goals, translated into specific targets and KPIs,

into the scorecard of the GCEO and Senior Management, which are cascaded down to relevant levels of management. The executive remuneration structure takes into consideration the Bank’s performance of its sustainability and climate-related goals through short-term incentive bonus funding at the group, division and individual levels. The long-term incentive plan, incorporating the Bank’s key sustainability and climate-related goals is under review.

For more information, please refer to Our Commitment/Performance Management section on our corporate website at <https://www.alliancebank.com.my/corporate/career-centre.aspx>.

# SUSTAINABILITY STATEMENT

## Ethical Business Practices

We remain steadfast in ensuring that all our businesses are conducted in a transparent, ethical and compliant manner. To ensure that every member of our organisation conducts themselves in a way that secures the wellbeing and reputation of each individual and the Bank, we have the following policies in place:



### Policy

#### Alliance Bank Code of Conduct



### Scope

All Directors, employees and individuals connected to the Bank are expected to abide by the proper standards of professional conduct and practices as outlined by the Bank's Code of Conduct.



### How we embed and promote ethics and compliance in our day-to-day operations

- Staff induction programmes
- Internal staff bulletins
- Compliance culture within the Bank (please refer to the "Risk Management" section on pages 150 to 157 for more details)

#### Whistleblowing Policy

The Bank's Whistleblowing Policy guides and facilitates the reporting of any misconduct related to the Code of Conduct, including bullying, harassment, corruption and bribery without the fear of reprisals.

- Assigned channels for reporting
- Whistleblowing reporting clause in all third-party contracts
- Whistleblowing Policy on inAlliance intranet portal for employees
- Whistleblowing Statement on corporate website for external stakeholders (<https://www.alliancebank.com.my/Anti-Bribery-and-Corruption-Policy>)

The Alliance Bank Code of Conduct and Whistleblowing Policy are available in the English language and are accessible to our employees on our inAlliance intranet portal.

## FY2023 Performance



### Zero incidents/cases

of non-compliance with the anti-bribery and corruption, as well as anti-money laundering and counter financing terrorism regulations



### Zero

monetary fines and **zero** non-monetary sanctions



### No legal suits

were filed against the Bank in court for anti-competitive behaviour, anti-trust or monopolistic practices

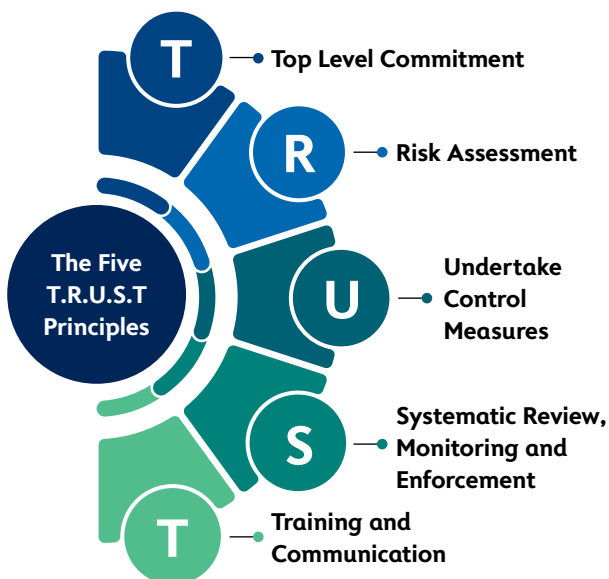


## Anti-Bribery and Corruption

We observe a strict zero-tolerance outlook concerning all acts of bribery and corruption. Our stance is defined in our Code of Conduct, Anti-Bribery and Corruption (“AB&C”) Policy, and Gifts & Entertainment Policy. Employees can access this policy on our inAlliance intranet portal while external stakeholders can access the AB&C Policy on our corporate website at <https://www.alliancebank.com.my/Anti-Bribery-and-Corruption-Policy>.

The Bank’s AB&C Policy is built into the foundation of employee induction programmes and communicated to all employees through regular staff engagement via training and communication updates on the policy. Directors and employees are mandated to complete AB&C training sessions appropriate to their roles, operating environment and jurisdictions in a timely manner. These include the annual AB&C e-Learning module with a minimum passing score of 70%. The AB&C e-Learning Programme comprises the following topics:

- Definition and elements of bribery and corruption;
- The five principles of T.R.U.S.T.;
- Key anti-bribery and corruption principles, gifts and entertainment;
- Roles and responsibilities of the Board, Senior Management and employees; and
- Scenarios and case studies.



### FY2023 Performance

**28%**

of our operations were assessed for corruption-related risks



**Zero**

incidents of corruption



**Zero**

cases of employee non-compliance with our AB&C policy



**3,537**

employees were trained on anti-bribery and corruption with a total of



**7,074**

training hours

**No political**

contributions made



Suppliers and vendors are informed of our

**AB&C Policy**

during the signing of contract stage



## SUSTAINABILITY STATEMENT

### Anti-Money Laundering and Counter Financing Terrorism

Money laundering, terrorism financing and proliferation financing continues to be an on-going threat due to globalisation of the financial services industry and advancements in technology. The Bank is cognisant of the risks involved and is continuously keeping abreast of the latest regulatory developments to improve its control measures.

All employees including the Directors and Senior Management periodically attend training on the Bank's Anti-Money Laundering and Counter Financing Terrorism ("AML/CFT") requirements and latest developments to enable them to carry out their roles effectively. This includes a mandatory annual AML/CFT e-Learning module with a minimum passing score of 70%.

In the year under review, the Bank implemented a new AML/CFT system to further strengthen its surveillance capability via transaction monitoring and screening. Through the new system, the Bank also enhanced its customer onboarding solutions that not only streamlined the process but also enabled the Bank to understand its customers better. These comprehensive systems enable the Bank to identify and effectively manage money laundering and terrorism financing activities as well as sanction risks.

### FY2023 Performance

# Zero

cases of employee non-compliance with our AML/CFT policy



# 3,522

employees were trained on AML/CFT with a total of



# 8,807

training hours



## Strong Economic Performance

To ensure the long-term viability of our lending capabilities and to sustain our future growth, we remain focused on upholding a solid capital base as well as maintaining a healthy liquidity position. For more details on this, refer to the “Performance Review” section of this Annual Report.

The Bank also consistently undertakes risk-management and capital adequacy assessments to prepare our businesses for macroeconomic challenges such as slowing or negative gross domestic product (“GDP”) growth, rising unemployment and higher interest rates. These include regularly conducting stress tests on our businesses.

Due to these measures, we continued to deliver good economic value to our stakeholders despite the many challenges faced during the year in review.

### Direct Economic Value Generated

#### REVENUE

FY2023

**RM1,919.8 million**

FY2022 : RM1,867.6 million

FY2021 : RM1,817.5 million



#### SHARE OF RESULTS OF JOINT VENTURE

FY2023

**RM0.1 million**

FY2022 : RM0.1 million

FY2021 : RM0.1 million



### Economic Value Distributed



#### EMPLOYEE WAGES AND BENEFITS

FY2023

**RM572.6 million**

FY2022 : RM529.6 million

FY2021 : RM511.7 million

#### COMMUNITY INVESTMENTS (administration expenses – donation)

FY2023

**RM1.2 million**

FY2022 : RM1.4 million

FY2021 : RM2.5 million



#### OPERATING COSTS (excluding personnel expenses and community investments)

FY2023

**RM213.7 million**

FY2022 : RM201.5 million

FY2021 : RM198.0 million

#### PAYMENTS TO PROVIDERS OF CAPITAL – CASH DIVIDENDS PAID TO SHAREHOLDERS

FY2023

**RM343.7 million**

FY2022 : RM218.1 million

FY2021 : -



#### PAYMENTS TO GOVERNMENT – TAXATION AND ZAKAT

FY2023

**RM208.8 million**

FY2022 : RM254.6 million

FY2021 : RM125.2 million



#### NET BAD DEBTS

FY2023

**RM151.9 million**

FY2022 : RM217.4 million

FY2021 : RM533.0 million



### Economic Value Retained

#### DEPRECIATION AND AMORTISATION

FY2023

**RM93.9 million**

FY2022 : RM90.4 million

FY2021 : RM88.4 million



#### PROFITS AFTER DIVIDEND

FY2023

**RM334.1 million**

FY2022 : RM354.7 million

FY2021 : RM358.8 million



# SUSTAINABILITY STATEMENT

## Strong Product Stewardship

To fast-track sustainability adoption amongst Malaysian businesses while growing our sustainable banking business, we have developed and begun offering sustainable financing products and proposition, some of which have earned us recognition and awards.

### Sustainable Financing Propositions

In FY2023, we rolled out BNM’s Low Carbon Transition Facility (“LCTF”) scheme which enables SMEs to finance their solar panel installations without collateral for up to RM10 million in financing value and at a preferential interest rate. Additionally, we offered financing for customers who installed solar panels on their rooftops and provided a zero cost option by supporting Registered Solar Photovoltaic Investors (“RPVI”). These, along with financing support for biogas and wastewater projects, have helped local businesses to accelerate their sustainability adoption.

### Green Mortgages

On the 31 March 2023, Alliance Bank signed a Memorandum of Understanding with Sunway Property to drive the adoption of green-certified properties towards sustainable communities. Through this collaboration, homebuyers will be able to leverage Alliance Bank’s sustainable mortgage financing packages for green-certified Sunway projects. Homebuyers will enjoy lower interest rates and a fast turnaround time for end-financing approvals.



## Sustainability Bonds

The development of sustainability bonds within the Bank is currently guided by principles outlined by BNM’s CCPT (2021) and the Securities Commission’s Principles-Based Sustainable and Responsible Investment (“SRI”) Taxonomy (2022).

### Upholding Excellence in Sustainable Lending



As testament to our commitment to delivering innovative, client-centric solutions, Alliance Investment Bank won the Most Innovative Deal award under the Best in Sustainable Finance category at The Asset Triple A Islamic Finance Awards 2022 event. The award was presented in recognition of our role as Joint Lead Manager for Agrote (M) Sdn Bhd’s RM200 million ASEAN Sustainability SRI sukuk issuance that took place in August 2021.

The ASEAN Sustainability SRI Sukuk issuance marks the world’s first agriculture-based SRI sukuk issuance. The proceeds from the issuance were utilised to advance economic viability and support social responsibility within Agrote’s modern, integrated farming operations. Moving forward, Alliance Bank will continue to build relationships that will facilitate sustainable financing opportunities as part of our aim of fostering sustainable business practices within the Malaysian economy.

Moving forward, we aim to further enhance our lending and investment offerings and practices by rolling out a Sustainable Product Framework. The framework will guide our internal processes for sustainable product development to advance our sustainable financing growth in support of the nation’s agenda of facilitating capital flows for a just transition to a low-carbon economy.

## Strategic Partnerships and Business Ecosystem Development Support Programmes

In FY2023, based on our understanding of our customers' needs and preference, we launched our Sustainability Assistance Programme ("SAP"), which focuses on the 3As Approach, namely "Advocacy", "Advice" and "Answers". The programme creates awareness, provides advisory and enables sustainability adoption via our green solutions and financing to businesses nationwide. The SAP provides our customers a competitive edge and sets them up for future growth while enabling them to meet increasing supply chain requirements on sustainability. In its inaugural year, the programme provided more than RM170 million in financing for businesses as well as green solutions related to the areas of solar energy, energy efficiency, bio-fuels, as well as waste and water management, among others.

We also formed strategic partnerships with the following organisations to form an ecosystem that provides value-added benefits to businesses in the area of sustainability improvement.

Programme	Partnerships Formed
<b>ESG Start Programme by UN Global Compact Network Malaysia &amp; Brunei ("UNGCMYB")</b>	<p>Alliance Bank is the main bank supporting UNGCMYB's ESG Start Programme which aims to advance sustainability performance among SMEs. Through our offerings, we aim to:</p> <ul style="list-style-type: none"> <li>• Provide sustainability financing solutions and banking benefits at preferential rates to participants of UNGCMYB's ESG Start Programme;</li> <li>• Provide a wide range of green solutions with preferential offers via the Bank's BizSmart® Solution; and</li> <li>• Provide relevant tools and resources from UNGCMYB to help participating SMEs embark on their sustainability journey.</li> </ul>
<b>Alliance Bank's BeESG Campaign</b>	<p>The Bank has also launched the BeESG Campaign through strategic alliances with UNGCMYB, Bursa Malaysia, and the Malaysian Green Technology and Climate Change Corporation ("MGTC"). Through our strategic partners, we are able to advise and help businesses structure their sustainability roadmaps and stay true to their sustainability goals.</p>
<b>Bursa Malaysia's #financing4esg initiative</b>	<p>Alliance Bank is one of the pioneer banks in Bursa Malaysia's #financing4esg initiative which focuses on helping public listed companies ("PLCs") improve their FTSE4Good ESG ratings. Altogether, 35 companies, comprising PLCs and large SMEs with IPO aspirations, participated in the maiden year of this initiative. These engagements created over RM500 million in sustainable financing opportunities for the Bank, while Bursa's ESG Advisory Services successfully engaged 15 PLCs for consultancy services and successful entry into the FTSE4Good Index. Moving forward, the programme will be extended to a larger population of companies and their respective supply chains.</p>
<b>Alliance Bank and Malaysian Green Technology and Climate Change Corporation's ("MGTC") Green SME Nurturing and Development Programme</b>	<p>We are also collaborating with MGTC on the Green SME Nurturing and Development Programme. Through this initiative, we provide business matching and working capital support for ESG solution providers listed on the MyHIJAU Directory via BizSmart® Solution, our one-stop online business community portal. This portal forms an ecosystem that connects our customers to relevant solutions for their business. It also provides an avenue for our listed solution partners to source incremental client opportunities. With over 150 solution partners that provide solutions at preferential rates, we are helping businesses make headway on the sustainability and digitalisation fronts.</p>

## SUSTAINABILITY STATEMENT

### Sustainability Thought Leadership and Awareness

As an industry leader, we are committed to developing thought leadership and awareness on sustainability. In FY2023, we reached more than two million people via participation in several events as well as through webinars, media reach and social media coverage. This included setting up a flagship booth at the KLCC Convention Centre during the International Greentech & Eco Products Exhibition & Conference Malaysia 2022 (“iGEM 2022”), Southeast Asia’s leading trade event for green technologies and eco solutions. We won the Best Interactive Booth award at the event for showcasing both our banking and value-added ESG solutions.

We also engaged with our audiences via speaking and exhibition opportunities at major ESG events nationwide that included the SME SDG Festival 2022 organised by UN Global Compact Network Malaysia & Brunei, Penang Green Finance Conference, Malaysia International Machinery Fair, Bank Tech Asia, and International Women’s Federation of Commerce and Industry Malaysia event, among many others.



**The banker liaising with me did a good job in enabling our company to improve our adoption of ESG best practices. He shared a solar financing loan which is one of the best facilities for companies like us. It improves the company’s competitiveness and enables us to save on energy costs. We were also featured in the Bank’s sustainability video and promoted on social media and other channels. We look forward to more benefits via the Bank’s Sustainability Assistance Programme going forward.**

**Andy Goh,**  
Director, Fungiculture Asia Sdn. Bhd.



## Alliance Bank's Inaugural Annual ESG Survey Report

In April 2023, we launched our inaugural thought leadership publication on ESG, “ESG Insights from Malaysian SMEs: Building A Better Future Together”. As a bank that has a long-standing relationship with the SME segment, we understand the unique challenges businesses face. Considering that there is a lack of local SME-centric frameworks and information to help small businesses on their ESG journey, we launched this study to fill the gap in the market.

The study was jointly commissioned with UN Global Compact Network Malaysia & Brunei and SME Corp. Malaysia to provide insights into the awareness and adoption issues and other

challenges faced by SMEs striving to integrate ESG factors into business practices in Malaysia. The study was developed using three approaches – in-depth interviews, a large-scale survey among 610 SMEs, and secondary research.

This survey was launched as part of Alliance Bank's BeESG initiative to encourage more sustainable practices among businesses. Instead of viewing ESG as a compliance checklist, this study aims to enlighten businesses to grasp the opportunity of incorporating ESG practices as a source of competitive advantage.

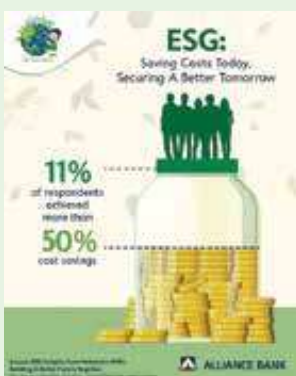
Key findings of the study are:

<p><b>3 out of 5</b>                  Malaysian SMEs believe embedding ESG practices into their business will create long-term value, build a strong workforce and increase business opportunities</p>	<p><b>1 in 4</b>                  Malaysian SMEs have adopted elements of ESG practices in their business</p>	<p><b>80%</b>                  of ESG Adopters recognise the value of ESG adoption and plan to continue pursuing it moving forward</p>
<p><b>39%</b>                  of ESG adopters reported improved profits and cost savings from ESG practices</p>	<p><b>76%</b>                  of ESG adopters started their journey within the last five years</p>	<p><b>58%</b>                  of non-ESG adopters are open and keen to adopt ESG in the near future</p>

Download the full report from: <https://www.alliancebank.com.my/esg-sme-survey-2023> or scan the QR code:



Watch the launch video of our ESG Survey Report here:



## SUSTAINABILITY STATEMENT

### Responsible Lending for Financial Inclusion

We believe that responsible lending leads to long-term value for the Bank as it can enhance customer satisfaction and retention, in turn leading to better financial performance and long-term growth. As a community-focused bank, we strive to support underserved communities and assist small businesses in order to promote financial inclusion and support economic development in the communities we operate in.



#### The Alliance Bank BizSmart® Challenge

Launched in 2013, the Alliance Bank BizSmart® Challenge has helped prepare many high-potential young businesses for success through its provision of business training, coaching, mentoring, networking, brand exposure and financing. In FY2023, we successfully helped the finalists embark on their halal certification journey by according them financing and bolstering their brand profile through developing testimonials and social content of their business journey, including highlighting their sustainability efforts.



#### Halal in One Programme

Alliance Islamic Bank's ("AIS") Halal in One programme continues to pave the way for businesses looking to expand their customer reach within the halal segment. The programme offers customers end-to-end halal certification support, advisory, Shariah-compliant funding and global market access. During the year, we helped businesses leverage digitisation options, such as training and access to the online marketplace via partnerships with the Halal Development Corporation ("HDC"), HQC Commerce Sdn Bhd, Fusionex and the International Institute for Halal Research. Through this initiative, we provided more than RM520 million in financing to SMEs, exceeding our FY2023 target of RM400 million. We also provided over 120 SMEs with market access solutions and helped five SMEs successfully obtain their Halal certification via our collaboration with HDC and HQC Commerce Sdn Bhd respectively.



#### #SupportLokal

The #SupportLokal initiative helps local businesses widen their customer reach by taking their businesses online. In tandem with this, we continuously feature and profile the products and services of local businesses on our social platforms. We have also created the BeBizSmart content series of business-related insights in the form of articles and podcasts to help young businesses. In FY2023, we expanded our #SupportLokal initiative to include on-ground events, where we promoted businesses around the vicinity of our branches via joint partnerships with the Bank.



#### Alliance Islamic Economic Empowerment Programme ("EEP")

The Alliance Islamic EEP introduced in December 2020 aims to elevate the economic status of micro-entrepreneurs in the *asnaf* and B40 segments by providing entrepreneurial, financial and digital skills training.

Following the success of EEP 1.0 in 2021, EEP 2.0 was launched in September 2022 in collaboration with our training partner, People Systems Consultancy Sdn Bhd ("PSC"). Via this programme, 50 participants attended a four-day training session and two month of mentoring from PSC. As a testament to the success of EEP 2.0, approximately 74% of participants witnessed an increase in their income. On average, participants' monthly income increased by 109% from RM768 to RM1,612 after the training.



## Zakat Microfinancing

Since FY2022, AIS has embarked on a journey to realise BNM's aspirations to improve the nation's financial inclusion in providing *asnaf* entrepreneurs with access to affordable financing. As such, AIS is collaborating with a state zakat authority and a leading microfinancing institution in Malaysia to introduce a microfinancing scheme using zakat funds with 0% profits for *asnaf* entrepreneurs ("Zakat Microfinancing"). The project aims not only to provide access to affordable financing, but also to instil a sense of responsibility and camaraderie among the *asnaf* entrepreneurs, as well as promote the long-term sustainability of the zakat fund.



**This breakthrough Zakat Microfinancing model is the first of its kind to receive *fatwa* approval from the Selangor Fatwa Council.**



### Launch of Malaysia's First Zakat Microfinancing Book

In September 2022, Alliance Islamic Bank ("AIS") launched the nation's first book on zakat microfinancing, titled "Zakat and Microfinance". This breakthrough concept showcases Malaysia's first social financing model that utilises the distribution of zakat for *asnaf* (underprivileged) micro-entrepreneurs to promote equitable development and accelerate financial inclusion. It also aligns with BNM's Value-based Intermediation ("VBI") agenda, which promotes a socio and eco-centric banking model in furtherance of the intended outcomes of Shariah.

AIS consulted with various organisations and committees to obtain input on the permissibility of productively distributing zakat funds as microfinancing to *asnaf* micro-entrepreneurs. The extensive research was conducted in collaboration with subject-matter experts and Islamic Studies researchers specialising in social financing from Universiti Kebangsaan Malaysia and

Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan. With the support of the research highlighted in the book, AIS successfully obtained approval from the relevant authorities to pilot the Zakat Microfinancing Programme.

The book and AIS's pilot Zakat Microfinancing Programme lead the way in promoting financial inclusion by providing accessible funding for *asnaf* micro-entrepreneurs. By providing this segment the opportunity to grow their businesses professionally and with accountability, we are not only supporting and partnering them in their progress towards financial resiliency, but also transforming them from being zakat recipients into future zakat contributors.

The e-book can be downloaded at <https://www.alliancebank.com.my/Muat-Turun-e-Buku-Zakat-dan-Pembiayaan-Mikro> or by scanning this QR code:



## Government Assistance Schemes

We support the Malaysian Government in their efforts to develop the nation's SMEs by facilitating a number of government assistance schemes. These include the BNM Fund for SMEs which aims to ensure eligible SMEs have access to financing at a reasonable cost; as well as the Credit Guarantee Corporation Malaysia Berhad ("CGC") and Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") guarantee schemes which offer SMEs in most economic sectors guarantees that improve their access to financing. CGC's BizJamin and BizJamin-i Schemes as well as SJPP's Pemulihan Government Guarantee Schemes assist entrepreneurs who have viable businesses but lack collateral to obtain the required financing amount from financial institutions.

## SUSTAINABILITY STATEMENT

### ESG Risk Assessment Tools

Our sustainable lending and investment practices are underpinned by in-house risk assessment tools, namely our ESG Screener Tool, ESG Risk Acceptance Criteria or RAC, and Prohibited Lending list, guided closely by the BNM CCPT requirements.



**ESG  
Screener  
Tool**

The ESG Screener Tool helps our relationship managers to identify customers who require help in adopting sustainable practices using our business solutions. This tool is also used to assess our business clients' ESG risks and commitments. In doing so, we are able to categorise our business clients based on BNM's CCPT guidelines. We aim to reduce the Bank's exposure to businesses with "little to no inclination to embed ESG measures into their business strategies" to not more than 20% of our portfolio by FY2025. In FY2023, we enhanced our ESG Screener Tool to allow us to make more informed lending and investment decisions.



**ESG Risk  
Acceptance  
Criteria  
("RAC")**

The ESG RAC framework assists us in evaluating a company's inclination to practise sustainability in its business operations. We also apply additional industry-specific RACs to ESG-sensitive sectors such as mining and quarrying, oil and gas, as well as forestry and logging. In FY2023, we expanded our palm oil RAC to encapsulate the larger agribusiness sector in alignment with our commitment to ABM's seven ESG Principles.



**Prohibited  
Lending**

The Bank's credit policy prohibits the funding of projects or activities that cause severe environmental and social harm, or are illegal. We have taken a firm stance against financing coal-fired power plants, coal mines and oil and extraction using unconventional methods such as hydraulic fracturing. Our stringent credit policy also excludes lending to arms trading businesses or for the purpose of a hostile takeover of a company.

## Enhanced Customer Experience through Digitalisation

We continued to focus on our digitalisation efforts to streamline operations, reduce costs and improve efficiency. Digitalisation also allows us to continuously enhance our customer experience by providing convenience and seamless access to banking services through digital channels.

### e-KYC Solution

The fully digital e-KYC or Know Your Customer onboarding solution allows customers to open a digital savings account or apply for a personal loan or credit card via our allianceonline mobile app, thus eliminating the need to visit a branch physically. This is in line with our goal of delivering fast, simple, and responsive banking services to our customers anytime, anywhere. In FY2023, the average number of new digital CASA accounts opened each month increased by more than twofold – from 617 new accounts to 1,400 new accounts – representing 26% of total CASA opened.

### Digital Loans

Our Digital Personal Loans facility provides approval-in-principle within 10 minutes while funds are disbursed within 24 hours of approval. In FY2023, digital personal loans doubled, touching RM25.7 million a month in comparison to an average of RM12.9 million a month in FY2022, representing 27% of all personal loans booked in FY2023.

In FY2023, we introduced Digital SME (“DSME”) lending to target the smaller SMEs. DSME tripled its loan portfolio year-on-year, to RM211 million in FY2023. Under DSME, the loan application to approval process for these SMEs is as fast as within 24 hours.

### Branch-in-a-Tablet

The Bank’s Branch-in-a-Tablet initiative enables our relationship managers to perform simple banking applications such as account openings 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”. In FY2023, the average number of CASA opened via the Branch-in-a-Tablet initiative grew from 1,789 to 2,483 accounts per month, representing 44.9% of total CASA opened.

### BizSmart® Mobile

Our BizSmart® Mobile App enables business owners to manage their business account, submit and approve transactions via a mobile phone anytime, anywhere. To protect our customers from potential financial scams and fraud, the app is leveraged as users’ personalised security token to validate web logins and to generate the transaction authorisation codes required for transaction approvals.

In FY2023, the app was enhanced making it possible for business owners to make employee salary payments and statutory contributions conveniently via employee pre-registration. At the same time, fixed deposit online placements and withdrawals were enabled. We also introduced BOB, our BizSmart® Chatbot that offers instant self-help through WhatsApp messaging. Customers will not encounter any delays or call waiting as they can reach out to BOB 24 hours every day, including the weekends and public holidays.

### BizSmart® eTrade

Alliance Bank was the first bank in Malaysia to offer a one-stop mobile trade financing platform. Our award-winning BizSmart® eTrade facilitates paperless document submissions, fast approval and fast disbursement of funds, monitoring of trade finance utilisation, and managing of payments and collections 24/7 remotely with just a few taps on mobile phone. Upon the Bank’s approval, customers will receive their funds within 24 hours.

In FY2023, we added more trade finance products and services, e.g., Letters of Credit and Bank Guarantees to the platform. Our customers can now perform eTrade transactions in both MYR and foreign currencies to over 85 countries, benefitting customers involved in both domestic and international trade. To date, 50% of our trade transactions have successfully been migrated into eTrade submissions.




# SUSTAINABILITY STATEMENT

## Safeguarding Customer Data

We are deeply committed to safeguarding our customers’ data and privacy, even more so as we accelerate the digitalisation of our systems and processes. Aside from upholding the Personal Data Protection Act 2010, Financial Services Act 2013, the Islamic Financial Services Act 2013 and all other relevant legislation, we have in place internal Privacy and Data Management Policies which govern the collection, use, and management of our customers’ personal data. Only authorised personnel have access to data which is kept securely within the Bank, while we store all hardcopy materials in locked cabinets in a secure location and destroy all printed materials that are no longer in use.

We also 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.

This year, Alliance Bank launched Malaysia’s First Virtual Credit Card with a ‘Dynamic Card Number’ feature in efforts to strengthen security of customers’ digital transactions while offering customers an environmentally friendly alternative to plastic credit cards.

 Refer to the “Performance Review” section – specifically the “FY2023 Performance Highlights” content within the “Consumer Banking” sub-section on pages 31 and 32.

## Measuring Customer Satisfaction

To ensure that our relationship-focused strategy is serving the needs and building closer alliances with our customers, we apply the Net Promoter Score (“NPS”) to measure customer loyalty and the likelihood of them referring our products or services to their friends and family. We track our NPS across key customer touch points.

Through analysis of the NPS results, we are able to identify key areas for improvement and implement measures to address customer issues and enhance customer satisfaction.

In FY2023, the Bank recorded its best-ever composite NPS. This achievement came on the back of our relationship managers proactively contacting all our business clients to better understand their financial situations and to facilitate loan modifications as required.

## Sustainable Supply Chain

In upholding sustainable practices in our business operations, the Bank is committed to ensuring that its supply chain remains sustainable by ensuring fairness, transparency and accountability in its procurement practices. All our purchasing decisions are made in compliance with the Bank’s Procurement Policy and Standard Operating Procedures to ensure fair treatment to our suppliers and business partners.

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 all purchases above RM300,000.

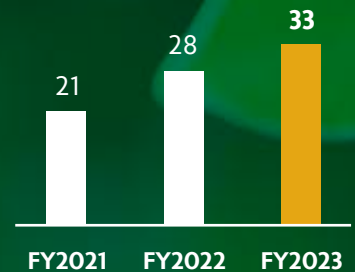
In FY2023, we incorporated ESG considerations into our Procurement Policy and Procedures through the introduction of an ESG Procurement Sustainable Assessment Questionnaire (“SAQ”) which has been embedded into our e-Procurement System. The SAQ screens suppliers against various ESG criteria including anti-bribery and corruption.



**Zero**

substantiated complaints concerning breaches of customer privacy in FY2023

## Average NPS



In FY2023,

**92%**



of our procurement spend was on local suppliers

**ESG**

considerations have been embedded into our

**Procurement Policy & Procedures**

## UPHOLDING SOUND ENVIRONMENTAL PRACTICES

**We manage environmental and climate change impact within our organisation by assessing climate-related risks and opportunities, while proactively playing our part to reduce our GHG emissions, energy and paper consumption.**

Alliance Bank recognises the critical role that the financial sector plays in combating climate change and supporting the nation's transition to a low-carbon economy. As a responsible member of the industry, we remain fully committed to doing our part to promote sustainability and reduce our environmental footprint.

To ensure that our operations are aligned with global sustainability goals, we enhanced our policies and procedures to be more ESG-focused in FY2023. We have also begun assessing our climate-related risks and opportunities, and will continue to progressively align with international best practices moving forward. This will enable us to better measure and manage the environmental impacts of our business activities.



# SUSTAINABILITY STATEMENT

## Addressing Climate Change

With climate change being one of the most pressing challenges facing the global community, we remain steadfast in our proactive approach to mitigate the impact of climate change, and incorporate climate-related opportunities in our strategic planning. To this end, we have introduced green financing offerings with climate mitigation considerations such as solar panel financing and green mortgages.



Please refer to the “Strong Product Stewardship” sub-section on page 68 to 71.

The year in review saw the Bank continue to enhance its climate-related risk management efforts and disclosures according to TCFD recommendations.

### Managing Our Climate-related Risks

In April 2023, we established the Group Climate and Sustainability Risk unit that is dedicated specifically to handling all sustainability and climate-related risks pertaining to the Bank.

We also incorporated climate and sustainability risk considerations into our overall risk management framework. This includes our credit assessment process which entails undertaking a comprehensive assessment of sustainability and climate-related risks on cases with significant exposure to the Bank.

Presently, the Bank is conducting a thorough assessment of our climate-related risks and opportunities. The assessment includes both physical and transition risks, and is in line with requirements of the BNM Policy Document on Climate Risk Management and Scenario Analysis (“CRMSA”). Findings from this assessment are deliberated at our Board of Directors, GSC and SSC meetings alongside other broader climate-related topics such as:

- 01 Integration of BNM’s CCPT into our business activities and operations – including tightening of the ESG Screener and RAC
- 02 Climate risk identification and management
- 03 Development and implementation of the GHG emissions reduction strategy
- 04 Developments in the carbon marketplace

In ensuring our Board of Directors and Senior Management stay abreast of the latest developments in sustainability and climate-related risk, all our Directors and members of Senior Management attended training on climate risk management in FY2023 which included topics on the transmission of climate-related risks to conventional risk types, climate risk mitigation, physical and transition risk scenario analysis, climate risk stress testing, and net zero target setting. We are also actively upskilling our employees to increase their capability in monitoring and assessing sustainability and climate-related risks.

Climate adaptation measures to mitigate physical risks, specifically in the area of flood mitigation have been implemented across the Bank. In FY2023, we installed floodgates at three of our branches in Shah Alam, Kajang and Jalan Ipoh. It is also mandatory for our records management processes to incorporate flood prevention measures such as keeping records above ground level as well as installing flood barriers and early warning alarm systems.

## Minimising Our Own Emissions

In a step towards reducing the Bank's GHG emissions footprint, we established our operational GHG emissions baseline for FY2020, and tracked our emissions against this record for the past three years. We have also set a target to reduce our Scope 1 and 2 emissions by 20% by FY2027 against our FY2020 baseline. We aim to achieve this through our GHG reduction strategy which focuses on the main source of our emissions (Scope 2) through measures such as reducing our floor space, improving energy efficiency at our offices and branches, and potential investment in carbon offsets for residual emissions.

We witnessed a downward trend in our total emissions from FY2020 to FY2023. Between FY2021 to FY2022, COVID-19 restrictions resulted in significant reductions in our operational emissions. In FY2023, as we settled into the 'new normal' which included the introduction of hybrid working arrangements and implementation of our GHG emissions reduction strategy, we continued to see an encouraging decrease in our operational emissions. We will continue monitoring this trend to ensure we meet our GHG emission reduction targets. As of FY2023, we have achieved a reduction of 16.6% in our Scope 1 and Scope 2 emissions against our FY2020 baseline.

Moving forward, we will be taking action to quantify our Scope 3 financed emissions and develop strategies to achieve our commitment to be Carbon Net Zero by 2050.



## Scope of GHG Inventory



### SCOPE 1 STATIONARY AND MOBILE COMBUSTION

FY2023

**32.0** tCO<sub>2</sub>e

FY2022 : 24.2 tCO<sub>2</sub>e

FY2021 : 16.2 tCO<sub>2</sub>e

FY2020 : 29.5 tCO<sub>2</sub>e



### SCOPE 2 PURCHASED ELECTRICITY

FY2023

**6,699.7** tCO<sub>2</sub>e

FY2022 : 7,112.2 tCO<sub>2</sub>e

FY2021 : 7,995.5 tCO<sub>2</sub>e

FY2020 : 8,037.7 tCO<sub>2</sub>e



### SCOPE 3 BUSINESS TRAVEL BY LAND

FY2023

**686.4** tCO<sub>2</sub>e

FY2022 : 577.3 tCO<sub>2</sub>e

FY2021 : 565.4 tCO<sub>2</sub>e

FY2020 : 794.1 tCO<sub>2</sub>e

tCO<sub>2</sub>e = tonnes of carbon dioxide equivalent

GHG emissions have been verified by an external consultant according to ISO14064 Part 3, Specification with guidance for the validation and verification of greenhouse gas assertions

## SUSTAINABILITY STATEMENT

### Energy Management

The Bank continues to actively explore ways to make our business operations more energy efficient. One way in which we manage our energy consumption is through ensuring that the air conditioners at our data centre are maintained at optimum level. In line with our GHG emissions reduction strategy, we have also progressively replaced low-efficiency split unit air conditioners with higher energy-efficiency models as well as light fittings with energy-efficient LED lights at the Bank's premises. These efforts saw the Bank's overall energy consumption decrease by over 7,837 kWh or about 15% against our FY2020 baseline.

### Electricity Consumption

#### TOTAL ELECTRICITY CONSUMPTION

FY2023

**12,450,634.5 kWh**

FY2022 : 13,204,726.8 kWh

FY2021 : 14,372,788.3 kWh

FY2020 : 14,628,866.9 kWh



### Fuel Consumption

#### PETROL

FY2023

**11,346.5 litres**

FY2022 : 6,366.1 litres

FY2021 : 4,742.9 litres

FY2020 : 9,734.6 litres



#### DIESEL

FY2023

**2,326.0 litres**

FY2022 : 3,614.0 litres

FY2021 : 2,026.0 litres

FY2020 : 2,751.0 litres



#### TOTAL ENERGY CONSUMPTION

FY2023

**12,464,307.0 kWh**

FY2022 : 13,214,706.9 kWh

FY2021 : 14,379,557.2 kWh

FY2020 : 14,641,352.5 kWh

#### TOTAL ENERGY CONSUMPTION

FY2023

**44,871.5 GJ**

FY2022 : 47,572.9 GJ

FY2021 : 51,766.4 GJ

FY2020 : 52,708.9 GJ

kWh = kilowatt hour

GJ = gigajoule

Energy consumption data has been verified by an external consultant according to ISO14064 Part 3, Specification with guidance for the validation and verification of greenhouse gas assertions.





## Conserving the Environment

Conservation of the environment is crucial to our planet’s long-term sustainability. As a responsible corporate citizen, we have set our sights on being a good steward of the environment through reducing the negative impact of our operations on the environment.

### Use of Environmentally Friendly Materials

In our attempt to reduce the environmental impact of our operations, the Bank uses environmentally friendly materials which comply with green certification criteria where possible. This encompasses the paints, floor finishes, ceiling boards, partitions, workstations and office furniture in all our office renovations and refurbishments. In addition, all new air conditioners installed at our branches and offices use eco-friendly refrigerants.

### Recycling Drive

We collaborated with Trashcycle, a waste management company, to organise our Recycling Drive aimed at encouraging our employees to reduce and recycle their waste. This initiative saw our employees dropping off 377 kg of recyclable waste at a designated collection area in our office headquarters. This resulted in an estimated total of 537 kg in CO<sub>2</sub> savings.



### Reducing the Use of Paper

The Bank continues to drive digitisation initiatives at the office to reduce paper consumption. We also closely monitor paper consumption at our head office and send monthly print volume reports to the heads of businesses. In FY2023, we witnessed a 15% drop in printing volume compared to pre-Covid levels in FY2020. Moving forward, we will continue to encourage our employees to adopt sustainable practices and minimise paper consumption.

### EcoBiz Challenge

The EcoBiz Challenge is the Bank’s environmental-themed competition for tertiary students. Launched in 2016, the competitive learning platform connects university students with industry experts to develop sustainable business solutions to address environmental, economic and social issues. To date, the Challenge has reached over 5,000 students across Malaysia.

For the fourth edition of the EcoBiz Challenge, Alliance Bank collaborated with MGTC. This season saw the successful establishment of 11 social business, 5 of which registered their businesses with the Companies Commission of Malaysia (“SSM”). The social businesses established via EcoBiz Challenge 4 collectively raised total income close to RM30,000. These businesses also generated significant environmental and social impact such as diverting more than 800 kg of waste from landfills, creating job opportunities for single mothers and youths as well as upskilling more than 90 community members.



Post-prize giving, the finalist teams were given the opportunity to participate in a six-month Performance Monitoring Programme organised by the Bank. The programme, which supported and provided guidance to participants in business management, was aimed at ensuring the sustainability of these newly established social businesses.

For more information on the EcoBiz Challenge, visit <https://www.alliancebank.com.my/ecobiz> or scan this QR code:



## SUSTAINABILITY STATEMENT

### EMPOWERING OUR PEOPLE AND COMMUNITIES

**We promote social diversity, equity and inclusion in the way we engage our employees, business partners, suppliers and communities, and we will continue to uphold the welfare and wellbeing of the stakeholders with whom we engage and empower.**

Alliance Bank is deeply committed to protecting the rights and promoting the wellbeing of our employees, stakeholders and the communities in which we operate. To this end, we continue to champion human rights and to prioritise the empowerment of the individuals under our care.

#### Employees

In line with the Bank's Acceler8 ambitions, we aspire to build a high-performing and sustainable organisation. To achieve this goal, we are continuously investing in our workforce. We also regularly review and enhance our employee value propositions in our aim to be an employer of choice that attracts and retains the best talent.

#### Communities

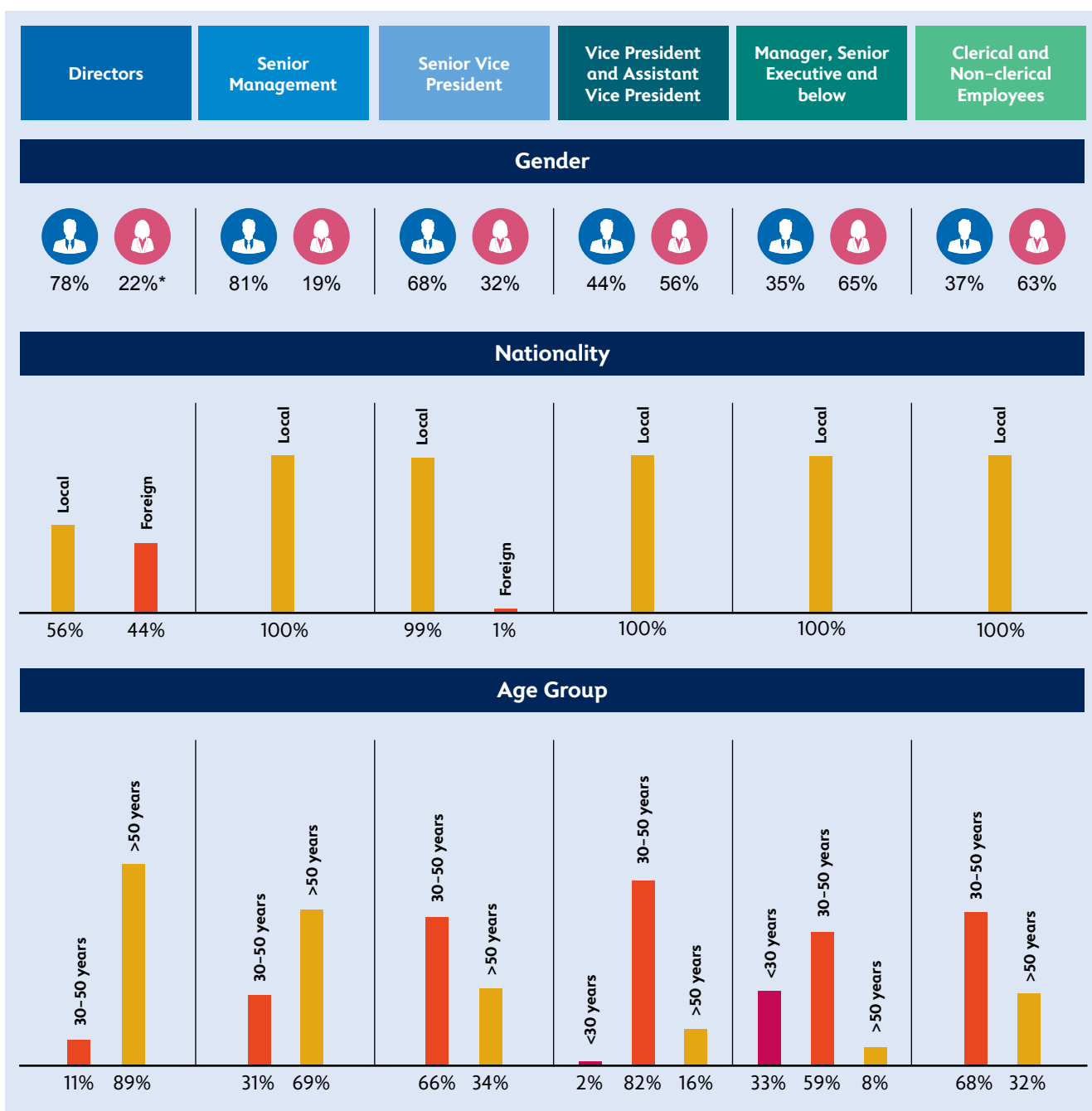
Reflecting our aspiration of being the community's bank, we endeavour to forge closer ties with the local communities in which we operate to better serve their needs. In addition to our financial literacy and economic empowerment initiatives, the Bank helps communities to safeguard their livelihoods against climate change and ESG risks.



## Promoting Diversity, Equity and Inclusion

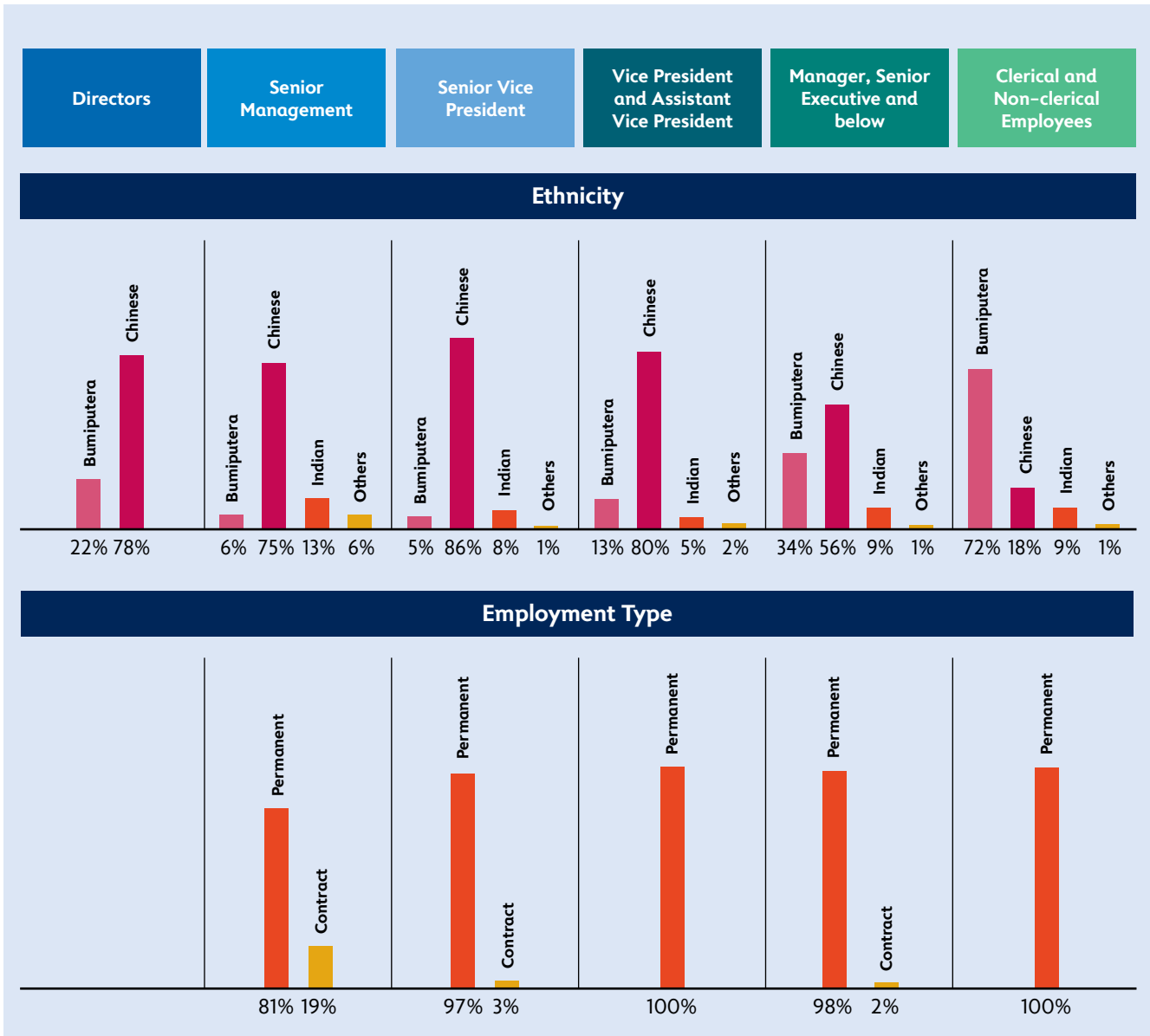
Here at Alliance Bank, we recognise that the strength of our organisation lies in the capacities and capabilities of our workforce. The Bank also understands that a workforce is further strengthened when it comprises individuals from various backgrounds, skillsets and experiences. As such, we continue to champion inclusivity as an integral aspect of our work culture and actively embrace diversity within our workforce.

The Bank’s outlook on inclusivity is reflected in our diverse workforce. In FY2023, women comprised 61% of our workforce. Within this group, 57% held various management positions (Senior Executives and above), while female representation in our Senior Management and the Board of Directors stood at 19% and 22% respectively.



\* Note: As at 2 June 2023, female representation in the Board of Directors stood at 30%.

# SUSTAINABILITY STATEMENT



## Zero Tolerance against Discrimination and Harassment

In line with the Bank’s strict zero-tolerance stance against discrimination and harassment, we introduced the Guidelines on Workplace Harassment & Discrimination (“Guidelines”) in FY2023. The Guidelines outline the types of discrimination that the Bank stands against and provides response mechanisms to address any such complaints.

To ensure that we operate in a safe and secure environment, all employees are required to uphold the Guidelines which have been communicated via

staff communications and our inAlliance intranet portal. In addition, all new employees (including Managers) are briefed on handling complaints on bullying, harassment and discrimination during their induction session.

All complaints regarding discrimination are investigated thoroughly via the Bank’s disciplinary processes, and consequence management is applied accordingly. In FY2023, no incidents of discrimination were reported.

# Talent Management

## Labour Standards

The Group abides by and is fully compliant with the standards and rights conferred by all applicable labour and industrial relations and laws. We have established employment policies and practices that regulate individual and collective employment relations as well as accord our employees growth opportunities.

The Bank also strives to ensure that our employees are well provided for and that their total annual wages remain competitive and relevant to the cost of living. To date, all employees within the Bank receive salaries that are above the minimum wage in Malaysia.

The Bank reported zero cases of non-compliance with labour standards during the year in review.

## Recruitment and Performance Management

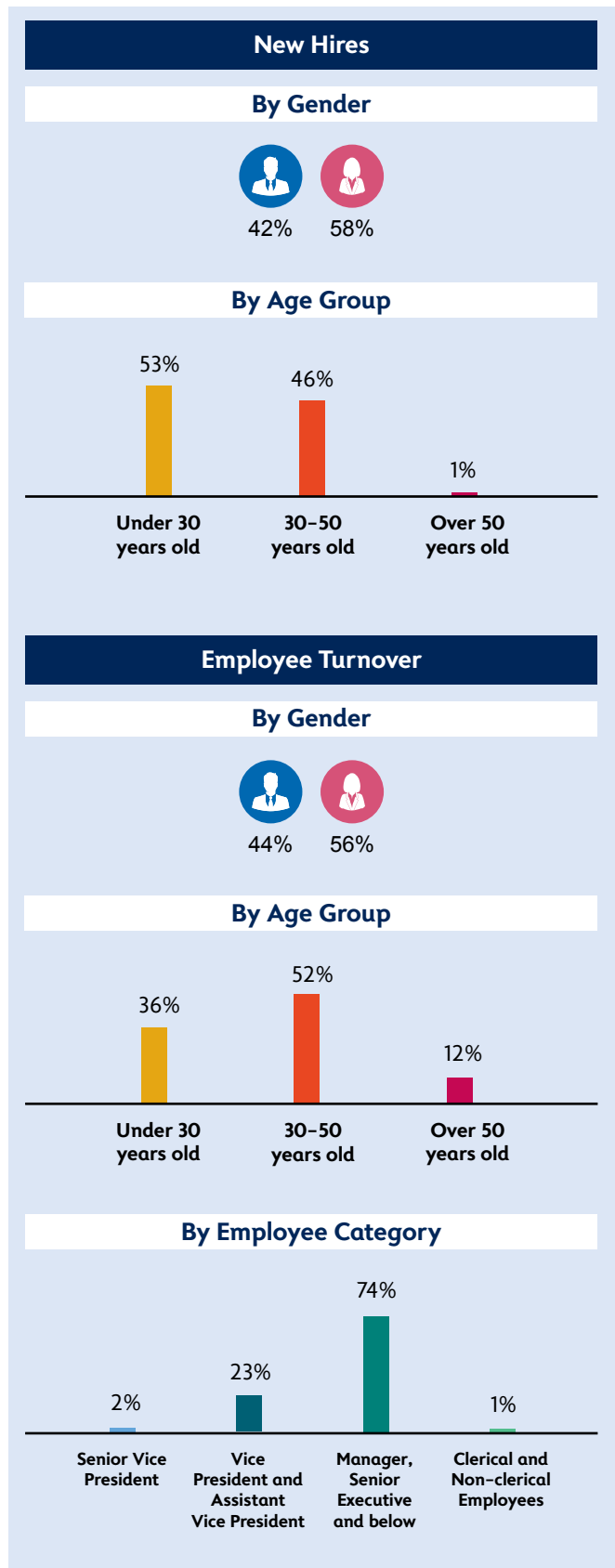
As an Equal Opportunity Employer, the Bank’s hiring and promotion mechanisms are merit-based to ensure that all candidates are assessed fairly. We aim to ensure that our recruitment processes remain free of discrimination regardless of nationality, race, religion, gender, age, sexual orientation or disability.

All our employees receive a regular performance and career development review, and candidates for career progression and monetary compensation are evaluated based on professional and behavioural benchmarks. All final decisions on promotions are made by a diverse committee comprising Senior Management members. These measures are in line with our commitment to upholding all local laws and guidelines pertaining to equal pay for equal work.

Alliance Bank also actively contributes to the Malaysian economy through our prioritisation and provision of employment opportunities to locals. As per the requirements set by the Ministry of Human Resources, the Bank advertises vacancies in the MYFutureJobs portal for Malaysians one month prior to submitting any applications for foreign hires.

57%

of women holding managerial roles



## SUSTAINABILITY STATEMENT

### Capability Development

Alliance Bank is committed to equipping our employees and providing them with opportunities for growth and career advancement in support of their professional goals. Not only does the Bank prioritise internal candidates for job openings and promotions, we also provide training and personal development opportunities to our workforce. In support of this, we aspire to grow a talented and driven workforce that is consistently empowered within a safe, inclusive and positive working environment.

In FY2023, we invested over RM7.2 million in various employee development initiatives. These programmes focused on enhancing our work processes in the following areas:



A systematic way of approaching customers



Leveraging digital tools to improve customer value proposition and scale-up



Enhancing efficiency through employing technology



Successful team management



Embedding strong governance

We also conducted the following personal development training programmes for our employees during the year in review:

#### Our Talent Development Programmes

##### Future Fit Leaders

The Alliance Bank Leadership Excellence (“ABLE”) Academy is a home-grown curriculum that comprises structured long-term development programmes to develop the Bank’s future leaders. Programmes include the Alliance Leaders Programme and Management Associate Programme. ABLE employs a blended learning approach that combines experiential learning with mentoring opportunities.

##### Alliance Leaders Programme (“ALP”)

The 12-month ALP helps prepare selected Vice Presidents and Senior Vice Presidents for senior leadership roles through a structured syllabus and customised development plans, which includes an international immersion experience and a leadership challenge. Since its inception, the ALP has seen 27 executives successfully move on to leading strategic transformation projects or expanded roles within the Bank.

##### Management Associate Programme (“MAP”)

The Alliance Bank MAP is a 12-month induction programme for young graduates to gain work experience and leadership skills in the financial sector. The programme covers relevant subjects such as Introduction to the FinTech Ecosystem, Cybersecurity Awareness and Introduction to ESG & Sustainable Financing.

Since 2012, a total of 217 management associates have graduated from the programme.

##### Alliance Development Programmes (“ADP”)

The ADP serves to develop leadership capabilities in all our employees. It comprises three levels of learning with each level featuring different modules and outcomes:

Levels	Target Audience	Learning Outcomes
Leading Self	Manager, Senior Executive and below	Delivering priorities and building a leader’s mindset
Leading Others/Teams	Vice President and Assistant Vice President	Driving results and leading for team performance
Leading Business	Senior Vice President	Leading business strategically and managing change

Learning roadmaps are also customised to address the learning needs of different teams and roles in the Bank as well as provide structured learning for all employees.

### Our Talent Development Programmes

#### Compliance and Regulatory Programmes

To ensure employees keep abreast of industry regulations as well as to protect the Bank from legal suits and reputational risks, we conduct compliance and regulatory programmes. These programmes cover topics such as Induction, Ethics and Foreign Exchange Notices, and include mandatory e-Learning programmes.

#### Professional Certifications

As part of our continuous development measures, the Bank sponsors employees who are keen to be certified in any banking or job related qualifications. This includes certifying key personnel in critical job functions such as:

1. Internal Audit;
2. Risk Management;
3. Credit;
4. Compliance; and
5. Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT).

#### Internship Programme

We are constantly enhancing our internship programme to reflect industry trends and outlooks in order to train future-ready workers. In FY2023, the Bank facilitated 49 internship opportunities for tertiary students.

### Introducing the Bank's Sustainability e-Learning Programme

In FY2023, we launched our sustainability e-Learning programme to help our employees achieve the following objectives:

- To understand the concept of sustainability, ESG and climate-related risks;
- To describe the industry's commitment and regulatory requirements to shape the sustainability landscape in Malaysia;
- To understand the components of ESG risks and their impacts on financial institutions and businesses;
- To describe the potential sustainability opportunities for financial institutions and businesses;
- To understand the Bank's sustainability strategy; and
- To understand how the Bank embeds sustainability into its own operations and assists customers to adopt sustainable business practices.

This new programme is in support of our Acceler8 strategy which focuses on driving sustainability competencies within the Bank. To encourage participation in the programme, we held inter-departmental challenges which saw a participation rate of 81% as at 31st March 2023, against our target employee participation rate of 70%.

#### Total Training Hours

# 128,105



#### Total Training Hours by Employee Category

Senior Management  
**365**

Senior Vice President  
**8,977**

Vice President and Assistant Vice President  
**32,552**

Manager, Senior Executive and below  
**71,907**

Clerical and Non-clerical Employees  
**14,306**

# SUSTAINABILITY STATEMENT

## Employee Engagement, Health, Safety and Wellbeing

### Employee Engagement

We seek to cultivate a holistic working culture that reflects our AGILE values: Accountability, Growth-Driven, Integrity, Leadership and Excellence. We achieve this through our implementation of employee engagement activities and wellness initiatives. Our efforts are aimed at encouraging transparent communication, improving employee satisfaction and promoting higher productivity within the workplace.

In FY2023, we focused our efforts on building a Sustainability Culture to raise employee awareness and engagement in driving the Bank's ESG agenda, strategy, initiatives and goals. Our initiatives in FY2023 include:

- YouTube videos and quizzes on Composite Risk Rating and Sustainability;
- Sustainability microsite crossword puzzle; and
- A sustainability staff communications series and quizzes.

### FY2023 Employee Engagement Initiatives

#### Voice of Employee Survey

By evaluating our workplace measures, engagement initiatives and participation rates, the Group's semi-annual Voice of Employee survey helps us to ensure our employees' needs are met.

In FY2023, the Bank achieved a score of 89% in the Sustainability Engagement Index ("SEI"), which was on par with the Malaysian Financial Services and the Global High Performing Average. This score reflected the strength of our employee sentiment at the Bank. The following, in particular, stood out:

- The wellbeing index, which measures employee sentiments with regard to mental, emotional and physical support provided by the Bank, remained at 89% in FY2023 in line with FY2022's score;
- The communication index remained at 89% in FY2023 in line with FY2022's result; while
- 84% of employees responded that they were able to balance their work and personal commitments.

Our newly introduced Sustainability Index with a score of 94%, reflects our employees' awareness of the Bank's ESG goals and their roles in contributing towards the Bank's sustainability agenda.

Other newly introduced Diversity, Equity & Inclusion ("DEI") questions shows that 90% of the Bank's employees feel that their workplace is inclusive and free of discrimination and that they can advance regardless of personal identity (e.g., race, gender, beliefs).

#### ManCo Appreciates You

ManCo Appreciates You is a recognition page on our inAlliance intranet portal which allows our Management Committee to honour employees who exemplify our AGILE values.

#### Allies of Alliance Portal

The Allies of Alliance Portal provides employees with a platform to share their innovative solutions and ideas. Since 2017, the portal has helped us to develop several new solutions and to enhance processes at the Bank.

#### Alliance Heroes

This bank-wide peer recognition initiative allows employees to award digital badges to their colleagues who have best demonstrated the Bank's AGILE Values. Since September 2019, approximately 11,000 digital badges have been awarded.

#### Engagement Champion Committee

The Engagement Champion Committee serves as the organising head for divisional engagement activities which are funded by the Bank. Comprising selected employees, the committee also addresses any disparities identified through the Bank's Voice of Employee surveys.



## Human Rights

Alliance Bank steadfastly supports and respects the protection of human rights in our organisation. In line with our commitment to the United Nation's Global Compact 10 principles and the Association of Banks Malaysia's seven principles, we have taken the following stances on multiple aspects of labour-related human rights topics:

**Zero**  
substantiated complaints  
concerning Human Rights  
violations

### Our Stance on Human Rights

#### Child Labour

We are against child labour and the exploitation of children and young persons in any of our endeavours. To this end, we have incorporated a bar on the employment of children in our Resourcing Guidelines as follows:

- We strictly do not employ persons below the age of 18 and continue to uphold and comply with the Children & Young Persons (Employment) Act 1966 and all other relevant and applicable laws, regulations and standards pertaining to child labour.
- Engagement or facilitation of internship attachments for persons below the age of 18 years old will be as per the relevant provisions of the prevailing Children & Young Persons (Employment) Act 1966 or other similar laws and regulations.

We also strive to ensure that our supply chain remains free from incidents of child labour by requiring all our suppliers and vendors to complete the ESG Procurement Sustainable Assessment Questionnaire ("SAQ").

#### Freedom of Association

We recognise the constitutional right of our employees to freedom of association and comply with all relevant national laws. Correspondingly, Alliance Bank supports the rights of its employees to form and join trade unions. We also acknowledge the four trade unions as negotiating bodies in respect of the categories of employees represented (i.e., Clericals, Non-Clericals, Special Grade Clerks and Officers).

#### Forced/Compulsory Labour

We have adopted a zero-tolerance stance on any form of forced or compulsory labour including bonded labour, indentured labour and slave labour, or human trafficking. All employment with the Bank is based on the staff's voluntary acceptance of the Bank's terms and conditions of employment. We comply with all relevant national laws pertaining to working hours and overtime compensation, and aim to eliminate excessive working hours.

We also do not require our employees to surrender any government-issued identification, such as a passports or work permits, to the Bank as a condition of their employment.

#### Right to Collective Bargaining

Alliance Bank has adopted the Industrial Relations Act 1967, Trade Unions Act 1959 & Employment Act 1955 and other relevant labour provisions in Malaysia. As such, we support and recognise the right to collective bargaining.

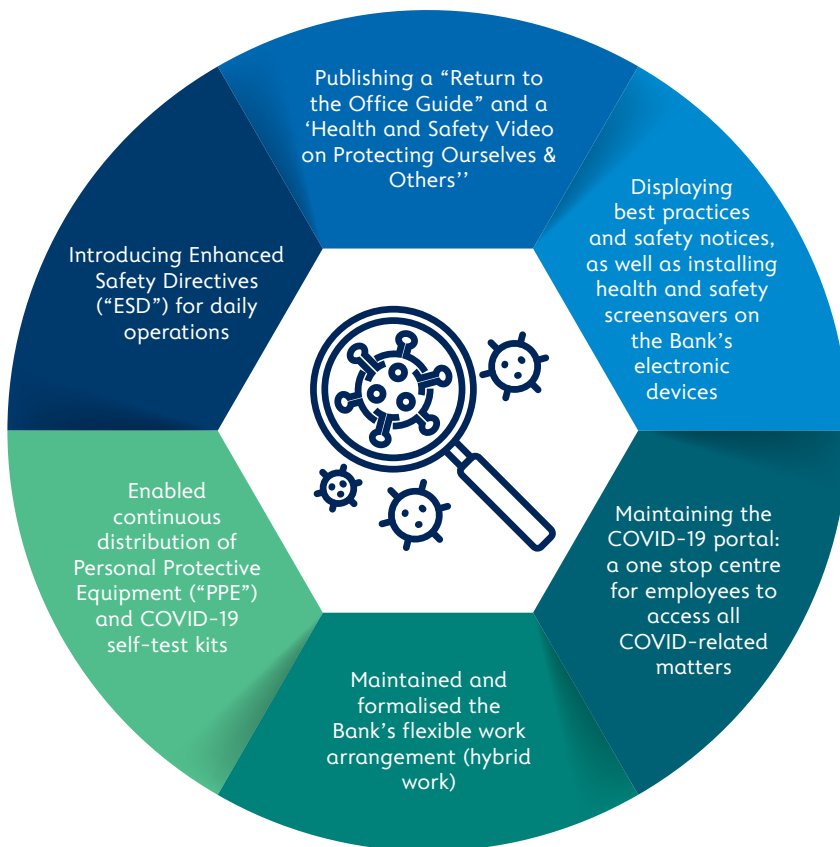
We engage in separate collective agreement negotiations with unions through our trade representatives, the Malayan Commercial Bank's Association, the Sarawak Commercial Bank's Association and the Sabah Commercial Bank's Association. In FY2023, some 16% of Alliance Bank employees were represented by trade unions or covered under a collective agreement.

# SUSTAINABILITY STATEMENT

## Health and Safety

We are committed to safeguarding the health and safety of our employees, customers and communities. We have in place our Bank’s Occupational Safety & Health Policy covering all the Bank’s employees, which highlights our commitment to providing a safe and healthy environment and workplace for all customers and employees.

FY2023 saw employees returning physically to the office as COVID-19 restrictions progressively eased. To protect the health and safety of our employees, we continued to implement diverse precautionary measures such as:



**Zero**  
incidents of work-related fatalities

**28**  
dedicated employees trained in health and safety standards in FY2023



In FY2023, an ergonomic risk assessment was conducted for employees at our head office. To minimise the risk of ergonomic and musculoskeletal injuries while promoting employee wellbeing and personal development, the Bank introduced flexible benefits for all management staff. Alliance Bank will also focus on raising awareness of ergonomic risks among employees.



## Employee Wellbeing

The wellbeing of our employees remains a key consideration in our sustainability endeavours. From ensuring a work-life balance to encouraging healthier lifestyles, we aim to create a vibrant and holistic working environment for our employees.

### FY2023 Employee Wellbeing Initiatives

#### Fit@Alliance



The Fit@Alliance programme encourages our employees to lead an active and well-balanced lifestyle. All initiatives were focused on four key wellness pillars, namely emotional and mental, physical, financial, as well as social and occupational.

To kick-start the year, a survey was conducted with 425 employees to better understand their wellness interests and to develop suitable initiatives. These include:

- Participation in PERKESO's Activ@Work Challenge 2022 for the fourth consecutive year. A total of 298 employees participated and helped the Bank secure third place among over 80 companies nationwide. Additionally, we designed monthly team and spurt challenges with rewards to entice and motivate our employees; and
- Ironman Challenge and Wellness Day events organised at our very own gym to motivate our employees to keep fit and healthy. A total of 90 employees participated in both events.

Throughout the year, we continued to leverage on partnerships that promoted the wellbeing of our employees. These partnerships included exclusive gyms membership rates, complimentary gym trials and health screenings.



# SUSTAINABILITY STATEMENT

## Recreational and Sports Club

In line with the easing of COVID-19 restrictions, the Bank’s Sports Club conducted various in-person activities in FY2023. Employees participated in physical events such as the Alliance Bank Treasure Hunt, Go Kart Race, Fishing Tournament, Movie Night, Escape Room, Badminton Tournament, Bowling Competition and the GCEO Futsal Cup.



## Wellness Webinars

The Bank held webinars in FY2023 focusing on employees’ physical and mental wellness. There was an average of 100 participants per session for the following webinars:



Understanding Depression & Anxiety: How Can You Help?



Stroke: Prevention & Managing Its Implications



Importance of a Healthy Digestive System



Hypertension & The Latest Treatment



Women and Men Health and Wellness



### Career Breaks and Other Forms of Breaks

The Bank provides our employees with the option of taking a career break if they require an extended break for personal or professional reasons. We also ensure our employees are granted adequate maternity and paternity leave, as well as accord compassionate leave to those who need to care for their family members.



# SUSTAINABILITY STATEMENT

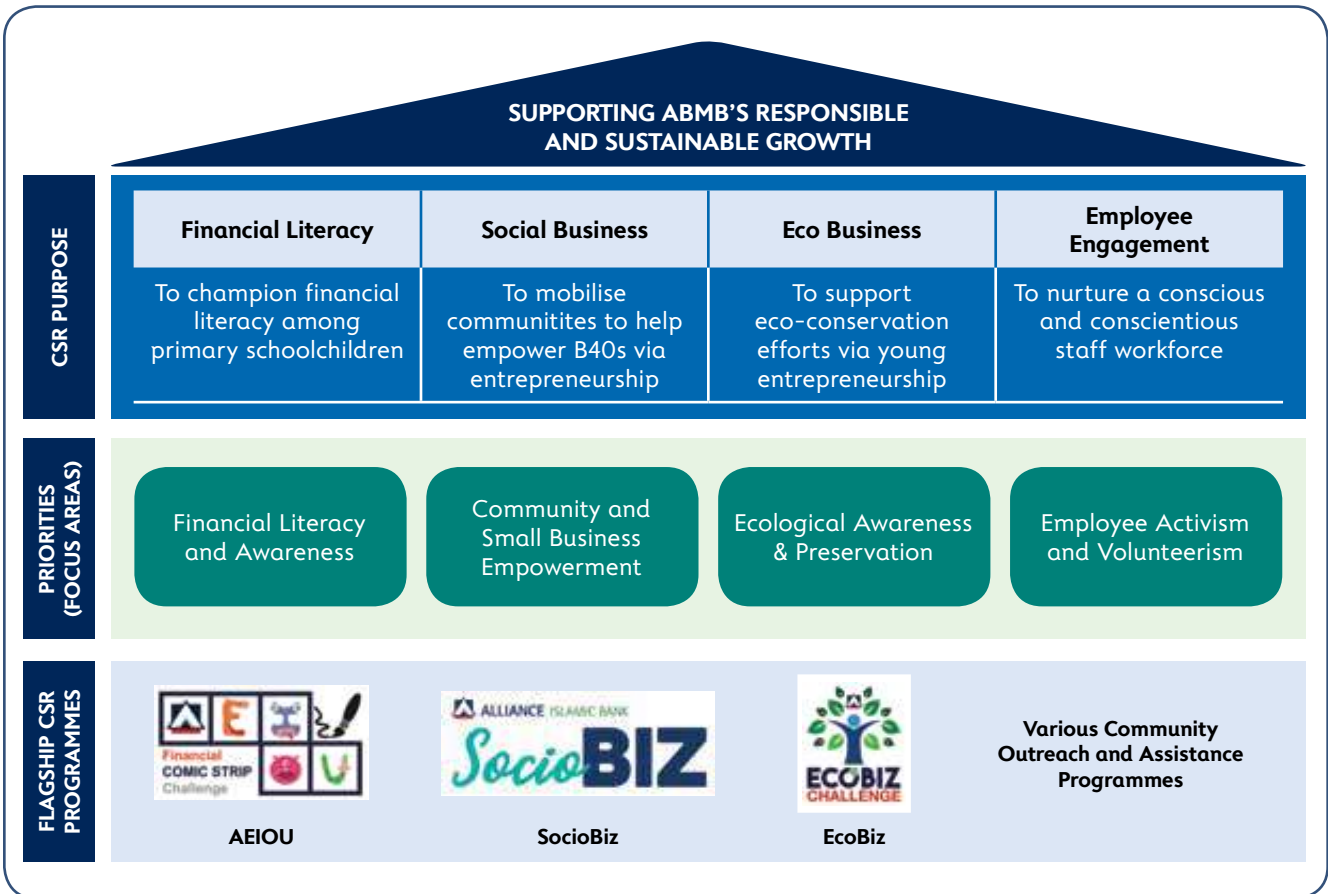
## Corporate Social Responsibility

We strongly believe that our success as a financial institution is linked to our ability to make a positive impact on surrounding communities. Consequently, we work together with like-minded partners to forge closer ties with the local communities to help us better understand and serve their needs. All these initiatives reflect the Bank’s mission of “Building Alliances to Improve Lives”.

Invested  
**RM1.2 million**  
 in the communities for  
**3,520** beneficiaries

We aim to develop a workforce that truly cares for the communities that we serve. As such, we have been continuously encouraging our employees to play an active role in giving back to the community. Moving forward, we are working towards establishing a formal Employee Volunteerism Programme which will recognise employees’ efforts to serve the community through volunteerism while promoting staff engagement.

Our current principles of community investments are based on four focus areas which support the Bank’s business strategy:



## FY2023 Social Welfare Initiatives

### Giving With A Willing Heart Programme

During Ramadan, Alliance Bank collaborated with Women of Will (“WOW”) to distribute 430 packages of *iftar* food to seven charities in the Klang Valley.

This two-pronged approach enabled Alliance Bank to not only feed underserved communities, but also help alleviate the financial burden of WOW beneficiaries comprising disadvantaged single mothers, female breadwinners and their children.

In conjunction with International Women’s Day 2023, the Bank once again teamed up with WOW as well as Libresse to organise a Women’s Health Talk at selected People Housing Project (PPR) residences in Klang Valley. This initiative saw all 350 participants receiving grocery items and food worth RM150 each, benefitting over 1,800 family members. Alliance Bank also purchased cookies from WOW’s Community Kitchen to be distributed as part of the care packs for the attendees.



# SUSTAINABILITY STATEMENT

## FY2023 Social Welfare Initiatives



### SocioBiz

SocioBiz is a Shariah-compliant social funding platform that seeks to empower disadvantaged individuals and communities through entrepreneurship. Through the SocioBiz ecosystem, the public can contribute back to society by channelling their donations to help recipients to be economically independent, learn new skills and earn a sustainable livelihood.

In FY2023, two campaigns were successfully listed on the SocioBiz platform, one of which was the Empowering Single Mothers and Reducing Waste campaign in Sarawak. Donations channelled to this campaign were used to uplift B40 women in the community with a special focus on single mothers, and reducing waste through up-cycled bags. The campaign achieved 111% of its donation target, and proceeds were used to purchase sewing machines, sewing accessories, marketing and promotions, as well as conduct entrepreneurial training workshops.

To date, SocioBiz has managed to raise close to RM1.7 million over a span of three years and we are striving to achieve RM1 million in donation in FY2024.



### Our Zakat Contribution

In FY2023, Alliance Islamic Bank (“AIS”) allocated RM1 million in *zakat* (Islamic tithes) to various *asnaf* (underprivileged) beneficiaries, some of whom were identified by our partners i.e., Lembaga Zakat Selangor (“LZS”), Lembaga Zakat Negeri Kedah (“LZNK”), Yayasan Kebajikan Negara (“YKN”), and Rumah Pengasih Warga Prihatin (“RPWP”).

We also continued to help *asnaf* communities through the following initiatives:

- Collaborated with LZNK to financially support *asnaf* paddy farmers to purchase paddy seeds, fertiliser and harvest equipment;
- Partnered with RPWP to organise training courses on air-conditioner maintenance services for unemployed *asnaf* youth;
- Helped underprivileged students at International Islamic University Malaysia and Universiti Teknologi MARA pay for their outstanding tuition fees;
- Supported the construction of classrooms for more than 100 students memorising the *Al-Quran* in rural Selangor;
- Collaborated with RPWP to provide Hari Raya clothing to 200 *asnaf* from 10 orphanage homes; and
- Contributed essential items to 200 *asnaf* across Malaysia under *Kempen Seorang Sekampit Beras* organised by the Association of Islamic Banking and Financial Institutions Malaysia (“AIBIM”) and Angkatan Belia Islam Malaysia (“ABIM” or the Muslim Youth Movement of Malaysia) for the sixth consecutive year. To date, AIS continues to rank first in *zakat* contributions among AIBIM members.

Alliance Bank and Alliance Islamic Bank staff have greatly contributed to helping the community with returned *zakat* (*zakat wakalah*) amounting to RM100,000 from individual *zakat* paid by the staff to Pusat Pungutan Zakat – Majlis Agama Islam Wilayah Persekutuan. These proceeds were utilised to provide aid and essential items to *asnaf* families affected by natural disasters in Kelantan and Terengganu. Furthermore, we provided nutritious food items to 200 *asnaf* children living in poor conditions.



## MOVING FORWARD ON THE SUSTAINABILITY FRONT

**Over the past year, the Bank has made significant progress towards its sustainability goals, from reducing our environmental impact to promoting social and economic sustainability.**

Together with our employees, customers and partners, we look forward to accelerating our sustainability journey and building on our achievements to date. Our focus will be on implementing innovative solutions that support the transition to a more sustainable future, engaging with our stakeholders to drive meaningful impact, and embedding sustainability into our business operations and culture.

In all that we do on the ESG fronts, we will continue to be guided by our nine commitments under our Sustainability Strategy Framework which aligns with our Acceler8 growth strategy. Moving forward, we remain fully dedicated to driving positive change in the years ahead with the aim of ensuring the Bank's sustainable, long-term success.



# SUSTAINABILITY STATEMENT

## GRI CONTENT INDEX

Statement of use	ABMB has reported the information cited in this GRI content index for the period 1st April 2022 to 31st March 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION	
GRI 2: General Disclosures 2021	<b>The Organisation and its reporting practices</b>					
	2-1	Organisational details			Corporate Profile, Corporate Information	
	2-2	Entities included in the organisation's sustainability reporting			About This Report	
	2-3	Reporting period, frequency and contact point	-	-		
	2-4	Restatements of information			No restatements	
	2-5	External assurance			Independent Auditor's Report	
	<b>Activities and workers</b>					
	2-6	Activities, value chain and other business relationships	-	-	Corporate Structure, Products and Services	
	2-7	Employees	Labour Practices and Standards	Labour Standards	Promoting Diversity, Equity and Inclusion	
	2-8	Workers who are not employees				
	<b>Governance</b>					
	2-9	Governance structure and composition			Corporate Structure, Sustainability Governance	
	2-10	Nomination and selection of the highest governance body			Corporate Governance Overview Statement	
	2-11	Chair of the highest governance body			Corporate Information	
	2-12	Role of the highest governance body in overseeing the management of impacts			Sustainability Governance	
	2-13	Delegation of responsibility for managing impacts	-	Corporate Governance		
	2-14	Role of the highest governance body in sustainability reporting				
	2-15	Conflicts of interest			Corporate Governance Overview Statement	
2-16	Communication of critical concerns			Statement on Risk Management and Internal Control, Risk Management		
2-17	Collective knowledge of the highest governance body			Sustainability Governance		
				Addressing Climate Change		
2-18	Evaluation of the performance of the highest governance body			Board Effectiveness		

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION	
GRI 2: General Disclosures 2021	2-19 Remuneration policies			Sustainability Governance		
	2-20 Process to determine remuneration			Corporate Governance Report		
	2-21 Annual total compensation ratio					
	<b>Strategy, policies and practices</b>					
	2-22 Statement on sustainable development strategy			Risk Management	Statement by Chairman of Alliance Bank Malaysia Berhad & Group Chief Executive Officer	
	2-23 Policy commitments	-			Executing our Sustainability Strategy, Empowering our People and Communities	
	2-24 Embedding policy commitments				Executing our Sustainability Strategy	
	2-25 Processes to remediate negative impacts				Ethical Business Practices	
	2-26 Mechanisms for seeking advice and raising concerns		Anti-Corruption	Anti-Corruption, Risk Management	Ethical Business Practices	
	2-27 Compliance with laws and regulations				Ethical Business Practices Talent Management	
	2-28 Membership associations	-			Participating in Associations	
	<b>Stakeholder Engagement</b>					
	2-29 Approach to stakeholder engagement		-	Human Rights and Community	Key Stakeholder Engagement	
	2-30 Collective bargaining agreements				Human Rights	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	-	-	Material Matters		
	3-2 List of material topics					
<b>Economic/Governance</b>						
GRI 201: Economic Performance 2016	3-3 Management of material topics		Social Supply Chain	Strong Economic Performance		
	201-1 Direct economic value generated and distributed	-				
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Supply Chain Management		Sustainable Supply Chain		
	204-1 Proportion of spending on local suppliers					
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Anti-Corruption	Anti-Corruption, Risk Management	Ethical Business Practices		
	205-1 Operations assessed for risks related to corruption	Anti-Corruption	Anti-Corruption, Risk Management			
	205-2 Communication and training about anti-corruption policies and procedures					
	205-3 Confirmed incidents of corruption and actions taken					

# SUSTAINABILITY STATEMENT

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
<b>Environmental</b>					
<b>GRI 302: Energy 2016</b>	3-3 Management of material topics	Energy Management		Energy Management	
	302-1 Energy consumption within the organisation				
	302-4 Reduction of energy consumption				
<b>GRI 305: Emissions 2016</b>	3-3 Management of material topics	Emissions Management	Climate Change	Minimising Our Own Emissions	
	305-1 Direct (Scope 1) GHG emissions				
	305-2 Energy indirect (Scope 2) GHG emissions				
	305-3 Other indirect (Scope 3) GHG emissions				
	305-5 Reduction of GHG emissions				
<b>Social</b>					
<b>GRI 401: Employment 2016</b>	3-3 Management of material topics	Labour Practices and Standards	Labour Standards	Employee Wellbeing	
	401-1 New employee hires and employee turnover				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				
	401-3 Parental leave				
<b>GRI 403: Occupational Health and Safety 2018</b>	3-3 Management of material topics	Health and Safety	-	Health and Safety	
	403-1 Occupational health and safety management system				
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety	-		
	403-5 Worker training on occupational health and safety				
	403-6 Promotion of worker health				
	403-8 Workers covered by an occupational health and safety management system				
	403-9 Work-related injuries				

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
<b>GRI 404: Training and Education 2016</b>	3-3 Management of material topics	Labour Practices and Standards	Labour Standards	Capability Development	
	404-1 Average hours of training per year per employee				
	404-2 Programmes for upgrading employee skills and transition assistance programmes				
	404-3 Percentage of employees receiving regular performance and career development reviews				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3 Management of material topics	Diversity		Promoting Diversity, Equity and Inclusion	
	405-1 Diversity of governance bodies and employees				
<b>GRI 406: Non-discrimination 2016</b>	3-3 Management of material topics	-			
	406-1 Incidents of discrimination and corrective actions taken				
<b>GRI 413: Local Communities 2016</b>	3-3 Management of material topics	Community/ Society	Human Rights and Community	Corporate Social Responsibility	
	413-1 Operations with local community engagement, impact assessments, and development programmes				
<b>GRI 418: Customer Privacy 2016</b>	3-3 Management of material topics	Data Privacy and Security	-	Safeguarding Customer Data	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				

# SUSTAINABILITY STATEMENT

## TCFD CONTENT INDEX

TCFD RECOMMENDATION		LOCATION
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Sustainability Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a) Describe the climate-related risks and opportunities the organisation had identified over the short, medium and long term	Addressing Climate Change
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning	
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2 degrees or lower scenario	
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	
	b) Describe the organisation's processes for managing climate-related risks	
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	
	b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and the related risks	
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	

## PERFORMANCE DATA

INDICATOR	UNIT	FY2021	FY2022	FY2023	
<b>Economic/Governance</b>					
<b>Ethics and Compliance</b>					
Percentage of operations assessed for corruption-related risks	%	17%	23%	29%	
Confirmed incidents of corruption	No.	0	0	0	
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policies	No.	0	0	0	
Cost of fines, penalties or settlements in relation to corruption (RM)	RM	0	0	0	
Total amount of political contributions made (RM)	RM	0	0	0	
Total employee training hours on anti-corruption and bribery	Hours	6,466.0	6,658.0	7,074.0	
Employees who have received training on anti-corruption by employee category	Senior Management	%	87%	94%	94%
		Hours	26.0	32.0	30.0
	Senior Vice President	%	92%	99%	95%
		Hours	140.0	150.0	146.0
	Vice President and Assistant Vice President	%	96%	98%	96%
		Hours	1,912.0	1,962.0	2,036.0
	Manager, Senior Executive and below	%	91%	93%	92%
		Hours	4,022.0	4,166.0	4,414.0
	Clerical and Non-Clerical Employees	%	62%	61%	82%
		Hours	366.0	348.0	448.0
Total employee training hours on AML/CFT	Hour	8,054.0	8,359.0	8,807.0	

INDICATOR		UNIT	FY2021	FY2022	FY2023
Employees who have received training on AML/CFT by employee category	Senior Management	%	87%	94%	94%
		Hours	33.0	40.0	38.0
	Senior Vice President	%	93%	99%	95%
		Hours	178.0	188.0	183.0
	Vice President and Assistant Vice President	%	96%	98%	96%
		Hours	2,395.0	2,453.0	2,533.0
	Manager, Senior Executive and below	%	91%	94%	92%
		Hours	5,028.0	5,213.0	5,490.0
Clerical and Non-Clerical Employees	%	57%	65%	82%	
	Hours	420.0	465.0	563.0	
<b>Economic Performance</b>					
Total economic value generated	RM million		1,817.5	1,867.6	1,919.8
Total economic value distributed	RM million		1,370.4	1,422.6	1,491.9
Total economic value retained	RM million		447.2	445.1	428.0
<b>Customer Data Privacy</b>					
Number of substantiated complaints concerning breaches of customer privacy	No.		0	0	0
<b>Customer Experience</b>					
Average Net Promoter Score ("NPS")	No.		21	28	33
<b>Sustainable Procurement</b>					
Percentage spent on local suppliers	%		93%	87%	92%
<b>Environmental</b>					
<b>Climate Change</b>					
Total energy consumption	kWh		14,379,557.2	13,214,706.9	12,464,307.0
Direct GHG Emissions (Scope 1) - Stationary and Mobile Combustion	tCO <sub>2</sub> e		16.2	24.2	32.0
Indirect GHG Emissions (Scope 2) - Purchased Electricity	tCO <sub>2</sub> e		7,995.5	7,112.2	6,699.7
Other Indirect GHG Emissions (Scope 3) - Business Travel by Land	tCO <sub>2</sub> e		565.4	577.3	686.4
<b>Conserving the Environment</b>					
Printing Volume	Print copy		30,951,403	28,903,021	30,952,606
<b>Social</b>					
<b>Diversity, Equity and Inclusion</b>					
Directors by gender	Male	%	78%	78%	78%
	Female	%	22%	22%	22%
Directors by age group	<30	%	0%	0%	0%
	30-50	%	11%	11%	11%
	>50	%	89%	89%	89%
Directors by ethnicity	Bumiputera	%	22%	22%	22%
	Chinese	%	78%	78%	78%
	Indian	%	0%	0%	0%
	Other	%	0%	0%	0%
Directors by nationality	Local	%	67%	56%	56%
	Foreign	%	33%	44%	44%
Total number of employees	No.		3,586	3,604	3,815

## SUSTAINABILITY STATEMENT

INDICATOR			UNIT	FY2021	FY2022	FY2023	
Percentage of employees by gender for each employee category	Senior Management	Male	%	80%	76%	81%	
		Female	%	20%	24%	19%	
	Senior Vice President	Male	%	63%	63%	68%	
		Female	%	37%	37%	32%	
	Vice President and Assistant Vice President	Male	%	43%	44%	44%	
		Female	%	57%	56%	56%	
	Manager, Senior Executive and below	Male	%	37%	36%	35%	
		Female	%	63%	64%	65%	
	Clerical and Non-Clerical Employees	Male	%	36%	36%	37%	
		Female	%	64%	64%	63%	
	Percentage of women in the global workforce			%	61%	61%	61%
	Percentage of employees by age group for each employee category	Senior Management	<30	%	0%	0%	0%
30-50			%	33%	35%	31%	
>50			%	67%	65%	69%	
Senior Vice President		<30	%	0%	0%	0%	
		30-50	%	61%	62%	66%	
		>50	%	39%	38%	34%	
Vice President and Assistant Vice President		<30	%	2%	2%	2%	
		30-50	%	82%	81%	82%	
		>50	%	15%	16%	16%	
Manager, Senior Executive and below		<30	%	28%	29%	33%	
		30-50	%	63%	62%	59%	
		>50	%	8%	9%	8%	
Clerical and Non-Clerical Employees		<30	%	0%	0%	0%	
		30-50	%	75%	74%	68%	
		>50	%	25%	26%	32%	
Percentage of employees by employment type for each employee category		Senior Management	Contract	%	20%	18%	19%
			Permanent	%	80%	82%	81%
		Senior Vice President	Contract	%	7%	4%	3%
	Permanent		%	93%	96%	97%	
	Vice President and Assistant Vice President	Contract	%	0%	0%	0%	
		Permanent	%	100%	100%	100%	
	Manager, Senior Executive and below	Contract	%	4%	2%	2%	
		Permanent	%	96%	98%	98%	
	Clerical and Non-Clerical Employees	Contract	%	0%	0%	0%	
		Permanent	%	100%	100%	100%	



INDICATOR			UNIT	FY2021	FY2022	FY2023
Percentage of employees by ethnicity for each employee category	Senior Management	Bumiputera	%	13%	12%	6%
		Chinese	%	73%	65%	75%
		Indian	%	0%	12%	13%
		Other	%	13%	12%	6%
	Senior Vice President	Bumiputera	%	7%	5%	5%
		Chinese	%	83%	86%	86%
		Indian	%	9%	8%	8%
		Other	%	1%	1%	1%
	Vice President and Assistant Vice President	Bumiputera	%	12%	12%	13%
		Chinese	%	83%	82%	80%
		Indian	%	4%	5%	5%
		Other	%	1%	1%	2%
	Manager, Senior Executive and below	Bumiputera	%	34%	35%	34%
		Chinese	%	55%	54%	56%
		Indian	%	10%	10%	9%
		Other	%	1%	1%	1%
Clerical and Non-Clerical Employees	Bumiputera	%	71%	71%	72%	
	Chinese	%	19%	18%	18%	
	Indian	%	10%	10%	9%	
	Other	%	1%	1%	1%	
Percentage of employees by age nationality for each employee category	Senior Management	Local	%	93%	94%	100%
		Foreign	%	7%	6%	0%
	Senior Vice President	Local	%	99%	99%	99%
		Foreign	%	1%	1%	1%
	Vice President and Assistant Vice President	Local	%	100%	100%	100%
		Foreign	%	0%	0%	0%
	Manager, Senior Executive and below	Local	%	100%	100%	100%
		Foreign	%	0%	0%	0%
	Clerical and Non-Clerical Employees	Local	%	100%	100%	100%
		Foreign	%	0%	0%	0%
Permanent employees by gender	Male	No.		1,352	1,380	1,458
		%		39%	39%	39%
	Female	No.		2,141	2,170	2,301
		%		61%	61%	61%
Contract employees by gender	Male	No.		48	25	21
		%		52%	46%	38%
	Female	No.		45	29	35
		%		48%	55%	63%
% of employees that are contractors or temporary staff			%	3%	1%	1%
Total employees with a disability			No.	1	1	1

## SUSTAINABILITY STATEMENT

INDICATOR		UNIT	FY2021	FY2022	FY2023	
<b>Talent Management</b>						
<b>Total training hours</b>		Hours	105,260	149,502	128,105	
<b>Average training per employee</b>		Hours	29.4	41.4	33.6	
		days	3.7	5.2	4.2	
<b>Average training hours by gender</b>		Male	Hours	29.3	41.8	33.2
		Female	Hours	29.4	41.2	33.9
<b>Training hours by employee category</b>	<b>Senior Management</b>	Total	Hours	1,190.0	950.0	365.0
		Average	Hours	79.3	55.9	22.8
	<b>Senior Vice President</b>	Total	Hours	2,406.0	4,524.0	8,977.0
		Average	Hours	31.7	59.5	116.6
	<b>Vice President and Assistant Vice President</b>	Total	Hours	36,074.0	46,962.0	32,552.0
		Average	Hours	36.3	47.2	30.7
	<b>Manager, Senior Executive and below</b>	Total	Hours	50,420.0	76,342.0	71,907.0
		Average	Hours	22.8	34.3	30.1
	<b>Clerical and Non-Clerical Employees</b>	Total	Hours	15,172.0	20,725.0	14,306.0
		Average	Hours	51.8	72.2	52.4
<b>New hires by gender</b>		Male	No.	183	280	418
			%	51%	45%	42%
		Female	No.	176	349	576
			%	49%	55%	58%
<b>New hires by age group</b>		<30	No.	201	360	526
			%	56%	57%	53%
		30-50	No.	153	264	456
			%	43%	42%	46%
		>50	No.	5	5	12
			%	1%	1%	1%
<b>New hires by nationality</b>		Local	No.	359	629	994
			%	100%	100%	100%
		Foreign	No.	0	0	0
			%	0%	0%	0%
<b>Employee turnover rate</b>		rate	0.11	0.17	0.21	
<b>Employee turnover by gender</b>		Male	No.	182	275	344
			%	47%	45%	44%
		Female	No.	206	336	439
			%	53%	55%	56%
<b>Employee turnover by age group</b>		<30	No.	145	230	280
			%	37%	38%	36%
		30-50	No.	211	321	410
			%	54%	53%	52%
		>50	No.	32	60	93
			%	8%	10%	12%
<b>Employee turnover by employee category</b>	<b>Senior Management</b>	No.	4	0	3	
	<b>Senior Vice President</b>	No.	5	9	15	
	<b>Vice President and Assistant Vice President</b>	No.	93	149	178	
	<b>Manager, Senior Executive and below</b>	No.	282	448	577	
	<b>Clerical and Non-Clerical Employees</b>	No.	4	5	10	

INDICATOR	UNIT	FY2021	FY2022	FY2023	
<b>Employee Engagement, Health, Safety and Wellbeing</b>					
No of work related fatalities	No.	0	0	0	
Lost time injury rate (own staff)	rate	0.17	0.11	0.27	
Lost time injury rate (contractors)	rate	0	0	0	
No. of dedicated employees trained on health and safety standards	No.	0	0	26	
No. of substantiated complaints concerning human rights violations	No.	0	0	0	
Total number of employees that were eligible for parental leave by gender	Male	No.	875	892	961
	Female	No.	1,426	1,423	1,523
Total number of employees that took parental leave by gender	Male	No.	32	33	14
	Female	No.	61	51	58
Total number of employees that returned to work in the reporting period after parental leave ended by gender	Male	No.	32	28	14
	Female	No.	60	48	54
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work by gender	Male	No.	32	28	13
	Female	No.	60	48	54
Return to work rate of employees that took parental leave by gender	Male	%	100%	85%	100%
	Female	%	98%	94%	93%
Retention rates of employees that took parental leave by gender	Male	%	100%	85%	93%
	Female	%	98%	94%	93%
<b>Corporate Social Responsibility</b>					
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM million	2.5	1.4	1.2	
Total no. of beneficiaries of the investment in communities	No.	1,182	4,421	3,520	