

SCOPE AND BOUNDARY

SCOPE AND BOUNDARY

The Sustainability Statement (“Statement”) covers the key material Economic, Environmental, Social and Governance (“ESG”) activities conducted by Alliance Bank Malaysia Berhad (“Alliance Bank” or “the Bank”), including our business segments, subsidiaries and joint venture operations (where relevant), throughout the financial year 2024 (“FY2024”), unless otherwise stated. This engagement with both internal and external stakeholders is anchored by the Bank’s operations throughout Malaysia.

This Statement should be read in conjunction with our other ESG-related disclosures in the Alliance Bank 2024 Annual Report and Corporate Governance Report to provide a holistic view of our sustainability strategy, initiatives, and performance.

This Statement has been reviewed and approved by Alliance Bank’s senior management and the Board of Directors.

REPORTING PERIOD

All information disclosed in this Statement covers the financial year from 1 April 2023 to 31 March 2024 (“FY2024”), unless otherwise indicated. Any significant restatements of data compared to previous years are duly highlighted within the respective sections.

REPORTING STANDARDS AND FRAMEWORK

This Statement aims to align with the following international and local sustainability standards, frameworks and guidelines:

- Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements
- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition)
- Task Force on Climate-related Financial Disclosures (“TCFD”)

Additionally, this Statement has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards 2021.



Further details on the above can be found in the tables and indices on pages 124 to 132.

STATEMENT OF ASSURANCE

We regularly review and assess the level of transparency and disclosure included in our Sustainability Statement. The credibility of selected material topics included in this Statement have been validated through an internal review conducted by Alliance Bank’s internal auditors. Moreover, selected indicators underwent a limited independent assurance by SIRIM QAS International Sdn. Bhd.



For more information on the subject matter and scope of assurance, please refer to the Statement of Assurance on page 143.

FEEDBACK

We are committed to continually enhance our sustainability initiatives and disclosures. We welcome all feedback on this statement.

For further enquiries and feedback, please contact:

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FY2024 KEY SUSTAINABILITY HIGHLIGHTS



Economic

RM2.02 billion in total economic value generated¹

RM12.6 billion in total sustainable banking business

Reduced C5%² of portfolio to **31%**

Launched the Bank's first **Sustainable Product Framework ("SPF")**

Over RM420 million approved under our Sustainability Impact Programme ("SIP")

Launched our **SME Express Loan ("SXL") ESG Portfolio Guarantee Programme**

Over 440 companies benefitted from our Climate assessment tool and action plan (PROGRESS)

Signed Memoranda of Understanding ("MoU")s with key partners for our **Green Supply Chain Programme**

94% of our procurement spent on local suppliers

Improved our FTSE4Good ESG Rating to 4-star to be among the top quartile PLCs in the FTSE Bursa Malaysia EMAS Index

18.3% reduction in Scope 1 and Scope 2 greenhouse gas ("GHG") emissions against FY2020 baseline³

Developed our internal **waste management methodology**

Unveiled the Bank's **Net Zero Roadmap**

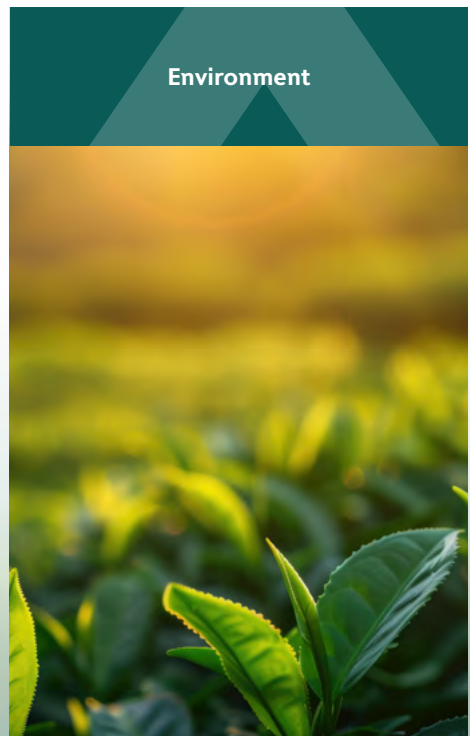
100% of the Board of Directors and Senior Management trained on climate-related risks

Established the Bank's **Scope 3 financed emissions³ baselines** for 8 high-emitting sectors⁴

14% decrease in energy consumption against FY2020 baseline³

Established a **3-year ESG research partnership** with Monash University Malaysia and the International Center for Education in Islamic Finance (INCEIF)

Enforced the **Climate Risk Management Framework ("CLMF")**



Environment

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 environmental harm caused nor any initiative to transition to more sustainable practice.
³ The Bank's revised FY2020 baseline is as follows: 11,982.0 tCO₂e, with Scope 1 emissions at 29.5 tCO₂e and Scope 2 emissions at 11,952.5 tCO₂e. Please refer to the "Managing Our Environmental Footprint" section page 109 for further information on our FY2020 baseline and FY2022 financed emissions baseline.
⁴ High-emitting sectors include palm oil, construction, real estate, iron & steel, forestry & logging, power generation, oil & gas and coal.

FY2024 KEY SUSTAINABILITY HIGHLIGHTS

	<p>Social</p>	<p>53% of women holding managerial roles</p>	<p>Zero reported cases of non-compliance with labour standards</p>
	<p>Average of 80% divisional participation in sustainability-related employee engagement programmes</p>	<p>Organised the inaugural Alliance Bank Heritage Run</p>	
	<p>147,377 total training hours for employees</p>	<p>Invested RM1.3 million in communities impacting over 2,900 lives</p>	
	<p>Zero reported substantiated complaints concerning human rights violations</p>	<p>90% score in the Sustainable Engagement Index</p>	
	<p>Zero work-related fatalities</p>	<p>Launched our enhanced Sustainability e-Learning 2.0 Programme</p>	
	<p>Progress to improve the financial well-being of SMEs through our Digital SME efforts</p>	<p>Partnered with IPC Shopping Centre to launch the IPC Little Eco-Heroes Awards</p>	

<p>Zero reported incidents of corruption</p>	<p>100% of the Board of Directors trained on climate-related risks and opportunities</p>
<p>Long Term Incentive Plan framework with ESG elements currently under review</p>	<p>Zero reported cases of employee non-compliance with our AB&C policy</p>
<p>Enhanced our Sustainability Framework to better define our approach to sustainability</p>	<p>Over 7,500 hours of training on anti-bribery and corruption for our employees</p>

<p>Governance</p>


OUR SUSTAINABILITY JOURNEY

EMBEDDING ESG AT THE HEART OF

FY2020 and prior

FY2021

FY2022

Exploratory and Initial Efforts

- We initiated community initiatives aimed at enhancing financial resilience and well-being
- In response to the mounting pressure of climate change on businesses to mitigate their environmental impact, we have integrated ESG principles into our customer support frameworks
- We formalised our sustainability journey by defining our sustainability purpose, governance, and strategy

Foundation Building and

- We prioritised strengthening sustainability capabilities, enhancing risk management and infrastructure, and improving sustainability disclosures

- Constituent of the FTSE4Good Bursa Malaysia (F4GBM) Index since 2015
- Launched “SocioBiz”¹
- Supported green business initiatives through the Eco-Biz Dream Project

- Established the Sustainability Steering Committee (“SSC”)
- Developed the Sustainability Framework
- Performed BNM Climate Change and Principle-based Taxonomy (“CCPT”) portfolio baselining

- Established our Sustainability Strategy Framework (FY2022-FY2025)
- Established the Group Sustainability Committee (“GSC”)
- Developed 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 and ESG Risk Acceptance Criteria

OUR SUSTAINABILITY JOURNEY

OUR BUSINESS AND OPERATIONS

FY2023

FY2024

FY2025 onwards

Helping Customers with Sustainability Goals

- We continued to help our customers in embracing sustainable practices, facilitating their transition to a low-carbon economy
- In FY23, we set sustainability goals, established thought leadership, and supported our customers in navigating the evolving ESG landscape

Securing Impact of Sustainability

- This year, we focused on enhancing our risk management, strengthening the competency of our workforce, while developing tailored products and solutions for our customers

To be the Bank For Life

- We are committed to further integrating sustainability into our business strategies, procedures, processes, and operations, fostering a robust sustainability culture within our Bank, and encouraging our customers to embrace ESG best practices

- Introduced Acceler8 2027 strategy
- Doubled our FY2025 sustainable business targets to RM10 billion
- Reduced the C5² 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 emissions³
- Strengthened our ESG thought leadership and sustainable financing propositions for businesses
- Developed an internal sustainability skills and competency framework
- Developed a ESG due diligence checklist for our suppliers

- Increased our sustainable business targets to RM15 billion by FY2027
- Rolled out of the Bank’s Sustainable Product Framework (“SPF”) to enable sustainable finance offerings
- Enhanced GHG management of climate-related risks
- Reduced the C5 proportion of our portfolio to 31%
- Developed and rolled out our Net Zero Roadmap
- Advanced emissions profiling and reduction efforts
- Improved our FTSE4Good ESG Rating
- Established key ESG partnerships and affiliations

- Embedding the sustainability agenda in greater measure into our business through financing and solutions offerings, as well as operations
- Propelling our customers towards adopting their own ESG practices
- Inculcating a stronger sustainability-driven culture within our Bank
- Strengthening our climate and environmental risk management practices
- Increasing our advocacy with stakeholders, disclosures and communication

¹ 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.

² 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.

³ Please refer to the “Managing Our Environmental Footprint” section on page 109 for our FY2020 baseline.

OUR SUSTAINABILITY APPROACH

Sustainability Strategy Framework

Alliance Bank Group's AMBITIONS

Purpose: The Bank For Life

Sustainability Purpose:

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

TOPLINE GOALS

Grow RM15 billion in sustainable banking business by FY2027

Help customers adopt sustainable lifestyles and business practices

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

ESG GOVERNANCE

STRATEGY




FY2022	FY2023/FY2024	FY2024/FY2025	FY2026/FY2027
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	Help Our Customers with Sustainability Goals Roll out Sustainability Solutions <ul style="list-style-type: none"> • Green/Social Funding • Advisory Propositions Engagement/Advocacy with Customers/ Stakeholders Enhance Risk Mitigation/ Management/Reporting	Advancing Sustainability Impact and Improvement Extend Sustainability Solutions and Green/Social Funding Offerings Strengthen Climate/ Environmental Risk Management Increased Advocacy with Stakeholders, Disclosures and Communications	Secure Impact of Sustainability Monitoring of Customers' ESG Impact <ul style="list-style-type: none"> • Introduction of Incentives/ Disincentives for ESG Propositions

Talent and Resources

OUR SUSTAINABILITY APPROACH

Fulfilling our Sustainability Purpose

As we strive to make a positive impact on the environment, the well-being of our employees, and the communities we serve by enhancing our sustainability management practices, we are also assisting our customers in adopting more sustainable business approaches. Through the implementation of our Acceler8 strategy, we are reinforcing our commitment to sustainability by actively engaging with key stakeholders.

 <p>Consumers</p>	<p>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.</p>
 <p>Employees</p>	<p>Our people are the cornerstone of our Bank’s sustainability journey. We are committed to cultivating a deeply engaged workforce that understands the significance of sustainability and its profound impact on our business, the communities we serve, and the health of our planet. Through education, empowerment and collaborative initiatives, we aim to instil a shared sense of responsibility and inspire meaningful action towards a more sustainable future.</p>
 <p>Business Customers/Partner</p>	<p>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”. By doing so, we are enabling our customers to be resilient in the future economy and have a sustainable business model.</p>



ABMB Unveils Net Zero Roadmap

This financial year, Alliance Bank took a significant stride in its sustainability journey to develop and formalise a bankwide Net Zero Roadmap. This strategy outlines our commitment to transitioning ourselves and our customers towards a lower carbon footprint and a more sustainable future.

The roadmap involves two broad phases. Phase 1 focuses on increasing customer engagement to maximise the number of customers with decarbonisation plans and targets in order to assist customers to transition and build up data availability. Phase 2 focuses on establishing our longer-term strategy towards Net Zero Emissions by 2050.

We have undertaken several steps:

- 1

Financed Emissions baseline: We identified 8 high-emitting sectors within our portfolio namely palm oil, construction, real estate, iron & steel, forestry & logging, power generation, oil & gas and coal. This baseline data provides a crucial foundation for setting our goals and measuring progress. More information on our financed emissions baseline coverage including our retail and financial markets segments can be found in the “Managing Our Environmental Footprint” section on pages 109 to 110.
- 2

Subsequently, we shortlisted the top 100 high-emitting customers across three pilot sectors. These customers will be supported for decarbonisation plans and target setting. This targeted approach is a stepping-stone to developing conversations with our customers with regard to decarbonisation plans.
- 3

We identified key enablers to equip our front-liners to effectively engage with customers and will be embarking on developing these tools and infrastructure, such as handbooks and dedicated training programmes to support our relationship managers, with the aim to build capacity for effective customer engagement and support them with their decarbonisation efforts.

The Bank’s Net Zero Roadmap represents our commitment and fiduciary duty towards the broader environment and our customers to achieve our overall Net Zero 2050 commitment.

OUR SUSTAINABILITY APPROACH

Executing Our Sustainability Strategy

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

 Grow our sustainable banking business	 Help our customers adopt sustainable lifestyles and business practices	 Reduce the Bank's greenhouse gas ("GHG") emissions footprint
Target		
Achieve RM15 billion in new sustainable banking business by FY2027	Ensure C5% ¹ of portfolio is <20% by FY2030 ²	Reduce emissions by 20% by FY2027 against our FY2020 baseline
Achievement as of FY2024		
Achieved RM12.6 billion in new sustainable banking business	Reduced C5% ¹ of portfolio to 31%	Reduced emissions by 18.3% against our FY2020 baseline
Our key efforts		
<ul style="list-style-type: none"> Developed new sustainable financing propositions for businesses Developed and rolled out the Bank's Sustainable Product Framework ("SPF") Rolled out SME Express Loan ("SXL") ESG Portfolio Guarantee Programme Achieved RM420 mil approval under the Sustainability Impact Programme ("SIP") Rolled out the ESG Diagnostic tool (PROGRESS) to over 440 companies Signed Memorandum of Understanding ("MOU")s with key partners for Green Supply Chain Programme Enhanced the Bank's Climate Change and Principle-based Taxonomy ("CCPT") assessment methodology Enhanced internal systems for CCPT requirements 	<ul style="list-style-type: none"> We partnered with various organisations to help our customers understand and adopt sustainable business practices Performed Bank Negara Malaysia's ("BNM") Climate Risk Management and Scenario Analysis ("CRMSA") BNM gap analysis and implementation plan including a transition plan Climate-related risk quantified in the ICAAP Material Risk Assessment Enforced the Climate Risk Management Framework Enhanced the Bank's CCPT Screener Refreshed the Sustainability Framework 	<ul style="list-style-type: none"> We upskilled our people and improved internal processes for our operations to be more sustainable Continued execution of the GHG emissions reduction strategy Baselined the Bank's Scope 3 financed emissions for 8 high-emitting sectors Developed and rolled out our Net Zero Roadmap Made progress in baselining of the Bank's water consumption Developed a methodology for the Bank's waste management Rolled out sustainability e-Learning 2.0 Average 80% divisional participation in sustainability-related employee engagement programmes Conducted a sustainability immersion programme for employees with World Wildlife Fund ("WWF") Malaysia

¹ C5 refers to BNM's CCPT classification of businesses and transactions that do not demonstrate a commitment to remediate any environmental harm caused nor initiative to transition to more sustainable practices.

² Due to BNM CCPT regulatory methodology changes, we are reviewing and considering a more suitable metric. In the interim, we have stretched our target to FY2030.

OUR SUSTAINABILITY APPROACH

Through the integration of our Sustainability Strategy Framework into our Acceler8 strategy, we currently have established nine sustainability commitments to be progressively implemented and amended as and when required. These commitments, which also address the Bank's material matters as indicated in the Materiality Matrix on page 53, serve as guiding principles in our pursuit of our sustainability goals. We are committed to maintaining continuous engagement with our key stakeholders, as outlined in the "Key Stakeholder Engagement" section on pages 48 to 49, to ensure comprehensive understanding of diverse perspectives. Furthermore, these nine commitments will bolster our efforts to maximise contributions towards achieving the United Nations Sustainable Development Goals ("UN SDGs").

The SDGs represent interconnected targets outlined by the UN, designed to accelerate global action towards ending poverty, protecting the planet, and promoting universal peace and prosperity by 2030. Among the 17 SDGs, the Bank has expanded its support to upholding 15 SDGs most relevant to our business operations. The additional SDGs we support in FY2024 are SDG 6, SDG 15 and SDG 16.



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
















OUR SUSTAINABILITY APPROACH

The table below outlines the Bank’s nine sustainability commitments and their correlation with the UN SDGs. This alignment with the SDGs will help us better coordinate our support for the global sustainability agenda.

Our Commitment	Description	UN SDGs Supported
<p>Improve the ESG profile of our portfolio</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>	
<p>Enhance our risk management infrastructure</p>	<p>We are committed to incorporating sustainability and climate-related risks into our overall risk management framework to ensure we are equipped to address these emerging risks. Our approach is aligned with the guidelines set by BNM’s CCPT and CRMSA policy documents.</p>	
<p>Improve the Bank’s ESG practices</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>	
<p>Improve our capability and engagement efforts</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 ESG awareness and a sustainability-centric culture within the Bank.</p>	

OUR SUSTAINABILITY APPROACH

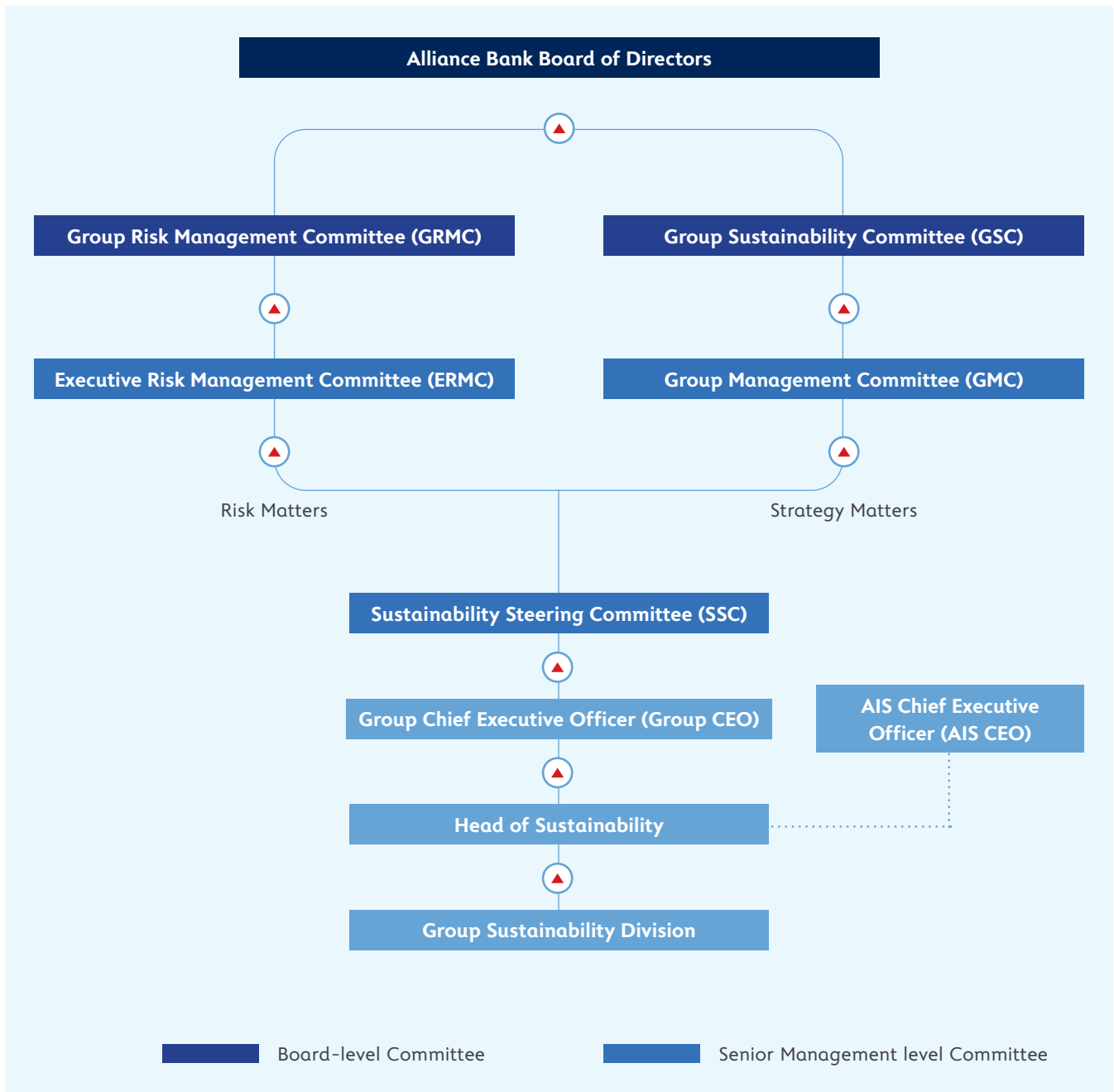
Our Commitment	Description	UN SDGs Supported
Enhance disclosures and communication	We are committed to helping our stakeholders understand our sustainability goals and initiatives through on-going communication efforts. We strive to achieve this by adopting internationally recognised sustainability reporting frameworks.	
Rollout sustainability solutions	We will continuously develop and offer sustainability solutions for our customers through various types of sustainable/green/social financing, investment and advisory propositions.	     
Strengthen engagement and advocacy	We will advocate for sustainability through the continuous enhancement of our internal capabilities our sustainability communications and brand presence.	
Enhance risk mitigation/management/reporting	We are committed 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 with Bank Negara Malaysia’s (BNM) Climate Risk Management and Scenario Analysis (CRMSA)	
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.	   



UPHOLDING STRONG GOVERNANCE PRACTICES FOR SUSTAINABLE GROWTH

Sustainability Governance

As a part of our comprehensive sustainability management approach, we have established a sustainability governance structure since FY2021. This structure has facilitated the progressive achievement of our sustainability goals and ensured the integration of sustainability considerations 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.



UPHOLDING STRONG GOVERNANCE PRACTICES FOR SUSTAINABLE GROWTH

Board-level Oversight

Alliance Bank Board of Directors

The Board of Directors, as the Bank’s highest governing body, sets the tone from the top, oversees and approves sustainability strategies, priorities and targets through incorporating appropriate ESG considerations in the Bank’s business strategies. 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 to support the Board in the governance of sustainability of the Group, and ensure the Group’s strategies, goals and principles pertaining to sustainability are aligned with the Group’s sustainability commitment.

Consists of four Non-Executive Directors, three of whom are Independent Directors, the GSC meets at least quarterly to deliberate and endorse/ approve sustainability-related matters 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 the following two Board committees:

1. The Group Nomination & Remuneration Committee (“GNRC”), which oversees the design and operation of the Group’s remuneration systems, ensures the linkage of Senior Management remuneration to performance against specific sustainability and climate-related targets; and
2. The Group Audit Committee (“GAC”), which provides independent oversight of the Group’s financial reporting and internal control system, ensures checks and balances within the Group, reviews audit reports which include observations pertaining to the Bank’s ESG practices.

Management of Sustainability

Group Management Committee (“GMC”)

At the management level, the Group Management Committee (“GMC”) 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 monitors material climate-related risks and ensures such risks are considered within the Group’s risk management and control framework and across the 3 Lines of Defence to safeguard the Bank’s resilience against adverse impacts of climate change.

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 recommends sustainability-related frameworks, policies, goals, metrics and initiatives to the GSC for review and endorsement/approval.

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

UPHOLDING STRONG GOVERNANCE PRACTICES FOR SUSTAINABLE GROWTH

Sustainability Execution	
<p>Group Chief Executive Officer (“Group CEO”)</p> <p>The Group CEO, 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.</p>	<p>Alliance Islamic Bank Chief Executive Officer (“AIS CEO”)</p> <p>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.</p>
<p>Head of Sustainability</p> <p>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.</p>	<p>Sustainability Workstreams</p> <p>Five sustainability workstreams driven by business units and relevant support functions (such as our Lines of Business, Group Risk Management, Group Credit, Group Finance, Group Human Resource, Group Strategy, Business Development and Performance Management, Group Corporate Services) are coordinated by the Group Sustainability Division and collaborate to implement initiatives that contribute to the Bank’s overall sustainability strategy and topline goals.</p>

 Further details on Alliance Bank’s governance structure, including credentials, experience and trainings programmes undertaken can be found in the Corporate Governance section on pages 147 to 185, and on our Corporate Governance website (<https://www.alliancebank.com.my/About-Us/Governance-Investor-Relations/Corporate-Governance>).

Integrating Climate-related Risks into the Three Lines of Defence

The Bank has taken proactive measures to manage our exposures to climate-related risks across our business operations. We have embedded these risks into our internal control frameworks across the three lines of defence to ensure the robust management of material climate-related risks.



UPHOLDING STRONG GOVERNANCE PRACTICES FOR SUSTAINABLE GROWTH

Board of Directors		
Board-level Committees – GSC, GRMC Management-level Committees – SSC, GMC, ERMC		
1st Line of Defence	2nd Line of Defence	3rd Line of Defence
<ul style="list-style-type: none"> Lines of Business Support Units 	<ul style="list-style-type: none"> Group Risk Management Group Compliance Shariah Review 	<ul style="list-style-type: none"> Group Internal Audit
<ul style="list-style-type: none"> Compliance with all regulations and policies Develop relevant policies and procedures Identify, assess, measure, report and monitor risks 	<ul style="list-style-type: none"> Benchmark, develop and maintain standards, policies and risk management framework Review adequacy of controls and mitigation Perform compliance reviews 	<ul style="list-style-type: none"> Provide independent review and objective assurance to Senior Management/Management/Board Committees and Board

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 climate change sustainability key performance indicators (“KPIs”) covering sustainable banking business, reducing the Group’s greenhouse gas emission footprint, proportion of C5 portfolio and scaling up green financing are included in our Group’s corporate scorecard.

This scorecard impacts the performance and remuneration of the Group CEO, all Senior Management and key sustainability champions. The Board sets the tone from the top by reviewing and approving the Group’s balanced scorecard. The GSC provides oversight on the sustainability goals, measures, strategic plans and implementation to ensure we uphold our commitment and deliverables of the sustainability KPIs. 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/About-Us/Career-Centre/Our-Commitment>.

SUSTAINABLE BUSINESS

Relevant stakeholders¹



Relevant material matters:

- Sustainable and Responsible Financing
- Climate Change
- Customer Experience
- Digitalisation
- Customer Data Privacy
- Economic Performance



As one of our key priorities under Acceler8, we place a strong emphasis on building an ESG-focused organisation. By integrating sustainability into our business strategy through a top-down approach and embedding sustainable practices into our daily operations, we remain dedicated to generating ongoing value creation for the Bank and our stakeholders.

As a leader in the financial services industry, we recognise the pivotal role we play in developing sustainable financing solutions and delivering sustainable economic value for all our stakeholders. In line with our goal to grow RM15 billion in sustainable banking business by FY2027, we provide various avenues to support our customers in transitioning their businesses against the challenges from climate change while ensuring they receive high-quality customer experience by crafting tailored solutions for their every need.

Driving Sustainable Finance



FY2024:
RM12.6 billion
 FY2023: RM 8.1 billion

Grow **RM15 billion** in **sustainable banking business** by FY2027.

¹ For stakeholder icon definitions, see “Key Stakeholder Engagement” on page 48.

SUSTAINABLE BUSINESS

Material Matters	FY2024 Achievements
Sustainable and Responsible Financing	<ul style="list-style-type: none"> • Launched the Bank’s inaugural Sustainable Product Framework (“SPF”) • Awards recognition for Sustainability Impact Programme (“SIP”) <ul style="list-style-type: none"> - The Star ESG Positive Impact Awards 2022: Others – Innovative Partnerships Category – Silver - Gold in Asia Pacific Qorus Reinvention Awards: ESG Category - Gold in Global Qorus SME Banking Awards: SME Partnership of the Year - UNGCMYB Forward Faster Sustainability Awards 2023: Partnership For the Goals Recognition
Climate Change	<ul style="list-style-type: none"> • Rolled out the Climate Diagnostic tool (“PROGRESS”) to assist clients’ transition
Customer Experience	<ul style="list-style-type: none"> • Launched the Bank’s Customer Promise (G.R.E.A.T Principles) in November 2023 • Improved complaints resolution turnaround time with 87% resolved within three working days
Digitalisation	<ul style="list-style-type: none"> • Secured over 40 awards for our digital transformation and ESG-centric initiatives • Implemented the cloud-based solution for human resource needs, Connexion, to improve bankwide internal digital experience • Ongoing digitalisation efforts to improve working processes within the Bank, including updates to productivity software • Launch of Virtual Credit Card (“VCC”)
Economic Performance	<ul style="list-style-type: none"> • Increase in revenue to RM2,020.4 million • Increase in total economic value distributed to RM1,555.0 million • Increase in total economic value retained to RM465.4 million



SUSTAINABLE BUSINESS

TRANSITIONING OUR CUSTOMERS

We help new and existing customers address the increasing threats of climate change through financing.

Integrating Sustainable and Responsible Financing

Relevant material matters:

- Sustainable and Responsible Financing
- Climate Change

The focus on our sustainability agenda underscores our long-term direction to ensure our products and services deliver positive impacts to the environment and across all stakeholder groups, including customers and communities. Working hand in hand with our customers, we facilitate their transition towards a low-carbon future while managing the sustainability risks arising from their business operations. This includes the launch of ESG-themed financing schemes tailored to support our customers’ low-carbon transitions, which is also supported by robust internal action to assess and proactively manage our customers’ sustainability risks. For example, our approach to customer assessments extends its scope to encompass environmental risks. The financing provided by the Bank is also aimed at funding projects and businesses which do no harm to the environment. By integrating these sustainable and responsible financing practices, we aim to capture new opportunities presented by the growing market interest in sustainability financing while mitigating the financial, physical and transition risk for both our stakeholders and the Bank itself.

The Sustainable Product Framework

In FY2024, Alliance Bank launched its inaugural Sustainable Product Framework (“SPF”) which defines the scope of sustainable banking business in relation to financing activities and deposit products for the Bank. The SPF will enable us to achieve our Sustainability Strategy and Topline Goal 1: Grow RM15 billion in sustainable banking business by FY2027.

Developed internally with reference to international and national standards and frameworks, the SPF seeks to evaluate and classify the Bank’s financing across selected environmental, social and transition parameters. It will guide our internal processes for sustainable financing offerings and product development, advancing our sustainable financing growth in support of the nation’s agenda of facilitating capital flows for a just transition to a low carbon economy.

The SPF is a crucial stepping stone in integrating sustainable financing considerations as a Business-As-Usual (“BAU”) process, including during critical processes of client onboarding, credit applications and reviews.

With the SPF in place, Relationship Managers (“RMs”) and Credit Underwriters will begin conducting more robust reviews to determine if a particular facility contributes to the Bank’s overall New Sustainable Banking Business. Moreover, the SPF also positions us to capitalise on innovative opportunities and emerging green sectors.

Through the SPF, we have garnered important momentum in the development of sustainability-related products and programmes. This includes the launch of SME Express Loan (“SXL”) ESG Portfolio Guarantee Programme which is guided by the SPF.

Moving forward, we will continue to integrate the SPF across the Bank and improve capability amongst key stakeholders to effectively implement the SPF. This will be achieved through awareness initiatives and training. Further, we will continue to monitor the latest market and regulatory developments to ensure that the SPF remains relevant and fit for purpose.

Our Three-Step Approach to ESG Adoption for Customers

Alliance Bank’s SIP via the 3As Approach will support our customers in developing their respective sustainability strategies:



ADVOCACY

Promote awareness through thought leadership, research, impactful events and initiatives to foster ESG practices among our customers, partners, employees and the community.



ADVICE

Partnerships with industry experts to deliver capacity building, advisory and practical tools that will ensure our customers are ESG ready.



ANSWERS

Delivering green banking and beyond banking solutions that are tailored to support our customers in their transition to a low-carbon economy.

SUSTAINABLE BUSINESS

Driving Sustainable Financing Propositions

In our efforts to accelerate the adoption of sustainable practices among Malaysian businesses and expand our sustainable banking portfolio, we have developed and launched innovative sustainable financing products and propositions. Our efforts here have garnered recognition and awards, which helps to reinforce our commitment to driving sustainability initiatives within the industry.

Our commitment to sustainability is ingrained in our long-term direction, ensuring that our products and services generate positive impact for all stakeholders, including our customers, communities, and the environment. At the heart of this vision is our dedication to financing projects and businesses that prioritise environmental responsibility and bring no harm to the environment.

For example, since FY23, we have actively utilised the Low Carbon Transition Facility (“LCTF”) by Bank Negara Malaysia to support SMEs. We introduced a scheme that enables SMEs to finance their solar panel installations without the need for collateral, offering financing of up to RM10 million at preferential interest rates and a loan tenure of up to 10 years. Additionally, we extended financing options to customers who installed solar panels on their rooftops, providing a zero-cost option by supporting Registered Solar Photovoltaic Investors (“RPVI”). These initiatives, along with financing support for biogas and wastewater projects, have contributed to sustainability adoption among local businesses.

Through our Sustainability Impact Programme (“SIP”), we approved RM420 million in financing in FY24 to assist our business clients in their sustainability transition, of which about RM 100 million was facilitated through our Green Supply Chain Programme with key corporates.

Transitioning Customers

In our journey towards Net Zero, Alliance Bank plays a crucial role in supporting our customers’ transition. Over time, we hope to assist our customers in improving their CCPT classification and with their transition financing needs.

SME Express Loan (“SXL”)

This innovative financing solution offers SMEs high financing limits of up to RM2,000,000, flexible financing tenures of up to 7 years, and a hassle-free application process with simplified documentation requirements. Furthermore, borrowers have the flexibility to opt for the government-guaranteed scheme, LCTF, of up to RM 1,000,000 with a financing tenure of 10 years. Hence, enhancing the accessibility and affordability of financing for SMEs looking to embark on sustainable initiatives.

Green Loan

Corporate Banking has achieved a significant milestone in our commitment to sustainability with the successful grant of a green loan facility to a reputable property developer. The green loan, which adheres to the four core principles of green loan classification, will be utilized to support the development of an environmentally friendly property, incorporating energy-efficient designs and sustainable materials. Upon completion of the development, the customer aims to be certified with GreenRE’s Gold rating.

By financing projects that prioritise sustainability, we are not only mitigating environmental impact but also promoting responsible business practices within the real estate sector.

Green Mortgage

To date, Alliance Bank has forged strategic partnerships with industry leaders such as UEM Sunrise Berhad, Sunway Property, Malton Berhad, IJM Land Berhad, Eastern & Oriental Berhad, Avaland Berhad and Gamuda Land Berhad. These partnerships mark a significant step towards fostering sustainable communities through the adoption of green-certified properties. Our collaborative effort aims to empower homebuyers by offering Alliance Bank’s specialised sustainable mortgage financing packages for green-certified projects. By leveraging these innovative financing options, homebuyers stand to benefit from lower interest rates and expedited end-financing approvals.

SUSTAINABLE BUSINESS

Sustainability Impact Programme (“SIP”)

SIP is designed to aid clients in adopting ESG practices and make it their competitive advantage. The programme follows a 3As approach: Advocacy, Advice, and Answers.

Advocacy involves raising awareness about the importance of sustainability and its impact towards their business, while Advice provides capacity building and practical tools like PROGRESS which provides complimentary climate assessments and a transition roadmap. Answers encompass both banking and beyond banking solutions including financing and green technology offerings at preferential rates. The programme aims to enhance profitability, cost efficiency, and global competitiveness for Malaysian businesses and is augmented via the strategic partnerships with organisations like United Nations Global Compact Network Malaysia & Brunei, Bursa Malaysia, Malaysia Green Technology and Climate Change Corporation, Green RE and others.

Through our Sustainability Impact Programme (“SIP”) we work with clients on improvements in sustainable business practices. Our relationship managers and strategic partnerships team have regular engagements with clients to discuss adoption challenges faced and identify targeted and meaningful solutions; including those involving their supply chain. During these engagements, we help them with a range of areas including climate actions, waste and pollution management, supply chain decarbonisation and social impact. Going forward, we will expand solutions into relevant additional areas such as ecosystem preservation and biodiversity. SIP is a reflection of the Bank’s dedication to provide a differentiating value add to the customers we finance in the area of sustainability improvements.

Virtual Credit Card

Alliance Bank Malaysia Berhad has launched a Visa Virtual Credit Card (“VCC”) with the country’s first “Dynamic Card Number” (“DCN”) feature, offering a safer and more secure alternative for digital transactions. Since its launch in April 2023, the VCC with DCN has witnessed a 57% increase in credit card users. Through allianceonline Mobile, users can now easily apply for and access the Alliance Bank Visa Virtual Credit Card (“VCC”). The VCC’s will let users generate an unlimited number of unique, one-time-use 16-digit numbers for each online transaction, including on e-commerce websites and online services that require subscriptions. The VCC will let users transact online without exposing their primary account number, adding an extra layer of security when dealing with dubious websites or data theft when legitimate websites are compromised. This initiative reflects Alliance Bank’s commitment to digital innovation and sustainability, offering customers a convenient and environmentally friendly banking solution.

PROGRESS Tool

PROGRESS tool (PROmoting Green RESilient & Sustainable SMEs) launched in collaboration with UN Global Compact Network Malaysia & Brunei (“UNGCMYB”) is to facilitate climate action by SMEs. It provides a peer benchmark, and generates a tailored climate transition action plan for business owners. The generated report serves as a practical guide for SMEs on their sustainability journey. Based on their climate maturity, SMEs can enjoy preferential financing rates from the Bank for green loans and other working capital needs.

SUSTAINABLE BUSINESS



**Feature Story: Empowering Businesses Transition towards Sustainable Practices Source:
Bursa Malaysia, Mah Sing and Alliance Bank Collaborate to Drive ESG Adoption**



We have collaborated with Bursa Malaysia and worked with Mah Sing Group Berhad and other public listed companies (“PLCs”) to champion Environmental, Social, and Governance (“ESG”) practices among Malaysian businesses. This collaboration revolves around Bursa’s Centralised Sustainability Intelligence (“CSI”) Platform, designed to assist companies in measuring their carbon footprint and advancing their ESG journey.

Through this collaboration, the PLCs enhance disclosure transparency in Scope 1, 2 and 3 emissions and gain operational excellence while reducing its carbon footprint. Their suppliers benefit from capacity building and sustainability tools like PROGRESS, a climate assessment tool co-developed in partnership with UNGCMYB. They gain access to green solutions from our network of partners in areas such as renewable energy, green mobility, waste management and others. Additionally, they can take advantage of the bank’s competitive green financing offerings and enjoy preferential banking rates that incentivise their climate action and transition.



**Customer Success Story of Kinergy Advancement Berhad (KAB)
Recognised Engineering Excellence: Now Leading as Malaysia’s Unique Sustainable Energy Player**

Kinergy Advancement Berhad (“KAB”), formerly known as Kejuruteraan Asastera Berhad, has been a stalwart in the engineering industry, providing electrical engineering services for commercial, residential and industrial construction projects over the last 26 years. In June 2023, KAB redefined its identity and emerged as a premier One-Stop Sustainable Energy Solutions (SES) Provider, following its official business diversification on 17 November 2022. Alliance Bank has collaborated with KAB on its transformation journey through the Bank’s Sustainability Impact Programme (“SIP”), recognising not only its transformation endeavors but also its strategic emphasis on enhancing ESG and sustainability advantages for end-users, to achieve a common vision and mission.

The recognition is particularly notable given KAB’s recent inclusion in both the FTSE4Good Bursa Malaysia (“F4GGM”) Index and FTSE4Good Bursa Malaysia Shariah (“F4GBMS”) Index in December 2023. For 3 consecutive years, KAB maintained a 3-star rating for its efforts in ESG and Sustainability, showing outstanding practices in their governance oversight and environmental and social initiatives. This includes a recent accolade from Energy Business Review, earning recognition as a Top 10 Sustainability Solution Provider in APAC 2024. This acknowledgment places KAB at the forefront of delivering energy sustainability solutions and making a significant impact in the marketplace.

SUSTAINABLE BUSINESS

Unlocking Green Potential with Alliance Banks Sustainability Impact Programme (“SIP”)

- Alliance Bank and KAB have collaborated in delivering various green initiatives within the Bank’s Sustainability Impact Programme (“SIP”), enhancing strategic cooperation and involvement in multiple ESG and Sustainability initiatives, namely: **Bursa Malaysia’s Centralised Sustainability Intelligence (“CSI”) Platform.**
- KAB reaffirmed its sustainability pledge by being an early participant in Mah Sing’s supplier sustainability programme, piloted with Alliance Bank on Bursa’s CSI platform. The initiative demonstrates the strategic partnership between KAB and Alliance Bank, aimed at promoting the adoption of ESG best practices. It enables the estimation of carbon emissions, utilisation of assessment tools for improvement, and access to preferential financing rates.
- **Climate action via PROGRESS:** One of the tools utilised by KAB was PROGRESS. This tool furnishes KAB with valuable insights to develop a climate readiness report and identify key climate actions for prioritisation.
- **Green financing KAB’s Pioneering Waste Heat to Energy Project: Malaysia’s First and only Organic Rankine Cycle Plant.** SIP also facilitated access to green financing, enabling KAB to secure financing for innovative clean energy generation projects, including waste heat to energy and renewable solar projects. The waste heat to energy plant, which is Malaysia’s first and only Organic Rankine Cycle system, positions KAB as the exclusive entity to build, own, and operate such a plant in Malaysia. The plant is projected to reduce over 98,000 tons of carbon emissions over the next decade.

Financials Flourishing

KAB’s transformation is rooted in its 26-year engineering legacy, now augmented by tangible financial gains and a steadfast commitment to sustainability. This dedication has led to both financial and business achievements. Their year-end financial performance demonstrates a notable 6.6% increase in revenue and a multiple-fold increase in profit year-on-year. This growth is largely credited to the expansion of their sustainable project portfolio secured over the past year.

Alliance Bank’s SIP is proud to have a partner in KAB, a business that has undergone significant transformation, exemplifying the power of collaboration. Beyond driving sustainable competitive advantage for business resilience, KAB has established itself as a reputable industry player and earning significant recognition in the ESG space.

Green Supply Chain Programme in collaboration with Bursa Malaysia, UNGCMYB and Green technology partners reached more than 600 SMEs and contributed to the RM420 million in financing achieved via the Sustainability Impact Programme (“SIP”)

Alliance Bank’s Green Supply Chain Programme, launched in FY2023, is a pioneering initiative designed to drive sustainability improvements within corporate supply chains. By offering a comprehensive suite of services including training, advisory, tools, green solutions and banking incentives that enable climate action and transition.

With the programme, we aim to empower SMEs to enhance their sustainability practices, ultimately leading to increased competitiveness, profitability, and long-term business value.

The Bank works with a wide range of strategic partnerships with key organisations such as Bursa Malaysia, UNGCMYB, Malaysian Green Technology and Climate Change Corporation (“MGTC”), SMECorp Malaysia, and various Greentech solution providers, which enables us to provide climate solutions that aligns closely with the country’s National Energy Transition Roadmap.

The green supply chain programme focuses on engaging corporates in addressing their Scope 3 emissions by leveraging Bursa’s Centralised Sustainability Intelligence (“CSI”) platform and working on climate actions with public listed companies and their suppliers. It can help companies calculate and reduce their carbon footprint across their supply chains, thus contributing to a more sustainable business ecosystem.

Within the programme, suppliers benefit from capacity building through ESG training and sustainability tools such as our PROGRESS tool. They also gain access to green solutions from our network of partners in areas such as renewable energy, green mobility, waste & water management, and others. Additionally, they can take advantage of the Bank’s competitive green financing offerings and enjoy preferential banking rates that incentivise their climate action and transition.

To execute the programme effectively, we organise workshops to educate suppliers on ESG concepts, GHG emissions, and climate transition strategies. We provide tools and resources to assist suppliers in developing their climate roadmap and action plan, complemented by sustainable financing solutions.

The results achieved so far demonstrate the impact of our programme, with over 600 SMEs reached, approximately RM100 million in financing support provided, and more than 440 climate assessments completed with actionable climate improvement plans.

Moving forward, we remain dedicated to providing the most comprehensive green supply chain programme in Malaysia. Our ongoing partnerships with leading ESG organisations underscore our commitment to sustainability and innovation in driving positive change within the business community.

SUSTAINABLE BUSINESS

ADVANCING THE CUSTOMER EXPERIENCE

We ensure a high-quality customer experience through innovation and robust governance.

Enhanced Customer Experience through Digitalisation

Relevant material matters:

- Customer Experience
- Digitalisation

At Alliance Bank, we place a strong emphasis on providing exceptional customer experiences. This commitment is reflected in our recently launched Alliance Customer Promise, which is built on five core principles known as G.R.E.A.T. These principles focus on delivering Good Advice, Relevant Solutions, Ease, Accuracy, and Timeliness to our customers. Through this initiative, we empower our employees to consistently deliver on our brand promise, ensuring that every interaction, whether through product adoption, digital channels, or employee engagement, demonstrates our commitment to delivering a superior customer experience.

Our management approach towards handling customer complaints is grounded in data-driven methodologies, with a strong focus on swift resolutions. This approach allows us to continuously improve our processes, ensuring that our customers receive timely and satisfactory resolutions within 3 working days in FY24.

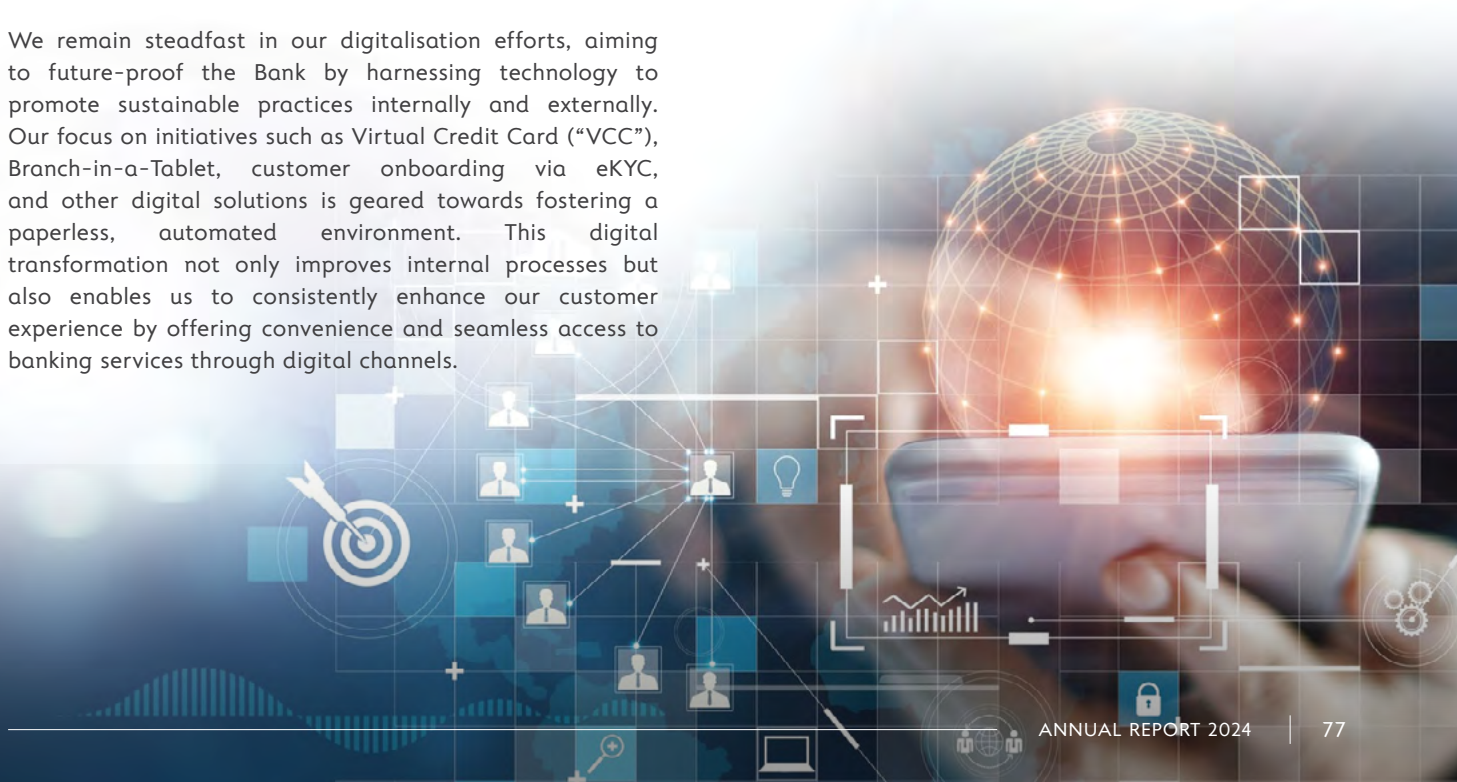
Additionally, we have a closed loop feedback system to collaborate with various stakeholders in promptly addressing issues and to monitor and prevent the recurrence of incidents. Complaint trends are also presented to the Management Committee monthly and to the Board biannually, ensuring a strong oversight on the Bank’s effort to addressing customer concerns and maintaining a high standard of service quality.

We remain steadfast in our digitalisation efforts, aiming to future-proof the Bank by harnessing technology to promote sustainable practices internally and externally. Our focus on initiatives such as Virtual Credit Card (“VCC”), Branch-in-a-Tablet, customer onboarding via eKYC, and other digital solutions is geared towards fostering a paperless, automated environment. This digital transformation not only improves internal processes but also enables us to consistently enhance our customer experience by offering convenience and seamless access to banking services through digital channels.

Moreover, the recent implementation of Connexion has greatly enhanced our Bank’s internal digital experience, aligning with our broader goal of delivering efficient and innovative solutions. Connexion, a cloud-based solution, offers increased autonomy, convenience, and flexibility to meet employees’ needs. It enables mobile access anytime and anywhere, facilitates hiring and resource planning for enhanced empowerment, integrates technology advancements like simplified e-Forms and Optical Character Recognition, and grants access to bite-sized learning for personal development.

We also continue to promote the usage of our mobile and online banking platforms, both of which have steadily increased over time. In FY2024 we achieved more than 16% YOY increase in overall digital banking users, and over 21% YOY increase in number of online transactions, across our consumer and business segments.

TOTAL NUMBER OF DIGITAL USERS (ONLINE & MOBILE)			
FY	SME	GCB	Total
FY2024	58,609	468,889	527,498
FY2023	50,745	404,746	455,491
FY2022	43,525	353,462	396,987



SUSTAINABLE BUSINESS

FY2024 Initiatives

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 FY2024, the average number of new digital CASA accounts opened each month increased by 67% YOY from 1,500 new consumer CASA accounts to 2,500 new consumer CASA accounts per month, representing 33% of total consumer CASA opened.

Branch-in-a-Tablet

The Bank's Branch-in-a-Tablet initiative enables straight through account opening and reduces account opening times by more than 50%. Customers can open a new consumer CASA account within the same day. In FY2024, the average monthly number of CASA opened via the Branch-in-a-Tablet initiative grew by 18% YOY from 2,500 to 3,000 accounts, representing 61% of total consumer CASA opened at the branches

Digital Loans & Virtual Credit Card ("VCC")

Our Digital Personal Loans provides approval-in-principle within 10 minutes while funds are disbursed within 24 hours upon approval. Almost RM300 million was disbursed in Digital Personal Loans in FY2024, representing around 20% of total new Personal Loans disbursed. In terms of VCC, we recorded over 56,000 VCCs approved in FY2024 and won several accolades for the VCC's innovative proposition, including 17 awards across domestic, regional and global spheres.

Revolutionise SME Operational Processes

Our Digital SME team ("DSME") introduced the Bank Statement Analyser ("BSA"), an advanced tool with analytics algorithms to optimise operational efficiencies, ensuring robust and dynamic processing capabilities. The BSA is part of a strategic Proof-of-Concept project undertaken by the Bank to continuously refine and enhance its credit approach to make banking solutions faster and broaden financial access for MSMEs. The BSA will play a key role in an upcoming ambitious project slated for launch in FY2025: a Straight Through Processing ("STP") business loan initiative, to digitalise the loan application and approval process from start to finish with same day approval.

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 FY2024, 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 the mobile phone. Upon the Bank's approval, customers will receive their funds within 24 hours.

In FY2024, we added more trade finance products and services, such as Letters of Credit and Bank Guarantees, to the platform. Our customers can now perform eTrade transactions in both Malaysia Ringgit and foreign currencies to over 190 countries, benefiting customers involved in both domestic and international trade. To date, 50% of our trade transactions have successfully been migrated into eTrade submissions.

SUSTAINABLE BUSINESS

Enhancing Customer Satisfaction through Trust and Fair Treatment

Alliance Bank is guided by BNM’s policy document in the issuance of our Product Disclosure Sheet. This is to ensure pertinent information regarding our products and services is clearly communicated to our customers to ensure transparency and improve overall customer satisfaction. The objective of the Product Disclosure Sheet is to:

- Promote customer’s awareness and understanding of the financial products and services;
- Facilitate consistency in the disclosure of essential information on the financial products and services;
- Minimise mis-selling of the financial products and services;
- Ensure that financial products and services sold are appropriate to the needs and resources of the customer; and
- Promote informed decision-making by the customer.

We are also guided by BNM’s Fair Treatment of Financial Consumers policy document to ensure that our interactions with customers are conducted with fair treatment and consideration for their best interests.

Through our transparency and fair treatment towards our customers, we effectively measure customer loyalty and their propensity to recommend our products or services. We rely on the Net Promoter Score (“NPS”) as a key metric. This strategic tool plays a vital role in evaluating the success of our relationship-focused strategy, ensuring that we consistently meet and exceed customer expectations across key touch points. By analysing the NPS results, we pinpoint areas for improvement and implement targeted measures to address any customer concerns, ultimately enhancing overall customer satisfaction levels.

In FY2024, our Bank maintained its composite NPS score to date of 33. Our success was a result of our proactive efforts, including our relationship managers reaching out to all clients to gain a deeper understanding of their financial needs in order to serve them more effectively.



Feature Story: Driving Digital Transformation to Become the Preferred Banking Partner for Customers

In FY2024, we proudly secured over 40 prestigious awards, highlighting our digital transformation and commitment to ESG initiatives. Notable wins include achieving three gold, one silver, and three bronze medals in the Marketing Excellence Awards 2023. These accolades recognise our strength and achievement in developing innovative digital marketing strategies and executing impactful brand-building campaigns. On a regional scale, we emerged as a gold winner in the Qorus Reinvention Awards – APAC 2023 for our Sustainability Impact Programme (“SIP”).

From pioneering digital SME loan solutions to championing marketing transformation through “outcomes and performance-based approaches”, we demonstrate our leadership in banking innovation and responsible banking practices. Further, ESG is kept closely in mind in the development of new products, as demonstrated in the launch of the Bank’s Virtual Credit Card (“VCC”). These achievements reaffirm the Bank’s commitment to delivering exceptional solutions while driving our Brand Purpose to be “The Bank For Life”.



SUSTAINABLE BUSINESS

Safeguarding Customer Data

Relevant material matters:

- Customer Data Privacy

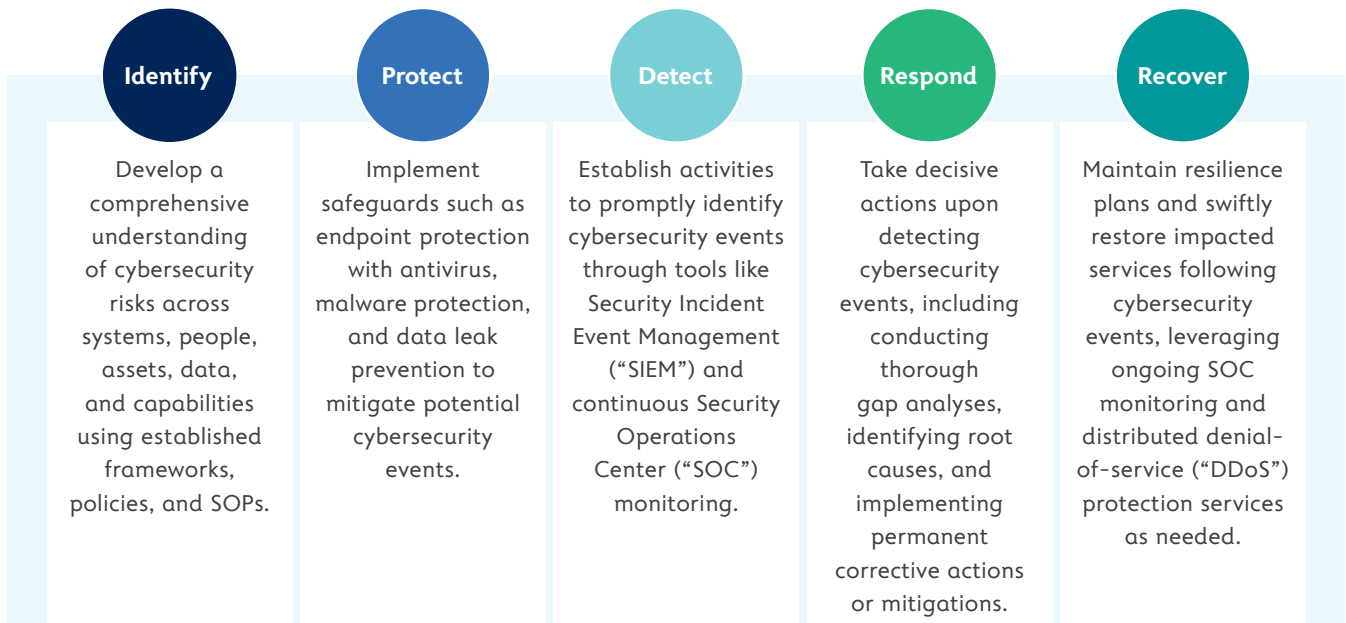
We are strongly committed to protecting our customers’ data and privacy, especially as we accelerate the digitalisation of our systems and processes. Robust controls are integrated and ensured as crucial aspects to obtaining and maintaining trust from our customers and stakeholders. In addition to strict adherence to the Personal Data Protection Act 2010, Financial Services Act 2013, Islamic Financial Services Act 2013, and other relevant laws, we have implemented a robust internal Personal Data Protection Policy. These policies govern how we collect, use and safeguard our customers’ personal data. Access to data is restricted to authorised personnel, and it is securely stored within our Bank. Hardcopy materials are securely stored in locked cabinets at a designated secure location, with any obsolete printed materials securely disposed of.

To fortify our cybersecurity framework, we routinely assess and enhance our cybersecurity infrastructure to prevent unauthorised access, security breaches, and data leaks.

Our employees receive regular reminders to stay vigilant against cyber-attacks through mandatory e-Learning modules and employee announcements. We have also implemented several control measures for protecting our customers from scams and fraud through spreading customer awareness, embedding multifactor authentications, and removing hyperlinks from the Bank’s SMS, among other measures. As an initiative to cultivate a compliance culture among our employees, we have launched our Compliance Culture Campaign 2 which focuses on three of our AGILE values: Accountability, Growth Driven and Leadership.

We manage cybersecurity risks by leveraging the National Institute of Standards and Technology (“NIST”) five core functions. These functions are executed concurrently and continuously through our tech layers to cultivate an operational culture that adeptly addresses dynamic cybersecurity risks.

Five Core Functions



Tech Layers

System Management	Content Security	Network Security
Application Security	End-point Security	Security Operation
Governance & Compliance		

SUSTAINABLE BUSINESS

DELIVERING ECONOMIC VALUE

We deliver consistent and sustainable economic value to our stakeholders.

Delivering Strong Economic Value

Relevant material matters:

- Economic Performance

To ensure the continued strength of our lending capabilities and to support our ongoing expansion initiatives, we are dedicated to maintaining a strong capital foundation and ensuring robust liquidity levels. For further information on this topic, please refer to the "Performance Review" section on page 36 within this Annual Report.

Throughout the reporting period, the Bank has consistently conducted comprehensive risk management and capital adequacy assessments to equip our businesses for macroeconomic challenges, including potential slowdowns, negative gross domestic product ("GDP") growth, increasing unemployment rates, and rising interest rates. These assessments include the regular implementation of stress tests across all facets of our business operations.

Despite encountering numerous challenges during the review period, our proactive risk management practices and prudent capital allocation strategies have enabled us to deliver significant economic value to our stakeholders.

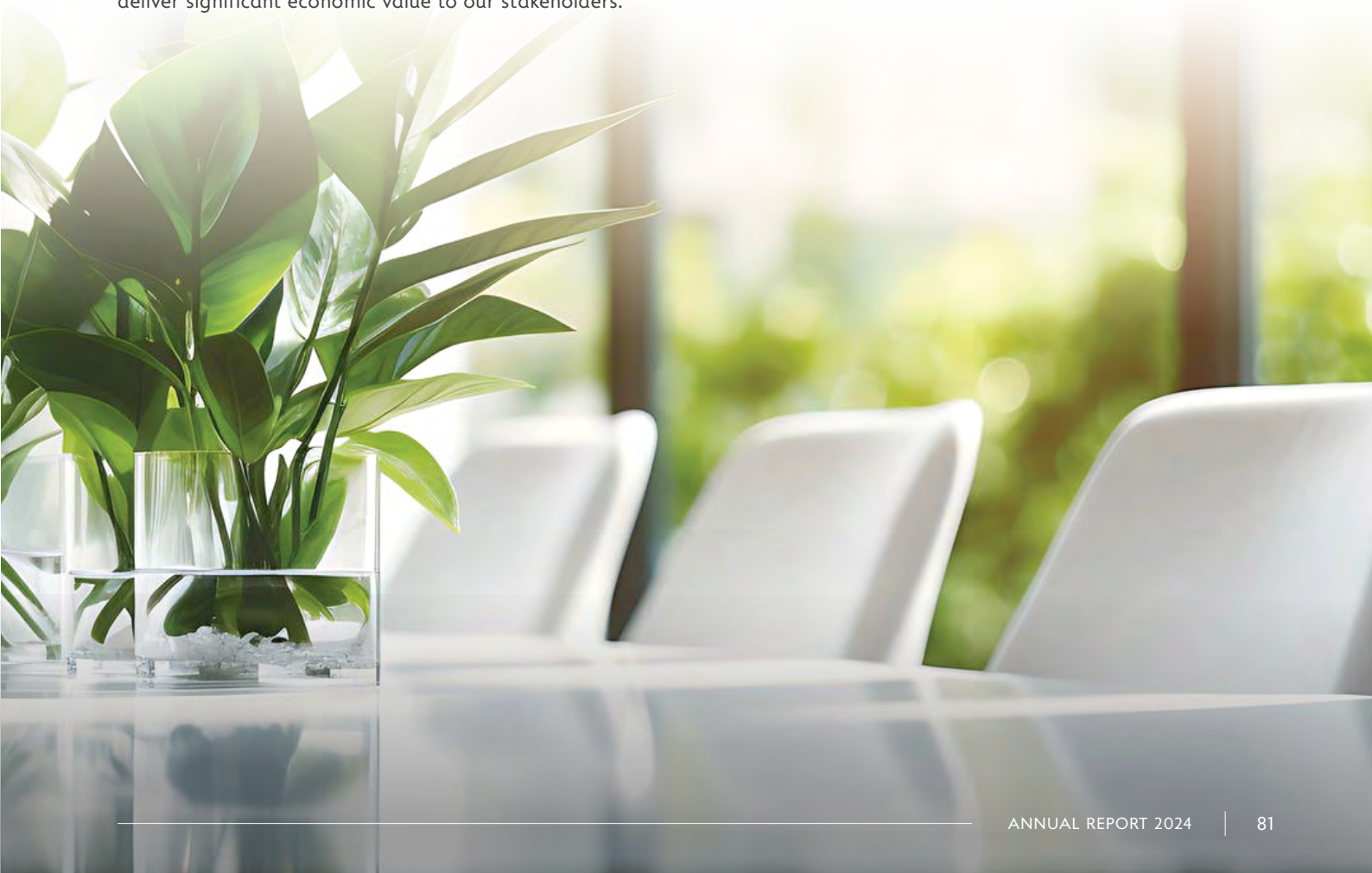
Direct Economic Value Generated

TOTAL ECONOMIC VALUE GENERATED

FY2024
RM2,020.4 million
 FY2023 – RM 1,919.9 million
 FY2022 – RM 1,867.7 million

REVENUE

FY2024
RM2,020.4 million
 FY2023 – RM 1,919.8 million
 FY2022 – RM 1,867.6 million



SUSTAINABLE BUSINESS

Economic Value Distributed

TOTAL ECONOMIC VALUE DISTRIBUTED

FY2024
RM1,555.0 million
 FY2023 – RM 1,491.9 million
 FY2022 – RM 1,422.6 million

EMPLOYEE WAGES AND BENEFITS

FY2024
RM629.8 million
 FY2023 – RM 572.6 million
 FY2022 – RM 529.6 million



COMMUNITY INVESTMENTS (administration expenses – donation)

FY2024
RM1.3 million
 FY2023 – RM 1.2 million
 FY2022 – RM 1.4 million



OPERATING COSTS (excluding personnel expenses and community investments)

FY2024
RM244.9 million
 FY2023 – RM 213.7 million
 FY2022 – RM 201.5 million



PAYMENT TO GOVERNMENT – TAXATION AND ZAKAT

FY2024
RM220.8 million
 FY2023 – RM 208.8 million
 FY2022 – RM 254.6 million



PAYMENTS TO PROVIDERS OF CAPITAL – CASH DIVIDENDS PAID TO SHAREHOLDERS

FY2024
RM322.8 million
 FY2023 – RM 343.7 million
 FY2022 – RM 218.1 million



NET BAD DEBTS

FY2024
RM135.4 million
 FY2023 – RM 151.9 million
 FY2022 – RM 217.4 million



Direct Economic Value Generated

TOTAL ECONOMIC VALUE RETAINED

FY2024
RM465.4 million
 FY2023 – RM 428.0 million
 FY2022 – RM 445.1 million

DEPRECIATION AND AMORTISATION

FY2024
RM97.7 million
 FY2023 – RM 93.9 million
 FY2022 – RM 90.4 million



PROFITS AFTER DIVIDEND

FY2024
RM367.7 million
 FY2023 – RM 334.1 million
 FY2022 – RM 354.7 million



Alliance Bank to relocate headquarters to Menara Alliance Bank

Alliance Bank is set to make a significant move to its new headquarters located at the iconic Menara Alliance Bank in Kuala Lumpur. Earmarked as a green-certified building, this strategic relocation to a prime commercial centre reflects the Bank's steadfast commitment to enhancing its presence in the heart of Kuala Lumpur's commercial district and is part of the Bank's journey to be a more sustainable and resilient organisation. It signifies a strategic endeavour to elevate brand visibility, promoting an enhanced working environment, and signifying a bold step towards deepening our environmental and social commitments for our internal organisation.

SUSTAINABLE SOCIETY

Relevant stakeholders¹



Relevant material matters:

- Climate Change
- Financial Inclusion
- Sustainable Procurement
- Corporate Social Responsibility



Beyond banking, we wish to help our communities and wider society be more sustainable in alignment with our Topline Goal 2 – to help customers adopt sustainable lifestyles and business practices. At Alliance Bank, we are a community-centric institution that endeavours to serve businesses and consumers every day in a positive and meaningful way. Embracing a holistic approach to enabling a sustainable society, we partner with our stakeholders to drive sustainable outcomes across the business ecosystem and society at large while also investing to meet the diverse needs of our communities, including those who are underserved, such as small businesses or communities.

Empowering Sustainable Living



FY2024:

Reduced to **31%**
 FY2023: Reduced to 35%

Ensure **C5% of portfolio is <20%** by FY2030

¹ For stakeholder icon definitions, see “Key Stakeholder Engagement” on page 48.

SUSTAINABLE SOCIETY

Material Matters	FY2024 Achievements
Climate Change	<ul style="list-style-type: none"> • Signed a tripartite partnership with InvestSarawak Sdn Bhd and the UN Global Compact Network Malaysia & Brunei (“UNGCMYB”) to accelerate an inclusive climate transition for SMEs through the “Climate Inclusive Financing & Development Programme” • Co-hosted and signed an MoU with SME Corp. Malaysia during the SME ESG Roundtable held in Penang • Co-organised the SME ESG Symposium with UNGCMYB and signed MoUs with Monash University Malaysia and the International Centre for Education in Islamic Finance (“INCEIF”) University to collaborate on thought leadership and sectoral playbook initiatives
Financial Inclusion	<ul style="list-style-type: none"> • The Economic Empowerment Programme (“EEP”) 3.0 onboarded another 50 participants for entrepreneurship upskilling, with a total of 173 participants inducted into the Programme since its inception in December 2020 • SocioBiz garnered more than RM235k through 4 crowdfunding campaigns, consequently benefitting 535 underserved and B40 recipients • RM225,000 disbursed to Amanah Ikhtiar Malaysia under Alliance Islamic Bank’s Zakat Microfinancing Programme (“AZAM”), benefitting 45 <i>asnaf</i> micro entrepreneurs
Sustainable Procurement	<ul style="list-style-type: none"> • Increased local procurement spend to 94% to support the local economy
Corporate Social Responsibility	<ul style="list-style-type: none"> • Organised the inaugural Alliance Bank Heritage Run 2023 with a turnout of close to 3,500 participants • Collaborated with IPC Shopping Centre to launch the IPC Little Eco-Heroes Awards programme wherein 151 prototypes were received from primary and secondary schools nationwide



SUSTAINABLE SOCIETY

DRIVING CHANGE BEYOND BUSINESS

We partner with our stakeholders to effect sustainable outcomes across the business ecosystem and society at large.

Enabling Financial Well-being for SMEs

Relevant material matters:

- Financial Inclusion
- Climate Change

Partnership with SME Corp and UNGCMYB for the SME ESG Roundtable and ESG Symposium

In a move to empower SMEs in their journey towards adopting ESG practices, Alliance Bank signed a Memorandum of Understanding (“MoU”) with SME Corp. The partnership kicked off with a roundtable discussion jointly organised by Alliance Bank and SME Corp in Penang where representatives from 19 business and industry associations, federations as well as government agencies came together to share their views on the ESG landscape in Malaysia and how it is affecting businesses locally. The insights from the roundtable formed valuable input to the ESG Symposium.

Alliance Bank Malaysia has joined forces with Monash University Malaysia and the International Centre for Education in Islamic Finance (“INCEIF”) University. This collaboration aims to conduct research and thought-leadership events to extract industry-based insights for the development of sectoral playbooks based on best practices of industry leaders. By partnering with these leading academic institutions, the Bank seeks to develop a comprehensive understanding of the challenges and opportunities faced by SMEs across various sectors as they integrate ESG practices into their operations.

This initiative highlights the university partners’ dedication to promoting sustainable business practices among SMEs. Monash University Malaysia emphasises its aim to fill the knowledge gap and provide tailored solutions that address industry-specific needs through knowledge sharing, research, and collaboration with key industry players. As an Islamic finance education leader, INCEIF University underscores the need for financial inclusion which is the key thrust of Value-Based Intermediation, particularly for micro-SMEs. Hence, the university is committed to building capacity for the industry to move towards meaningful financial well-being.

The collaborations were formalised through the signing of MoUs during the SME ESG Symposium 2023. The symposium, themed “Enabling Collaborative Ecosystems for SME ESG Transition” was co-organised with UNGCMYB and served as a platform for businesses to share best practices and gain insights from ESG adoption pioneers within their respective industries. The findings gleaned from the symposium, along with the participation of over 50 businesses, will be instrumental in guiding the next phase of Alliance Bank’s and its partners’ journey in enabling businesses navigate their ESG adoption roadmap. Sectoral playbooks will be developed in a thematic series that helps Malaysian businesses accelerate adoption of ESG.

Participating in Associations

By forging strong partnerships, our goals and strategies align with the commitments we have made with leading ESG-focused associations. Alliance Bank has been actively leading and participating in various industry associations and regulator-industry committees, such as the Joint Committee on Climate Change (“JC3”) committees and working groups, The Association of Banks in Malaysia (“ABM”) ESG Committee, and various focus groups organised by Securities Commission (“SC”) and Capital Markets Malaysia (“CMM”). The Bank strongly believes that working closely with the regulators and other industry peers forges strong collaborative efforts, greater capacity building through knowledge sharing, and plays a significant role in having a voice towards sustainability-related public policy development that will shape the nation’s future. Together, we can contribute to accelerating the nation’s progress towards a more sustainable and low carbon future.

SUSTAINABLE SOCIETY

The Association of Banks in Malaysia (“ABM”) ESG Committee

Alliance Bank, as an active member of the ABM ESG Committee, has maintained our unwavering commitment to industry collaboration by embracing the broad seven ESG Principles launched by the ABM ESG Committee at the inaugural Malaysian Banking Conference held in 2022. The principles represent a commitment to foster sustainable practices within the financial sector and support the Government of Malaysia’s Intended Nationally Determined Contribution (“NDC”) in accordance with the United Nations Framework Convention on Climate Change (“UNFCCC”). We have been actively engaging in the committee’s initiatives, including the recent Glasgow Financial Alliance for Net Zero (“GFANZ”) Roundtable Session with Chief Sustainability Officers to engage in dialogues on net zero transition planning to support a just transition to a low carbon economy.



Joint Committee on Climate Change (“JC3”)



Established in 2019 to pursue collaborative action between regulators and the industry for building climate resilience within the Malaysian financial sector, Alliance Bank has been actively participating in JC3 events. In the latest JC3 Journey to Zero Conference held from 23rd to 25th October 2023, Alliance Bank participated in the development of one out of the five key national initiatives announced by JC3 to support an inclusive transition to a greener economy, namely the ESG Jump-Start Portal. Our Chief Executive Officer of Alliance Islamic Bank Berhad was also a key panelist speaker in the “Value-based Intermediation (“VBI”) Fireside Chat to Support Climate Transition” to discuss how VBI and embracing its values supports the move towards more sustainable practices and lifestyles.



SUSTAINABLE SOCIETY

Joint Committee on Climate Change SME Focus Group (“JC3 SFG”)

JC3 SFG is a dedicated regulator–industry platform formed in 2023 with the aim to accelerate the transition and adoption of sustainable business practices by SMEs. This objective is achieved by raising SME awareness on climate change, climate-related risk and sustainable practices, as well as facilitating adoption of green certifications and disclosures by SMEs to help them in their transition journey. Alliance Bank is the lead for the Awareness Subgroup of the JC3 SFG. Represented by the Head of Sustainability, the Bank has been driving significant progress towards the development and execution of a strategic roadmap and awareness programme to support SMEs in their climate awareness and resilience journey. The Bank has also been playing a pivotal role in the development of the recently launched ESG Jump-Start Portal, a one-stop online portal via the JC3 website for SMEs to access foundational information to jump start their sustainability journey. The portal includes a repository of information on publications, capacity building programs, certification schemes, and financial and incentive schemes that SMEs can tap into.

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

An industry collaboration platform mandated by the JC3, CCPT IG focuses on sharing progress on CCPT implementation and facilitates technical experiences and discussions related to the application of CCPT Guidance document. The CCPT IG facilitates the identification and remediation of implementation issues with the aim of promoting consistent application of CCPT across the industry.

Capital Markets Malaysia for Simplified ESG Disclosure Guide (“SEDG”)

Alliance Bank was among the participants in Capital Markets Malaysia’s (“CMM”) financial services industry consultation, contributing feedback and engaging in discussions about the SEDG prior to its publication. The aim of the guide is to provide practical and structured guidance on disclosures expected of SMEs in relation to ESG matters. The Bank has also signed up with CMM as an SEDG adopter and has begun promoting the Guide to our SME clients.

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

**Global Compact
Network
Malaysia & Brunei**

Alliance Bank has remained proud to be one of the participating companies of UN Global Compact, pledging our support to uphold its Ten Principles, concerning human rights, labour standards, environmental protection, and anti-corruption. In FY2024, we continued to collaborate with UNGCMYB to support SMEs in adopting sustainable practices through the following activities:

- Hosted the SME ESG Symposium 2023 with the theme “Enabling Collaborative Ecosystems for SME ESG Transition” with Monash University and INCEIF, with the aim of promoting ESG adoption and implementing sustainable business practices amongst SMEs.
- Tri-party MOU signed by InvestSarawak x UNGCMYB x ABMB to improve the sustainability of Sarawak SMEs and to provide Climate Inclusive Financing.
- Roll out of climate assessment tool (PROGRESS) to help SMEs identify and improve sustainable practices. PROGRESS has been rolled out to several corporate supply chains such as Mah Sing Group Berhad, and several others.
- Announced a 3-year MoU at the GO ESG Sustainable Finance Symposium held in Parliament to extend our partnership across ESG capacity building, advisory and financing for SMEs in the country.

SUSTAINABLE SOCIETY

Third Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) Sectoral Guide Town Hall

The event represented a significant milestone in Association of Islamic Banking and Financial Institutions Malaysia’s (“AIBIM”) commitment to promoting sustainable practices in key sectors such as Agriculture, Mining and Quarrying, Road Transportation, and Waste Management. At the town hall session, industry stakeholders and technical experts provided valuable suggestions and insights to support the upcoming public consultation phase leading to the publication of the Sectoral Guides. En Rizal Il-Ehzan Fadil Azim, Chief Executive Officer of Alliance Islamic Bank Berhad (“AIS”), serves as the Chairman of the 3rd Cohort Sectoral Guide Working Group.

National Climate Governance Summit 2023



Climate Governance Malaysia (“CGM”) is the national chapter for the World Economic Forum’s (“WEF”) climate governance initiative, focusing on raising awareness about climate-related financial risks among non-executive directors. The National Climate Governance Summit, jointly organised by Suruhanjaya Syarikat Malaysia (“SSM”), FIDE FORUM, and SME Corporation Malaysia provides SMEs a platform to understand climate action and build resilient businesses.

En Rizal Il-Ehzan Fadil Azim, Chief Executive Officer of Alliance Islamic Bank Berhad (“AIS”), represented Alliance Bank at the summit. His presentation, titled “ESG Insights from Malaysian SMEs: Building a Better Future Together,” delved into the unique challenges and opportunities faced by SMEs in response to the climate crisis and the greening of global supply chains. Leveraging our expertise in financing SMEs in Malaysia, the presentation proposed potential solutions to accelerate ESG adoption, including active engagement with SMEs, targeted practical solutions and fostering multistakeholder collaboration.

SUSTAINABLE SOCIETY

Accelerate to Net Zero ASEAN (“AtoZero”)

The AtoZero ASEAN initiative, presented by Malaysian Green Technology and Climate Change Corporation (“MGTC”) and Constellar at the International Greentech & Eco Products Exhibition & Conference Malaysia (“IGEM”) 2023, aims to accelerate ASEAN’s transition to a net-zero end game. It provides a platform for Energy Ministers, industry CEOs, and think tank leaders to share world-class content and derive actionable insights. Additionally, it serves as a gateway to multi-billion-dollar net zero transition projects in ASEAN, facilitating connections between the industry and major upcoming projects.

At the event, En Rizal Il-Ehzan Fadir Azim, Chief Executive Officer of Alliance Islamic Bank Berhad (“AIS”), represented the Bank in a panel discussion. The panel focused on exploring the impact, challenges, and opportunities related to green energy ambitions and net zero goals, with a particular emphasis on how these factors affect SMEs. Our contribution during the panel discussion delved into the role of green financing in the energy transition and ASEAN’s involvement, the challenges faced by financiers and industry players in green financing, and the long-term evolution of green financing and its accessibility to SMEs.



Alliance Bank’s Micro, Small and Medium Enterprise (“MSME”) Business Outlook Report

In March 2024, we unveiled our MSME Business Outlook Report 2024 for Malaysia, offering insights into the resilient nature of Malaysian Micro, Small, and Medium Enterprises (“MSMEs”) as they make strides toward pre-pandemic revenue levels.

A significant trend noted in the report is MSMEs’ increasing reliance on digital tools for growth, with 19.7% planning to implement cash flow management systems, 15.9% aiming to utilise social media management platforms, and 14.6% looking to adopt accounting-related tools.

Central to this growth trajectory is the support provided by banks, notably Alliance Bank, in empowering MSMEs through financial solutions and digitalisation initiatives. The report reveals that MSMEs are primarily seeking bank loans, investor funding and peer-to-peer (P2P) financing

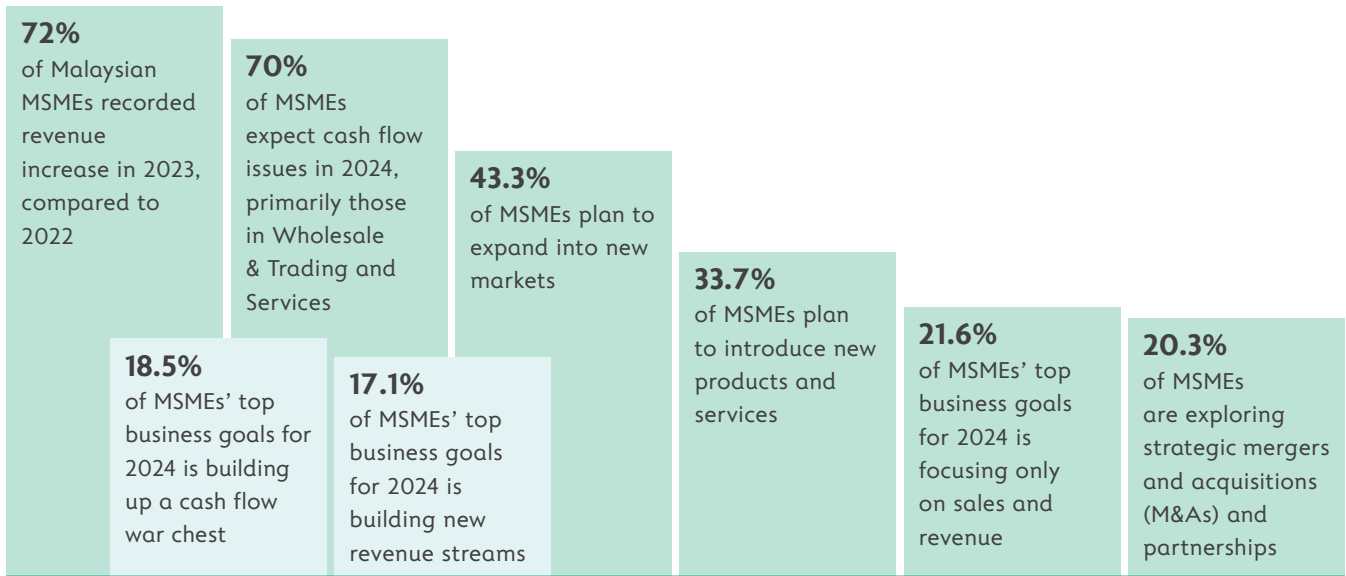
solutions to bridge cash flow gaps, with expectations of faster loan application processing and simpler documentation requirements.

Furthermore, our commitment to Environmental, Social, and Governance (“ESG”) practices is highlighted in our dedication to offering personalised solutions for MSMEs’ sustainability journey. In collaboration with regulatory bodies and subject-matter experts, it reflects our strategic focus on holistic business support.

We have also recently launched our Digital SME Startup Financing, in partnership with CGC Digital, which provides new companies as young as six months old with easy access to working capital from RM20,000 to RM100,000. The process is entirely online, removing the need for collateral or branch visits, ensuring accessibility from anywhere, anytime.

SUSTAINABLE SOCIETY

Key findings of the study are:



Feature Stories: Accelerating SME financing through collaborations Driving Green Transition for Sarawakian SMEs

In November 2023, we signed a tripartite partnership with InvestSarawak Sdn Bhd and the UN Global Compact Network Malaysia & Brunei (“UNGCMYB”) to accelerate an inclusive climate transition for SMEs through the “Climate Inclusive Financing & Development Programme.” With our initial commitment of extending RM1 billion in green financing, Sarawakian SMEs will be empowered to embark on sustainability-linked transition projects and bolster their business resilience.

This significant event also marked the official launch of our PROGRESS tool, signifying a crucial milestone in supporting SMEs. The tool measures the maturity level of climate action, provides peer benchmarking, and generates a climate transition action plan. This partnership reflects a shared commitment to driving innovation, fostering resilience, and creating value for stakeholders, thereby positioning Sarawak as a leader in sustainable economic growth.



SUSTAINABLE SOCIETY

Empowering MSME Growth through Portfolio Guarantee Schemes



In June 2023, we extended our collaboration with Credit Guarantee Corporation Malaysia Berhad (“CGC”) by introducing a new series of Portfolio Guarantee schemes, offering RM1 billion in financing to support micro, small, and medium enterprises (“MSMEs”).

By embarking on this partnership, eligible businesses, including those lacking collateral, will gain access to financing of up to RM1 million to expand their business operations. To streamline the process, we have simplified the application procedure, requiring minimal documentation and offering



approval within one day upon the submission of all necessary documentation.

Aligned with our Acceler8 strategy, this strategic alliance highlights our commitment to supporting MSMEs by accelerating their access to financing for capital expenditure and working capital. With the MSME Business Outlook 2023 survey revealing a strong preference for bank loans among businesses, this partnership addressed critical financing needs and reinforced our dedication to empowering MSMEs.

Bolstering SME Growth with an Additional RM1 Billion Financing Partnership



We have strengthened our partnership with Syarikat Jaminan Pembiayaan Perniagaan Berhad (“SJPP”) to provide an additional RM1 billion in financing through guarantee schemes, aiming to accelerate the growth of small and medium enterprises (“SMEs”).

This strategic collaboration features schemes such as the PEMULIH Government Guarantee Scheme (“PGGS”), offering financing of up to RM20 million to businesses without collateral. Moreover, our offering extends to other schemes such as the Working Capital Guarantee Scheme (“WCGS”) and Working Capital Guarantee Scheme – Start Up (“WCGS-



SU”), which were developed to support SMEs across all sectors in meeting their diverse business needs.

Additionally, we facilitate access to Bank Negara Malaysia’s Low Carbon Transition Facility (“LCTF”), encouraging SMEs to embrace sustainable practices. With our unwavering commitment to innovation and customer-centricity, we aim to serve a diverse range of business segments, including medium-sized enterprises, micro-enterprises, and ESG-focused SMEs, by providing tailored and efficient solutions.

SUSTAINABLE SOCIETY

Embedding a Sustainable Supply Chain

Relevant material matters:

- Sustainable Procurement

The Bank recognises that achieving a sustainable future requires a holistic approach. Beyond our own operations, we are committed to fostering sustainability throughout our supply chain. We achieve this by ensuring fairness, transparency, and accountability in all our procurement practices. Each purchasing decision aligns with the Bank’s comprehensive Procurement Policy and Standard Operating Procedures, ensuring ethical treatment of our suppliers and business partners and fostering long-term, mutually beneficial relationships.

Our suppliers are required to uphold our Code of Conduct and Procurement Integrity terms, clearly incorporated into our Purchase Order terms and conditions. To streamline the process and ensure transparency, we require suppliers to use our user-friendly e-Procurement system for submitting cost quotations and tender submissions for various projects. This system promotes fair competition and facilitates efficient evaluation.

For purchases exceeding RM300,000, our dedicated Tender Committee will oversee the award process. This committee adheres to rigorous selection criteria, ensuring we partner with qualified and responsible suppliers. Furthermore, both potential and current suppliers undergo due diligence procedures where we assess their background to ensure alignment with our standards and expectations. In cases where deemed necessary, we conduct on-site visits to gain deeper insights into their operations and practices.

We base our supply chain management objectives not only on cost and speed, but also on upholding social and environmental responsibility to support our overall ESG efforts. We acknowledge the multifaceted potential issues within the supply chain, spanning from climate change and deforestation to carbon emissions and social standards such as human rights and fair labour practices. Since FY2023, we have taken significant steps to embed ESG considerations into our Procurement Policy and Procedures. This notably includes embedding of the Sustainable Procurement Assessment Questionnaire (“SAQ”) embedded within our e-Procurement System. The SAQ proactively screens all suppliers against various ESG criteria, including critical aspects like anti-bribery and corruption practices. In FY2024, a total of 545 vendors completed the ESG Procurement SAQ for screening. We will continue to review and enhance the ESG Procurement SAQ to further facilitate sustainable practices within our supply chain over time.

In FY2024, further progress was made in the development of a transition plan and exit strategy to facilitate vendors’ compliance to our standards. We also increased our local procurement spend to 94%, ranging from large multinationals to SMEs. Our efforts in supporting local suppliers are in line with our overarching commitment to improve our ESG practices, as well as reflect our dedication to fostering economic development and create job opportunities for the local communities.



PROPORTION OF SPENDING ON LOCAL PROCUREMENT	
FY2024	94%
FY2023	92%
FY2022	87%

SUSTAINABLE SOCIETY

IMPROVING COMMUNITY WELL-BEING

We invest to meet the needs of our communities, including the underserved.

Corporate Social Responsibility	Relevant material matters: • Corporate Social Responsibility
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At Alliance Bank, we firmly believe that our success is deeply tied to the well-being of the communities we serve. This conviction drives us to forge strong partnerships and actively engage with local communities as well as non-profit organisations that work closely with these local communities. Through these collaborations, we gain a deeper understanding of their needs, enabling us to better serve them in alignment with our mission: “Building Alliances to Improve Lives”. Our commitment to community welfare is reflected in our actions. In the past year alone, we have invested RM1.3 million in community initiatives, positively impacting over 2,900 beneficiaries.

However, our impact goes beyond financial resources. We foster a culture of giving back by encouraging our employees to volunteer their time and talents. In FY2024, we launched our Employee Volunteerism Programme to further encourage the spirit and culture of volunteerism among employees. The programme not only recognises and celebrates employee contributions but also strengthens our community engagement and employee morale. The initiatives under the Employee Volunteerism Programme umbrella are also aligned to the Bank’s CSR focus on community empowerment, environmental preservation and providing accessible financial literacy education particularly for the underserved and underprivileged communities.

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

SUPPORTING ABMB’S RESPONSIBLE AND SUSTAINABLE GROWTH				
CSR PURPOSE	Financial Literacy To champion financial literacy among primary schoolchildren	Social Business To mobilise communities to help empower B40s via entrepreneurship	Eco Business To support eco-conversation efforts via young entrepreneurs	Employee Engagement To nurture a conscious and conscientious workforce
PRIORITIES (FOCUS AREAS)	Financial Literacy and Awareness	Community and Small Business Empowerment	Ecological Awareness & Preservation	Employee Activism and Volunteerism
FLAGSHIP CSR PROGRAMMES				Various Community Outreach and Assistance Programmes

SUSTAINABLE SOCIETY

IPC Little Eco-Heroes Awards



The IPC Shopping Centre collaborated with Alliance Bank to launch the inaugural IPC Little Eco-Heroes Awards programme, which is supported by the Ministry of Education Malaysia. This initiative received 151 submissions from primary and secondary schools nation-wide to showcase their innovative, eco-friendly ideas to solve environmental challenges. The 40 finalists brought their ideas to life made of recycled or recyclable materials and were showcased at a gallery open to public votes at the IPC Shopping Centre. Beyond the competition, visitors of all ages participated in engaging activities to learn about waste repurposing and recycling in a fun and educational way.

The awards programme recognised outstanding eco-innovation across five categories. Winners received personalised certificates, unique trophies crafted from recycled materials, and financial rewards, including redeemable Tack Points and cash prizes deposited directly into their Alliance Bank Buddy™ Accounts or Alliance Junior Smart Saver-i Accounts. The prize award ceremony culminated in an announcement of the 20 winners, spanning both individual and group categories for primary and secondary schools. These young environmental champions were lauded for their outstanding creativity, practicality, innovation, aesthetics and unwavering commitment towards sustainability.

Flood Relief Assistance

With climate change's impact on the rise, we continued our initiative to offer financial relief through loan moratoriums up to six months, loan repayment modifications, and fee waivers for affected individuals and businesses. The Bank acknowledges the financial strain caused by the floods and aims to alleviate some of those burdens. The program is available for application after flood events, covering conventional loans, Islamic financing facilities, and replacement fees for flood-damaged bank cards and documents. Additionally, the Bank extended support to its own employees affected by the floods.

SUSTAINABLE SOCIETY

Our Zakat Contribution

In FY2024, Alliance Islamic Bank (“AIS”) allocated RM1 million in *zakat* (Islamic tithes) to various *asnaf* (underprivileged) beneficiaries, some of whom were identified by our partners: Lembaga Zakat Selangor (“LZS”), Amanah Ikhtiar Malaysia (“AIM”), Lembaga Zakat Negeri Kedah (“LZNK”), Yayasan Kebajikan Negara (“YKN”), Rumah Pengasih Warga Prihatin (“RPWP”), Association of Islamic Banking and Financial Institutions Malaysia (“AIBIM”), Angkatan Belia Islam Malaysia (“ABIM”) and others.

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

- ▶ Partnered with RPWP to distribute Raya clothing to *asnaf* in orphanage homes;
 - ▶ Helped underprivileged students at International Islamic University Malaysia to pay for their outstanding tuition fees;
 - ▶ Distributed food items to *asnaf* families in Sarawak in partnership with YKN; and
 - ▶ Contributed essential items to *asnaf* living in Klang Valley under Kempen Seorang Sekampit Beras organised by AIBIM and ABIM for the seventh consecutive year.
- ▶ Alliance Islamic Bank Zakat Microfinancing (“AZAM”), to provide no-cost microfinancing to 45 *asnaf* entrepreneurs by partnering with LZS and AIM;
 - ▶ Collaborated with LZNK to financially support *asnaf* paddy farmers to purchase harvest equipment;

Alliance Bank and Alliance Islamic Bank employees have also contributed to helping the community with returned *zakat* (*zakat wakalah*) amounting to RM85,000 from individual *zakat* paid by employees 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. We also supplied nutritious food items to *asnaf* children.



Feature Stories: Fostering Sustainability with Local Communities Inaugural Heritage Run 2023

In our unwavering commitment to fostering sustainability and community engagement, we proudly organised the inaugural Alliance Bank Heritage Run 2023. Anchored within our Bank For Life initiative, the run attracted 3,500 participants from diverse backgrounds, fostering community engagement while promoting sustainable practices.

Taking place in George Town, the run was more than just a race; it was a vibrant celebration of culture and sustainability. We provided participants with complimentary trishaw rides, offering them a unique glimpse into the city’s rich heritage. Furthermore, we curated the #SupportLokal Festival Area to showcase local vendors, highlighting Penang’s unique offerings.

Aligned with our sustainability commitment, every aspect of the Heritage Run was designed with eco-friendliness in mind. From lanyards made of recycled plastic to medals crafted from recyclable wood, and T-shirts fashioned from recycled plastic bottles, sustainability permeated every facet of the event.



SUSTAINABLE SOCIETY

“Zero Waste Chef” Programme



In February 2024, we collaborated with Selayang Community College to launch the innovative “Zero Waste Chef” programme, educating 20 dedicated #TeamAlliance volunteers on the importance of reducing food waste. Guided by culinary experts, we learnt innovative methods to maximise the use of locally sourced ingredients and repurpose edible scraps into creating nutritious meals or for composting.

In just 7 hours, we crafted 250 meal packs which were joyfully shared with five welfare homes, serving the elderly, orphans, and individuals with disabilities. This initiative not only reflects our commitment to sustainable banking but also embodies our Brand Purpose to being “The Bank For Life”, dedicated to fostering positive community impact through volunteerism and outreach efforts.

SUSTAINABLE SOCIETY

Fostering Financial Well-being Among Communities

Relevant material matters:

- Financial Inclusion

At Alliance Bank, fostering community financial well-being is done through various initiatives, including SocioBiz, Economic Empowerment Programme (“EEP”), Zakat Microfinancing and #SupportLokal.

These initiatives are anchored on and driven by Alliance Islamic Bank’s mission to mobilise communities to promote economic inclusivity and assists successful businesses that positively impact on society and the environment.

SocioBiz

SocioBiz stands as a beacon of social empowerment, operating as a Shariah-compliant social funding platform dedicated to uplifting disadvantaged individuals and communities through entrepreneurial endeavors. At its core, SocioBiz enables the public to contribute back to society by channeling donations that help recipients to be economically independent, learn new skills and earn a sustainable livelihood. For FY2024, the four campaigns successfully listed on the SocioBiz platform are:

- YKN Wanita Dinamik Niaga
- Empowering Youth Through Nutrition
- MAH-SURI Project: Empower Underprivileged Single Mothers
- Johor Flood Victims campaign

In collaboration with SURI Lifestyle, the MAH-SURI Project: Empowering Underprivileged Single Mothers uplifted 94 *asnaf* and B40 women in Langkawi through a sewing skills programme. The programme under the MAH-SURI project focused on single mothers, equipping them with creative sewing skills and repurposing used hotel bed linens. The campaign raised over RM63k, facilitating the acquisition of equipment such as sewing machines and a Flexslik printing machine, enabling custom designs and enhancing economic opportunities for its beneficiaries.

The participants underwent comprehensive training over six months, equipping them with skills for personal and professional growth. As a result, participants experienced tangible improvements in their employment status, marked by increased opportunities for gainful employment or the ability to sustain their income streams.

Through the MAH-SURI Project, we were able to provide assistance to 94 individuals. Thus far, MAH-SURI Project post-programmes has recorded the following income generation:

MAH SURI PROJECT EVENTS AND IMPACT

SURI Fashion Show	Pasar Kitar Cashless Event	The Berjaya Hotel
Average income post-event: RM1,700	Average income post-event: RM1,062	Average income post-event: RM1,600

Cumulatively, SocioBiz has emerged as a force for positive change, having raised close to RM1.8 million over four impactful years.

SUSTAINABLE SOCIETY

Alliance Islamic Economic Empowerment Programme (“EEP”) 3.0

Alliance Islamic Bank Economic Empowerment Programme (“EEP”) launched in December 2020, aims to enhance the economic status of micro-entrepreneurs in the *asnaf* and B40 segments by offering comprehensive training in entrepreneurial, financial and digital skills. A total of 173 participants have been onboarded into the Programme since its inception in 2020.

Building on the achievements of EEP 1.0 in 2021 and EEP 2.0 in 2022, our latest programme, EEP 3.0, commenced in January 2024 in collaboration with Accelerate Global Sdn Bhd with the successful onboarding of 50 *asnaf* micro-entrepreneurs. EEP 3.0 entails a three-month structured training, as well as coaching and mentoring sessions. In April 2024, some of our EEP 3.0 participants were engaged in the AIS EEP Raya Cookies Sale at our headquarters. This initiative successfully generated RM12,700 in sales and approximately RM7,000 in profits within 2 days.

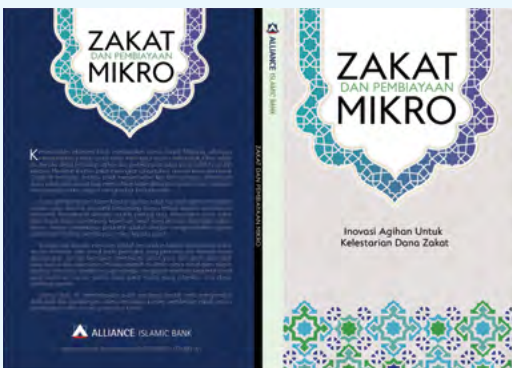
Zakat Microfinancing

Social finance initiatives championed by Alliance Islamic Bank are guided by a robust Social Funding Strategy that ensures effective and targeted assistance to those in need. Leveraging partnerships with reputable entities such as social enterprises and State Religious Authorities, we employ stringent due diligence processes to verify the eligibility of recipients, particularly focusing on *asnaf* qualification. Additionally, our Zakat Policy and Procedures document defines our zakat calculation methodology, recipient eligibility, partner onboarding, and zakat governance within the Bank.

In September 2022, Alliance Islamic Bank (“AIS”) introduced “Zakat and Microfinance,” Malaysia’s pioneering book on zakat microfinancing. This initiative marks a significant milestone in promoting equitable development and financial well-being by utilising zakat funds to support underprivileged micro-entrepreneurs (*asnaf*). AIS collaborated with experts and researchers from Universiti Kebangsaan Malaysia and Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan to ensure the viability and permissibility of distributing zakat as microfinancing. Following extensive research and consultation, we were able to roll out our flagship initiative: the Zakat Microfinancing Programme (“AZAM”).

This programme exemplifies our innovative approach to zakat distribution. Through this programme, zakat funds are channeled into a revolving fund, which is then disbursed to eligible *asnaf* micro-entrepreneurs based on the *Qard* concept, emphasising repayment without interest or profit. Not only does this approach empower micro-entrepreneurs by providing them with essential financial support, but it also ensures the sustainability of zakat funds by recycling repayments back into the programme. This alignment with the principles of Value-Based Intermediation (“VBI”) underscores our commitment to financial inclusion of communities. In FY2024, Alliance Islamic Bank disbursed RM225,000 through this programme, positively impacting 45 *asnaf* micro-entrepreneurs. We are proud to report that we are on track to maintain this momentum, with plans to disburse another RM225,000 to support an additional 45 recipients by the first quarter of FY2025.

Furthermore, we will be participating in Bank Negara Malaysia’s iTEKAD Social Finance Programme. This initiative aims to empower low-income micro-entrepreneurs by enhancing their financial management skills and business acumen, ultimately fostering sustainable income generation. We are committed to diligently measuring and reporting the impact of our efforts, with plans to release our inaugural impact report after the first year of implementation.



SUSTAINABLE SOCIETY

Halal in One Programme

Alliance Islamic Bank's ("AIS") Halal in One programme continues to lead the charge for businesses seeking to expand their presence in the halal market segment. This programme provides businesses with holistic support, including end-to-end halal certification assistance, advisory services, Shariah-compliant funding options, and access to global markets. In FY2024, we facilitated businesses in harnessing digitalisation tools, offering training and entry into online marketplaces through strategic partnerships with key players like the Halal Development Corporation ("HDC"), HQC Commerce Sdn Bhd and the International Institute for Halal Research. Through these collaborations, we facilitated over RM900 million in financing to SMEs, surpassing our target of RM650 million. Additionally, we assisted more than 120 SMEs in accessing market opportunities and aided five SMEs in successfully obtaining their Halal certification, thanks to our partnerships with HDC and HQC Commerce Sdn Bhd.



#SupportLokal

The #SupportLokal campaign aids local businesses in expanding their online presence to reach a broader customer base. Concurrently, we regularly showcase the products and services of these businesses on our social media and corporate website platforms. Additionally, we have developed the BeBizSmart content series, offering business-related insights through articles and podcasts to support budding enterprises. In FY2024, we continued to extend our #SupportLokal efforts to include on-site events, collaborating with local businesses near our branches through joint partnerships with the Bank to promote their ventures.

SUSTAINABLE WORKPLACE

Relevant stakeholders¹



Relevant material matters:

- Ethics and Compliance
- Climate Change
- Conserving the Environment
- Talent Management
- Employee Engagement, Health, Safety and Well-being
- Diversity, Equity and Inclusion



With a steadfast commitment to action and accountability, we embark on a journey towards sustainability, embodying the principle of “We walk the talk”. At Alliance Bank, we recognise the importance of harmonising our operations with the needs of our planet and society whilst remaining fully committed to playing our part in promoting sustainability and mitigating our environmental impact.

To ensure that our operations are aligned with global sustainability goals, we strengthened our policies and procedures to prioritise ESG considerations and continued to incorporate climate-related considerations when assessing risk and opportunities in our daily operations.

Driven by our commitment to improving the Bank’s ESG practices, we are dedicated to fostering a sustainable work environment that not only aligns with our ethical values, but also actively focuses on reducing our carbon footprint.

Moving Towards Carbon Neutrality



FY2024:

18.3% total reduction

FY2023: 17.8% total reduction

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

¹ For stakeholder icon definitions, see “Key Stakeholder Engagement” on page 48.

SUSTAINABLE WORKPLACE

Material Matters	FY2024 Achievements
Ethics and Compliance	<ul style="list-style-type: none"> Improved our FTSE4Good ESG Rating to be among the top quartile PLCs in the FTSE Bursa Malaysia EMAS Index Strengthened ESG disclosures via the implementation of our disclosure adoption plan Enhanced our CCPT Screener Enhanced our Sustainability Framework
Climate Change	<ul style="list-style-type: none"> Achieved accumulated reduction in Scope 1 and Scope 2 GHG emissions by 18.3% against our FY2020 baseline¹ Baselined Scope 3 financed emissions for 8-high emitting sectors Enforced the Climate Risk Management Framework
Conserving the Environment	<ul style="list-style-type: none"> Developed a methodology for our waste management
Talent Management	<ul style="list-style-type: none"> The Long Term Incentive Plan framework is under review Zero reported cases of non-compliance with labour standards Launched our refreshed Sustainability e-Learning 2.0 Programme
Employee Engagement, Health, Safety and Well-being	<ul style="list-style-type: none"> Achieved a score of 90% in the Sustainable Engagement Index (“SEI”)
Diversity, Equity and Inclusion	<ul style="list-style-type: none"> The female representation in our workforce is 62% Zero incidents of discrimination reported

¹ Please refer to the “Managing Our Environmental Footprint” sub-sections on page 109 for our FY2020 baseline



SUSTAINABLE WORKPLACE

ENSURING ETHICAL AND RESPONSIBLE BUSINESS


We uphold the utmost adherence to responsible business practices and compliance requirements.

Ethical Business Practices

Relevant material matters:

- Ethics and Compliance
- Climate Change

We are dedicated to conducting all our business operations with transparency, ethics, and compliance. In order to ensure that every employee upholds these standards and safeguards the well-being and reputation of both individuals and the organisation, we have implemented the following policies:

Policy	Scope	How we embed and promote ethics and compliance in our day-to-day operations
Alliance Bank Code of Conduct	The Bank has a Code of Conduct that sets out the principles and standards of business and ethical conduct required to be observed by the Directors and the employees individually in order to promote and uphold the highest standard of professionalism and exemplary code of conduct at all times	<ul style="list-style-type: none"> • Employee orientation programmes • Internal employee bulletins • Compliance culture within the Bank •  Please refer to the "Risk Management" section on pages 188 to 195 for more details • Annual e-learning for employees
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	<ul style="list-style-type: none"> • Designated 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)

Core areas set out in our Code of Conduct include, among others:



SUSTAINABLE WORKPLACE

The Alliance Bank Code of Conduct is reviewed every two years and relevant changes are incorporated to suit changing requirements and situations. Both our Code of Conduct and Whistleblowing Policy are readily accessible to all our employees through our inAlliance intranet portal in English. Additionally, we maintain a Whistleblowing Statement on our corporate website, providing external parties such as vendors, contractors, and customers with a platform to submit whistleblowing complaints, all of which are managed in accordance with the Bank's Whistleblowing Policy. We prioritise transparency and accountability by allowing complaints to be submitted anonymously, and when necessary, we ensure the confidentiality of the complainant's identity. Furthermore, the Group Nomination and Remuneration Committee (GNRC) Chairman, as a Non-Executive Independent Director, oversees the Whistleblower Policy implementation and provides regular oversight of complaints and investigations. Additionally, key executives including the Board Chairman, Group NRC Chairman, Group Audit Committee Chairman, and Group CEO are actively engaged in whistleblower processes to ensure relevant findings are communicated to the Bank Board and principal subsidiary boards.

The Bank has a robust Consequence Management Framework in place to address misconduct, negligence, breaches, and lapses across regulatory, operational, and risk-related areas. This framework is designed to assess the severity of breaches and ensure appropriate disciplinary actions are taken to mitigate risks and promote compliance with internal and external policies and regulations. In addition to this framework, the Bank follows procedures and policies on disciplinary action and management. Issues related to regulatory, operational, and risk matters are escalated to Group Compliance and/or Group Risk Management as per the Code of Conduct/Compliance Guide: Reporting of Regulatory Breaches or relevant guidelines issued by Group Human Resources/Group Compliance/Group Risk Management. All complaints and cases are communicated to the relevant heads unless special circumstances warrant otherwise.



Anti-Bribery and Corruption

We uphold a stringent zero-tolerance stance against all forms of bribery and corruption and are committed to acting professionally, fairly and with integrity in all business dealings and relationships. Our stance is clearly outlined in our Code of Conduct, Anti-Bribery and Corruption ("AB&C") Policy, and Gifts & Entertainment Policy, all of which set out the minimum standards of conduct and guiding principles to address and manage in respect of bribery and corruption risk which may arise in the business activities of the Bank. Employees can access these policies on our inAlliance intranet portal, while our AB&C Policy is available to external stakeholders on our corporate website at <https://www.alliancebank.com.my/Anti-Bribery-and-Corruption-Policy>.

SUSTAINABLE WORKPLACE

Objectives of the AB&C Policy

To set out the minimum standards of conduct in respect of bribery and corruption for directors and employees, and complements the core principles of the Code of Conduct

To provide high level guiding principles on how to address bribery and corruption risks and issues which may arise in the business activities of the Bank

To protect the reputation of the Bank by preventing and/or detecting bribery and corruption risks

To ensure the Directors and employees understand:

- their responsibilities in ensuring compliance with the Policy;
- the consequences of non-compliance with the Policy; and
- the relevant laws and regulations relating to bribery and corruption in Malaysia

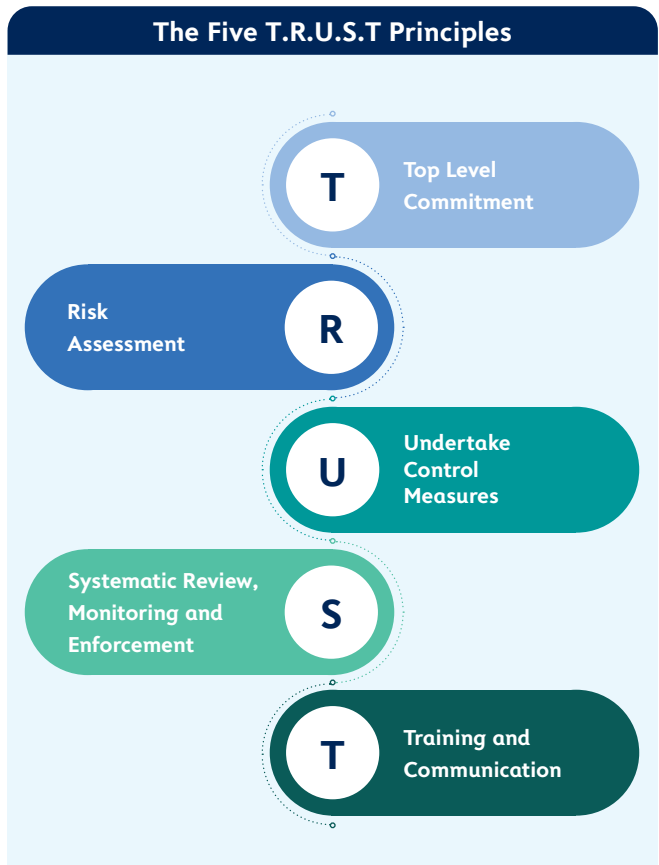
The Bank’s AB&C Policy addresses due diligence requirements and dealing with third parties, associated persons and customers, which include the gifts and entertainment pre-approval and declaration process, donations and corporate sponsorship assessment. Any instances regarding actual or suspected violations of the AB&C Policy can be reported through our whistleblowing channel, as outlined in our Whistleblowing Policy.

The Group Risk Management Committee is a Board-level committee which oversees all issues relating to the Bank’s regulatory compliance, including ensuring the effectiveness of our AB&C policies and procedures. We adopt a bribery and corruption risk assessment approach to identify, analyse and assess internal and external bribery and corruption risks related to the Bank. The respective Risk and Compliance Officers identify and assess the bribery and corruption risks and controls and perform the control self-assessment in line with the Bank’s Risk & Control Self-Assessment (“RCSA”) process. Group Risk Management is responsible for reviewing and validating bribery and corruption risk in line with the existing RCSA monitoring process. The Bribery and Corruption Risk Assessment Factors are also included in the AB&C Procedures which outline detailed description of risks of bribery and corruption arising from key activities in the Bank.

To promote awareness of our AB&C Policy to all employees, we have embedded AB&C-related topics into our employee induction programmes and regularly communicate our policy to all employees through various engagement initiatives, including training sessions and policy updates. Directors and employees are required to complete AB&C training sessions tailored to their roles, operational context, and legal jurisdictions in a timely manner. This includes the annual AB&C e-Learning module, where individuals must achieve a minimum passing score of 70%.

The AB&C e-Learning Programme covers 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



SUSTAINABLE WORKPLACE

FY2024 Performance



24%
of our operations underwent
assessment for corruption-related risks



Zero
reported incidents of corruption



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



3,788
employees received anti-bribery
and corruption training, totaling
7,576 training hours



Suppliers and vendors are
informed of **AB&C Policy**
during the contract signing stage

To date, we report that none of our employees have been disciplined or dismissed due to non-compliance with anti-corruption policies.

Anti-Money Laundering and Counter Financing Terrorism

Money laundering, terrorism financing, and proliferation financing remain significant threats in the global financial services industry, propelled by technological advancements and globalisation. The Bank acknowledges these risks and remains vigilant by staying updated with the latest regulatory developments to improve its control measures.

All employees, including Directors and Senior Management, undergo regular training sessions on the Bank's Anti-Money Laundering and Counter Financing Terrorism

("AML/CFT") requirements and remain informed on the latest developments. This training equips them to fulfill their roles effectively within the organisation, including completing a compulsory annual AML/CFT e-Learning module with a minimum passing score of 70%.

In FY2023, the Bank introduced the AML/CFT system to enhance its surveillance capabilities through advanced transaction monitoring and screening. This system also improved the customer onboarding solutions, resulting in a streamlined process and better understanding of customers. These comprehensive systems empower the Bank to detect and mitigate money laundering, terrorism financing activities, and sanction risks efficiently.

FY2024 Performance

3,790
employees underwent training on AML/CFT,
totaling **9,477** training hours

Functioning as a Sustainability-Driven Organisation

As a sustainability-driven organisation, we go beyond ethics and compliance in our business practices. During the year, we enhanced our Sustainability Framework, which details our stance on our sustainability governance, guiding principles, strategy, and disclosures, and hence acts as a guide to our overall management of sustainability-related matters across our business and operations. As we continue our sustainability journey, the framework will act as a foundational reference point to enable the operationalisation of our sustainability strategy, including mobilising action to embed sustainability across the organisation via policies, processes, products and practices.

Our strong sustainability performance was supported by an improvement in our FTSE4Good ESG Rating, placing Alliance Bank in the top quartile PLCs in the FTSE Bursa Malaysia EMAS Index. Additionally, we enhanced our overall disclosure practices through the implementation of a robust disclosure adoption plan, which identifies our disclosure gaps against applicable mandatory and voluntary disclosure standards. These efforts will be complemented by our Corporate Disclosure Policy, which is also being reviewed to improve our disclosure practices and to specifically incorporate sustainability and climate-related considerations. Based on the gaps identified, the Bank has devised an action plan to improve our sustainability-related disclosures. These strategic initiatives reflect the Bank's unwavering commitment to sustainable practices, ESG integration in the way we conduct business, and transparent reporting.

SUSTAINABLE WORKPLACE

Risk Appetite

The Bank has a risk appetite framework that ensures relevant risk appetite statements, key risk indicators and metrics are used to control and monitor performance to ensure business is conducted within the risk appetite of the Board. This include the risk appetite for environmental, social and governance matters. With regard to the Bank’s management of our CCPT profile, Lines of Business (“LOBs”) are given a risk appetite statement relating to a target reduction of their C5 portfolio.

ESG Risk Assessment Tools

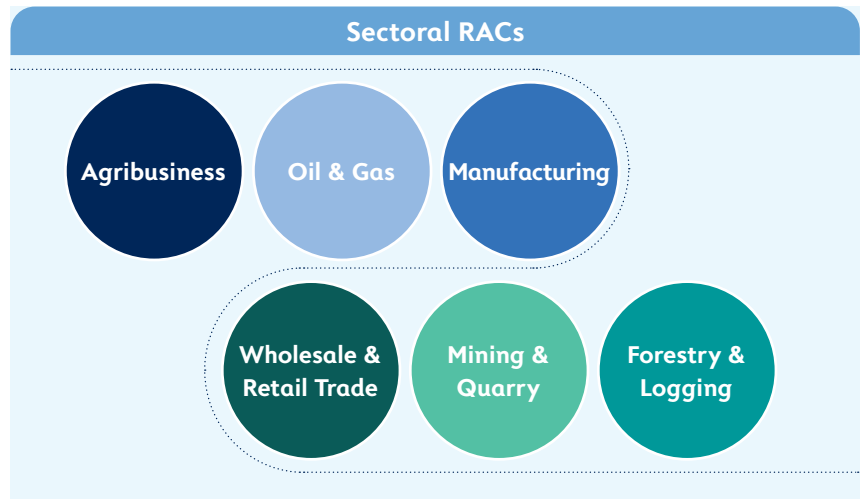
Our sustainable lending and investment practices are guided by in-house risk assessment tools, namely our CCPT Screener, which is based on the BNM CCPT requirements, ESG Risk Acceptance Criteria or RAC, and Prohibited Lending List.

Climate Change and Principle-based Taxonomy (“CCPT”) Screener Tool

The CCPT 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 customers’ ESG risks and commitments. In doing so, we are able to categorise our business customers 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 FY2030. In FY2024, we enhanced our CCPT 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 practice sustainability in its business operations. In addition to our general RAC, we also apply additional industry-specific RACs to ESG-sensitive sectors, in alignment with ABM’s seven ESG Principles.

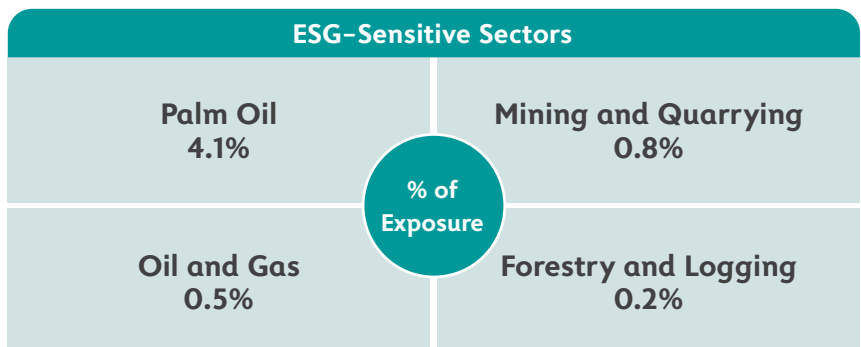


Prohibited Lending

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, for the purpose of a hostile takeover of a company and logging activities.

Exposure to ESG-Sensitive Sectors

We track our involvement in ESG-sensitive sectors and our participation in these sectors is informed by the evolution of our exposure. As of 31 March 2024, ABMB’s exposure to ESG-sensitive sectors is at a low 5.6% (RM2.2 billion) of the Bank’s total non-retail exposure. The breakdown is as follows:



SUSTAINABLE WORKPLACE

MANAGING OUR ENVIRONMENTAL FOOTPRINT

We implement initiatives to minimise our impact on the environment.

Addressing the Challenge of Climate Change

Relevant material matters:

- Climate Change

Recognising the urgency of climate change as a critical global challenge, we are steadfast in our commitment to proactively reduce its impact and integrate climate-related opportunities into our strategic planning. As part of this commitment, we have introduced green financing options that prioritises on climate mitigation, such as financing for solar panels and green mortgages.

Over the past year, the Bank has enhanced its management of climate-related risks and increased disclosures in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). This includes conducting scenario analysis using scenarios developed by the Network for Greening the Financial System (“NGFS”). The scenario analysis includes potential impact of physical risks and transition risks on our operations and our customers.

Managing Our Climate-related Risks

In FY2024, we have made significant strides in terms of managing our climate-related risks in line with BNM’s CRMSA policy document. We submitted our comprehensive gap analysis and implementation plan to BNM to assess our current climate risk management practices and enhance them accordingly. We also developed a robust Climate Risk Management Framework that incorporates climate and sustainability risk considerations, into our internal governance, processes, policies and business strategies. In our ongoing climate risk management journey, we quantified climate-related risks in our Internal Capital Adequacy Assessment Process (“ICAAP”) Material Risk Assessment, ensuring these risks are appropriately recognised and addressed in other common risk types within our risk management framework.



Kindly refer to the “Risk Management” section on pages 188 to 195 for further details.

100%
of the Board of Directors trained
on climate-related risks and
opportunities

The findings from this assessment are discussed at our Board of Directors, GSC, and SSC meetings, where we also address broader climate-related topics, including:

1. Integration of BNM’s CCPT into our business activities and operations – including tightening of the CCPT Screener
2. Climate risk identification and management
3. Implementation of the GHG emissions reduction strategy
4. Developments in the carbon marketplace

The Bank has also developed a transition plan that has been incorporated as part of our Sustainability Strategy. The transition plan reinforces timeline and sustained actions to address climate change and environmental concerns, while adequately supporting affected communities to make necessary adjustments and ameliorate short-term impacts. We will conduct periodic reviews and update the transition plan in line with new initiatives and latest developments, both internal and external.

Managing the Transmission of Climate-Related Risks to Our Financial Risks

- **Credit Risk:** We include the assessment of physical and transition risk onto our customers’ probability of default and loss given default in our credit underwriting and periodic review process.
- **Operational Risk:** We include physical risk incidents in our business continuity management and vendor management.
- **Market Risk:** We manage our market risk by including the potential impact of physical risk and transition risk on our market securities.
- **Liquidity Risk:** We manage our liquidity risk by including regular simulation to identify among other factors, whether physical risks events have any impact on market liquidity.

SUSTAINABLE WORKPLACE

Addressing Physical Risks

- **Credit Risk:** Credit risk management will involve aggregation of risks and commensurate limit assignment, pricing and collateralisation for physical risks.
- **Operating Risk:** Our operating premises in flood prone locations are fixed with flood barriers while our business continuity plans include flood considerations. Our vendors are required to provide physical risk assessment and mitigation plans where necessary. These plans are reviewed periodically to ensure mitigating actions are up to date.

Climate adaptation measures aimed at mitigating physical risks, particularly in flood-prone areas, have been implemented across the Bank. In FY2023, floodgates were installed at three branches located in Shah Alam, Kajang, and Jalan Ipoh. Additionally, our records management processes now mandate flood prevention measures, including storing records above ground level, installing flood barriers and early warning alarm systems by our vendors. Flood risk has been assessed as part of credit risk assessment for credit underwriting and annual reviews, including potential impact on the customers' operations and collateral. This risk management approach has resulted in minimal exposures to flood risk within our loan portfolio. Nevertheless, we continue to monitor severity and area of coverage of flood events to remain vigilant against development of impact from flood and other physical risks on our portfolio.

Nevertheless, the Bank monitors flood warnings and occurrences across the country as indicators of potential risk, and business units are prepared to assist customers affected by flood occurrence, with loan moratoriums and other types of assistance being extended as needed. Flood assistance extended is monitored by lines-of-business ("LOBs") as part of risk management for the LOB credit portfolio, with the aggregated position and loan quality reported in the risk report to Senior Management and the Board.

Minimising Our Own Emissions

Taking a significant step to reduce our environmental impact, the Bank established its baseline for operational GHG emissions in FY2020 and has diligently tracked our progress against this benchmark. The Bank utilises the GHG Protocol to measure Scope 1, 2 and 3 emissions. As part of our commitment to reducing our environmental footprint, we have set a target of a 20% reduction in Scopes 1 and 2 emissions by FY2027, against our FY2020 baseline. We aim to achieve this through our GHG emissions reduction strategy, which primarily focuses on addressing our primary source of emissions (Scope 2). This strategy includes initiatives such as implementing energy efficiency measures at our offices and branches and exploring the potential of carbon offsets to address residual emissions.

Our total emissions have shown a steady decline since FY2020. Despite COVID-19 restrictions significantly reducing operational emissions in FY2021-2022, this downward trend persisted as we adapted to the 'new normal' in FY2023. Our success in emissions reduction can be attributed to our GHG emissions reduction strategy for which we have replaced 16,016 light fittings to LED and replaced 55 split unit air conditioners with energy-efficient models throughout the Bank's premises.

We have revised our FY2020 Scope 2 emissions baseline to 11,952.5 tCO₂e. This is to reflect the latest grid emissions factor established by Suruhanjaya Tenaga Malaysia ("ST" or "Energy Commission of Malaysia") and included additional parameters for a more holistic view on our emissions. These changes have resulted in the Bank achieving an accumulated GHG reduction of 18.3% compared to our FY2020 baseline. This achievement aligns with our "Topline Goal 3: Reduce the Bank's greenhouse gas (GHG) emission footprint". Moving forward, we remain committed to continue executing our GHG emissions reduction strategy to further mitigate our environmental impact.

SUSTAINABLE WORKPLACE

Scope of GHG Inventory

SCOPE 1: STATIONARY AND MOBILE COMBUSTIONS

FY2024

25.53 tCO₂e

FY2023 – 32.05 tCO₂e

FY2022 – 24.21 tCO₂e

FY2021 – 16.24 tCO₂e

FY2020 – 29.53 tCO₂e



SCOPE 2: PURCHASED ELECTRICITY (restated)

FY2024

9,766.06 tCO₂e

FY2023 – 9,822.20 tCO₂e

FY2022 – 10,405.58 tCO₂e

FY2021 – 12,388.60 tCO₂e

FY2020 – 11,952.53 tCO₂e



SCOPE 3: BUSINESS TRAVEL BY LAND

FY2024

680.70 tCO₂e

FY2023 – 686.37 tCO₂e

FY2022 – 577.25 tCO₂e

FY2021 – 565.41 tCO₂e

FY2020 – 794.07 tCO₂e



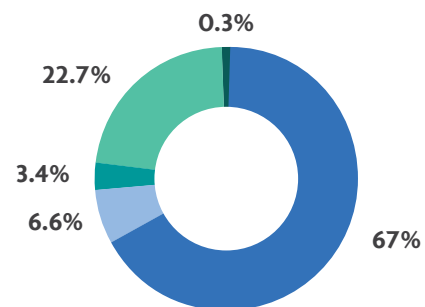
tCO₂e = tonnes of carbon dioxide equivalent

Managing Our Financed Emissions

To accelerate our progress towards achieving our Net Zero commitment by 2050, we have baselined our Scope 3 financed emissions against our portfolio. Subsequently, we have developed a Net Zero Roadmap to facilitate the transition of our customers towards a lower carbon footprint, in line with Bank Negara Malaysia’s Climate Risk Management and Scenario Analysis (“CRMSA”) requirements. The Roadmap includes two phases for us to begin our net zero journey: a medium-term plan towards 2030 (Phase 1) and a longer-term strategy towards 2050 (Phase 2). In Phase 1, we will increase customer engagement to increase the number of customers with decarbonisation plans and targets whilst increasing data availability. In Phase 2, we will leverage on our increased customer engagement and data availability to enhance our Scope 3 financed emissions computation and improve our target setting in relation to our net zero ambitions.

In computing our Scope 3 Financed Emissions, we have adopted the Partnership for Carbon Accounting Financials (“PCAF”) Standard, which builds upon the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This methodology involves setting the scope and boundaries, collecting data inputs, and performing the computations. Our Scope 3 Financed Emissions are based on lending and investment portfolios across various asset classes and the eight high-emitting sectors, as of 31 December 2022¹. In terms of sector coverage, we have prioritised eight high-emitting sectors that we have exposures to, namely construction, real estate, iron and steel, forestry and logging, palm oil, oil and gas, power generation, and coal. We strive to capture customers’ self-reported emissions performance annually and estimating financed emissions by leveraging proxies such as physical activity and financial data, while acknowledging any limitations in data availability or quality. Through these proactive measures and methodologies, we are poised to drive meaningful progress towards our Net Zero commitment, while also enhancing transparency and accountability in our sustainability efforts. As we aim to reduce our financed emissions, we have been having regular customer engagement that includes climate change and sustainability matters.

Financed Emissions by PCAF Asset Class as of 31 December 2022¹



- Business Loans
- Mortgages
- Corporate Bonds
- Project Finance
- Commercial Real Estate

Total Financed Emissions

As at 31 December 2022¹:

1.04 million tCO₂e

Total Emissions Intensity

As at 31 December 2022¹:

41.04 tCO₂e/RM'mil

SUSTAINABLE WORKPLACE

Financed Emissions by PCAF Asset Class as of 31 December 2022¹

Asset Class	Financed Emissions (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM mil)	Data Quality Score
AC1: Corporate Bonds	69,264.7	15.0	3.3
AC2: Business Loans	699,032.8	189.3	3.8
AC3: Project Finance	2,796.3	38.8	3.7
AC4: Commercial Real Estate	35,463.3	30.5	3.6
AC5: Mortgages	236,025.3	14.9	4.0
Total	1,042,582.4	41.0	3.68

Financed Emissions by Selected Economic Sector as of 31 December 2022¹

Sector	Financed Emissions (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM mil)
AC2: Business Loans & AC3: Project Finance		
Construction	54,042.7	41.7
Forestry and Logging	74,161.3	134.3
Iron and Steel	16,538.0	61.5
Palm Oil	412,339.3	338.7
Power Generation	65,165.3	1,360.4
Oil and Gas	75,313.4	423.8
Coal	353.9	160.9
Real Estate	3,915.2	19.2
AC1: Corporate Bonds, AC4: Commercial Real Estate and AC5: Mortgages		
Others	340,753.3	15.7
Total	1,042,582.4	41.0

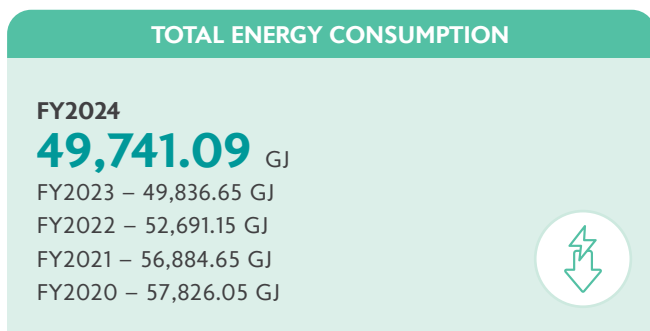
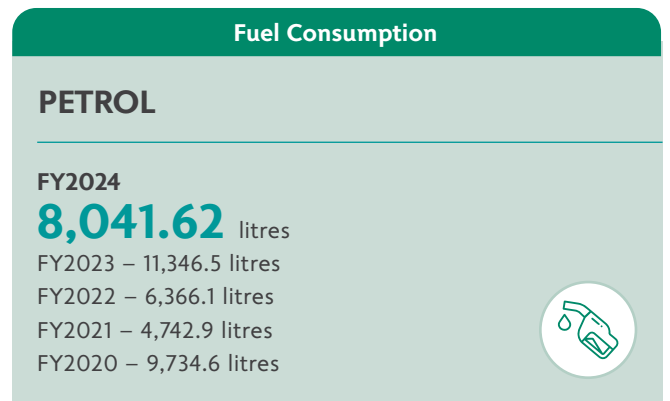
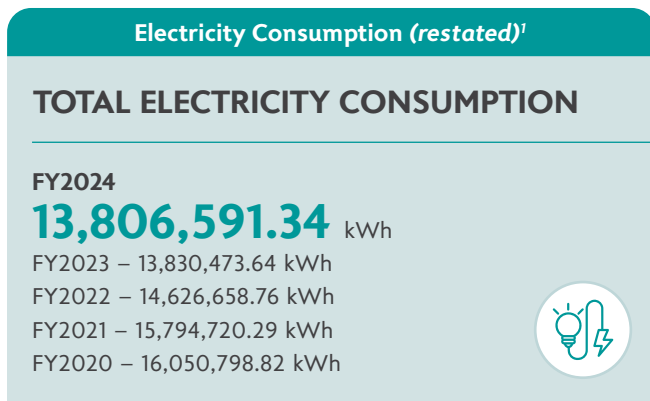
¹ Calculation of Alliance Bank's Scope 3 financed emissions is based on the latest availability of data (data as of 31 December 2022). 2023 financed emissions will be calculated and reported in the next financial year. Moving forward, we will continuously refine our financed emissions as we enhance our calculation methodologies and data availability and will measure our progress against our 2022 baseline.

SUSTAINABLE WORKPLACE

Energy Management

The Bank is taking a proactive action on environmental responsibility by continuously seeking ways to minimise energy use within our business operations. Furthermore, aligning with our GHG emissions reduction strategy, we have embarked on a programme to progressively replace outdated, low-efficiency split unit air conditioners with energy-efficient models throughout the Bank’s premises. Additionally, all light fittings are in the process of being upgraded to energy-saving LED lights.

These collective efforts have yielded positive results, with the Bank achieving a 14% reduction in overall energy consumption compared to our FY2020 baseline.



kWh = kilowatt hour
GJ = gigajoule

¹ Restated due to the addition of a parameter tracked under electricity consumption.

² Due to electricity interruptions at certain branches, usage of diesel-fueled generators increased in FY24 compared to FY23.

SUSTAINABLE WORKPLACE

Conserving the Environment

As we strive to enhance our sustainability action, we have started measuring our water consumption and established an FY2024 baseline. Looking ahead to the next financial year, we are committed to improve our recyclable waste management practices, beginning with establishing a baseline for our recyclable waste generation. To achieve this, we have developed a methodology for the Bank's waste management and launched a comprehensive waste management data collection roadmap in FY2024. As at the time of writing, we initiated a recycling programme at our headquarters whereby recycling bins have been placed on selected floors for convenience. The recyclable waste is collected on a weekly basis while the shredded paper waste is collected on a need basis. We will be generating monthly reports on our recyclables through our appointed vendor in FY2025.

The Bank is actively enhancing its data related to water and waste management. As we deepen our understanding of consumption patterns and continuously improve our data collection methods, we are exploring the implementation of strategic sustainability initiatives. Our goal is to align these efforts with our overall sustainability priorities. Additionally, we actively promote sustainable practices in our daily operations, including awareness programmes on minimising water wastage and encouraging recycling while reducing plastic usage.

Relevant material matters:

- Conserving the Environment

Incorporating Environmentally Friendly Materials in Operations

In our ongoing efforts to minimise the environmental footprint of our operations, the Bank uses environmentally friendly materials that meet green certification standards wherever feasible. This effort extends across various aspects including paints, floor finishes, ceiling boards, partitions, workstations, and office furniture in all renovation and refurbishment of our branches. Moreover, to further align with sustainable practices, all newly installed air conditioning units at our branches and offices utilise eco-friendly refrigerants whereas all light fittings were replaced with energy-efficient LED lights.

Total Water Consumption

FY2024
25,199.50 m³

Recycling Drive

We collaborated with IPC Shopping Centre for a Recycling Drive at their Recycling and Buy Back Centre ("RBBC") to encourage our employees to reduce and recycle their waste. We have contributed to a total of 400kg of recyclable waste in this initiative.

SUSTAINABLE WORKPLACE

FOSTERING A SAFE AND INCLUSIVE WORK ENVIRONMENT

We continually strive to cultivate a healthy, engaged and inclusive workforce.

Building an Agile Workforce

Relevant material matters:

- Talent Management

Labour Standards

The Group adheres to and complies fully with the standards and rights mandated by all relevant labour and industrial relations laws. We have established employment policies and practices that govern both individual and collective employment relations while also providing growth opportunities for our employees.

The Bank is committed to ensuring that our employees are well taken care of and that their total annual wages remain competitive and aligned with the cost of living. Currently, all employees within the Bank receive salaries that exceed the minimum wage in Malaysia. Furthermore, we are currently reviewing the Long-Term Incentive Plan framework with ESG elements further emphasising our commitment to rewarding our employees while promoting Environmental, Social, and Governance principles.

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

Recruitment and Performance Management

We promote mutual respect for our employees and applicants alike. We hire and promote based on merit and assess all candidates fairly. Employees are evaluated based on behavioural and professional criteria for career progression. A diverse committee of Senior Management decides on promotions and monetary compensation. We adopt the stance of Equal Opportunity Employer, and recruitment is conducted in a fair and just manner regardless of nationality, race, religion, gender, age, sexual orientation, and disability. These measures are in line with our commitment to upholding all local laws and guidelines pertaining to equal pay for equal work.

Capability Development

Alliance Bank is committed to empowering our employees by offering opportunities for growth and career progression aligned with their professional aspirations. We foster a culture of continuous learning and development, committed to equipping our team with the tools and opportunities needed to thrive in their careers. Internal candidates are prioritised for job openings and promotions, supported by comprehensive training and personal development programmes. Our goal is to cultivate a talented and motivated workforce in a safe, inclusive, and positive work environment.

Our annual learning calendar serves as a guide for employees to plan their learning for the year to acquire valuable knowledge. In crafting this calendar, we meticulously consider emerging trends and industry best practices to ensure our relevance and competitiveness in today's dynamic landscape. Our comprehensive approach prioritises compliance, leadership development, technical skills, and ESG-related topics, driving both individual growth and organisational success.

To uphold the Bank's safety standards, mandatory e-Learning modules cover crucial areas such as compliance, information risk management, cyber security, operational risk management, and data management. We maintain a steadfast commitment to regulatory adherence, safeguarding the Bank's integrity at all times.

Furthermore, Alliance Bank is dedicated to professionalising our workforce through the pursuit of professional certifications. We firmly believe that certification not only demonstrates expertise but also facilitates staying abreast of the latest trends, technologies, and best practices in respective fields. It enhances credibility and reputation within the industry, while also fostering valuable opportunities for collaboration, mentorship, and career progression.

In FY2024, we introduced the Digital and Analytics (D&A) Academy, with the aim to upskill and nurture our digital talents to be the driving force of digital and analytics transformation, innovation and competitive resilience. The D&A Academy employs a blended learning approach that includes self-paced e-learning, technical bootcamps, classroom training, and professional certifications across a range of topics such as:

- Data Analytics and Visualisation
- Data Science and Machine Learning
- Digital Marketing
- Emerging Technologies
- UI and UX
- Agile/Scrum

To provide opportunities for young people, we continued to operate our internship programme in FY2024. In FY2024, the Bank facilitated 41 internship opportunities for tertiary students.

SUSTAINABLE WORKPLACE

Sustainability Learning

At Alliance Bank, our dedication to sustainability extends beyond mere compliance with regulations. We are committed to nurturing a purpose-driven organisation and fostering a deep sense of ownership among our employees regarding our sustainability goals. To achieve this, we have implemented a comprehensive sustainability training programme tailored to various employee groups, ensuring relevance to their specific roles and responsibilities within the organisation.



This year, we introduced a diverse array of sustainability training programmes focusing on key areas such as Climate Change Strategy and Management, ESG Risk Management, and Sustainable Finance. For our Board and Senior Management, organisation thematic training sessions were conducted, delving into topics like sustainability strategies and carbon net-zero initiatives, as well as the latest reporting standards. Additionally, we provided targeted role-based training and certifications for our Divisional Sustainability Champions, Key Sustainability Employees, and Frontliners. Our bank-wide employees and new joiners also have participated Sustainability Awareness 101 as part of mandatory e-Learning programme.

At the Board level, the GSC collectively provides a mixture of competencies in supporting the Board in overseeing sustainability and climate-related matters. In FY2024, as part of the Board Development Plan, the Board members attended sustainability and climate-related trainings to keep abreast with the latest developments. All Directors have attended at least one of the training courses. We also actively enhance the skills of our employees to improve their ability to monitor and evaluate sustainability and climate-related risks.

Board Sustainability and Climate-Related Trainings in FY2024

- Board Sustainability and Climate-Related Trainings in FY2024
- Training on Sustainability Strategy & Culture
- Training on Development of Carbon Net-Zero Roadmap
- Training on ESG Banking – A call to action
- Training on International Sustainability Standards Board Reporting Readiness
- Carbon Credits: A win-win for Sustainability and Business
- TCFD Awareness/Capacity Building Workshop
- Sustainability in the Digital Age

In line with our Acceler8 strategy, we also introduced our refreshed Sustainability e-Learning 2.0 Programme, which focuses on driving sustainability competencies within the Bank and is made available to all employees via Connexion. In FY2024 we enhanced the programme to help our employees achieve the following objectives:

- Understand climate change imperative and why it matters to financial institutions;
- Understand Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (“CCPT”);
- Understand Bank Negara Malaysia’s Policy Document on Climate Risk Management and Scenario Analysis (“CRMSA”);
- Describe the role of various departments in Alliance Bank in meeting the relevant climate-related requirements; and
- Describe upcoming sustainability/climate-related regulatory requirements.

Our training initiatives are delivered through various mediums, including physical classrooms, virtual instructor-led sessions, and self-paced e-learning modules, enriched with case studies and group discussions to enhance engagement and understanding. Furthermore, we actively collaborate with leading sustainable organisations like World Wildlife Fund (“WWF”) to organise learning visits and employee engagement talks, fostering a broader understanding of sustainability issues. In line with our commitment to sustainability, we are also focused on upskilling our employees to enhance their capability in monitoring and assessing sustainability and climate-related risks, ensuring that we remain at the forefront of sustainable practices in the banking industry.

SUSTAINABLE WORKPLACE

Caring for our Employee's Well-being

Relevant material matters:

- Employee Engagement
- Health, Safety and Well-being

Employee Engagement

Our goal is to cultivate a committed and engaged workforce through the implementation of employee engagement initiatives and wellness programmes. This is accomplished through the implementation of employee engagement initiatives and wellness programmes. Our efforts focus on encouraging transparent communication, enhancing employee contentment, and driving greater productivity in the workplace.

In FY2024, emphasis was placed to increase employee awareness and participation in advancing the Bank's ESG agenda, strategy, initiatives, and objectives.

Our initiatives centered on the following themes:

Achieving Net Zero

Reducing Waste

Conserving Nature

Promoting Well-being

Notable initiatives undertaken during the year include:

Recycling Drives

Tree planting

Paper reduction contest within HQ

Book Donation Drive

FY2024 Employee Engagement Initiatives

Voice of Employee Survey

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

In FY2024, the Bank achieved a score of 90% in the Sustainable Engagement Index ("SEI"), higher than the Malaysian Financial Services Norm and the Global High Performing Norm. This score reflected employees' sentiments.

Our Well-being score of 89% reflects our employees' trust and satisfaction in the Bank's efforts to prioritise their health and wellness. Additionally, 88% of employees responded that they were able to balance their work and personal commitments. Other key insights include:

- The communication index remains 89%;
- 88% of employees responded that they were able to balance their work and personal commitments;
- Sustainability Index with a score of 92%, reflecting employee awareness of the Bank's ESG goals & their roles in contributing towards the Bank's Sustainability agenda and their interest in participating in the Bank's initiatives; and
- Diversity, Equity & Inclusion ("DEI") questions, where 91% of employees feel the workplace is inclusive, free of discrimination, appreciative of diverse professional backgrounds and that they can advance regardless of personal identity (for example, race, gender, beliefs).



SUSTAINABLE WORKPLACE

ManCo Appreciates You & Alliance Heroes

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

The Alliance Heroes initiative, launched in 2019, is a bank-wide peer recognition initiative that allows employees to award a digital badge to their colleagues for actions that best demonstrate the Bank’s core values. The Alliance Heroes platform was refreshed in FY2024 to reflect our updated Values (AGILE) and our Alliance Customer Promise (GREAT).

Employee Engagement Committee

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

Alliance DNA

In our ongoing commitment to reinforce our identity, we place emphasis on internal communication strategy to instill Alliance DNA (Vision, Mission, Values, and Customer Promise) in every employee. These included a range of initiatives such as a nationwide refresh of all physical and digital collaterals, revamped story-telling microsite, leadership video messages and townhalls, employee engagement contest, as well as embedding our Alliance DNA within all systems and processes. Through these strategies, we sought to inculcate a culture where our Alliance DNA is deeply ingrained in the fabric of our organisation.

Sustainability Initiatives

At Alliance Bank, we are passionate about sustainability and making a positive impact on our community and environment. We believe that everyone has a role to play in preserving our planet. In FY2024, the Bank organised various activities to raise awareness and engage employees in driving our ESG agenda. These initiatives included Recycling Drives, nationwide Totebag upcycling workshops, biodiversity webinars, a paper reduction contest at HQ, and a book donation drive. Through the Bank’s Sports Club, employees also took part in tree planting and beach clean-up activities.

Recently, the Alliance Bank HR Department, with support from the Group Sustainability team, partnered with Universiti Tunku Abdul Rahman (“UTAR”) for a beach clean-up volunteer event. The four-hour activity, assisted by NGO My Clean Beach, involved 47 volunteers from ABMB and UTAR. Equipped with gloves and various tools, the dedicated volunteers combed the beach and surrounding areas, collecting a significant amount of trash, including discarded plastics, glass bottles, clothing, metals, and other pollutants. Despite the heat wave, their collective efforts yielded remarkable results, with a total of 781.2kg of waste collected from Pantai Batu Laut, preventing potential harm to our ocean and beach ecosystems.

These initiatives underscore the importance of community involvement in environmental preservation and reflects the Bank’s commitment to creating a sustainable world for future generations. We look forward to more collaborative initiatives with our partners as we strive to become an employer of choice and continue our sustainability journey.

Divisional Engagement Challenge

We introduced the Divisional Engagement Challenge (“DEC”), aimed at fostering cohesion, collaboration and strengthening engagement within the organisation. The DEC activities comprised our various efforts centred on promoting a culture of well-being, sustainability and corporate identity. This initiative was undertaken with a firm belief that a unified and engaged division is crucial in achieving our organisational goals.

SUSTAINABLE WORKPLACE

Human Rights

Alliance Bank is steadfast in its support for and respect of human rights within our organisation, adhering to the principles outlined in the United Nations' Global Compact and the Association of Banks Malaysia. We have adopted clear stances on various aspects of labour-related human rights topics.

ZERO
reported substantiated
complaints concerning
Human Rights

Our Stance on Human Rights



Child Labour

We strongly oppose child labour and the exploitation of children and young individuals in any aspect of our activities. In line with this stance, we have implemented a prohibition on employing children in accordance with our Resourcing Guidelines as follows:

- We do not employ individuals under the age of 18 and remain committed to upholding and complying with the Children & Young Persons (Employment) Act 1966, along with other relevant laws and regulations concerning child labour.
- Any engagement in or facilitation of internship attachments for individuals under the age of 18 will align with the provisions set forth in the prevailing Children & Young Persons (Employment) Act 1966 or comparable legislation.

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 acknowledge and respect the constitutional right of our employees to freedom of association and ensure compliance with all relevant national laws in this regard. In line with this commitment, Alliance Bank supports the rights of its employees to form and join trade unions. We also emphasise the four trade unions as negotiating bodies representing specific categories of employees, including Clericals, Non-Clericals, Special Grade Clerks, and Officers.



Forced/Compulsory Labour

We have implemented a strict zero-tolerance policy towards any form of forced or compulsory labour, which includes bonded labour, indentured labour, slave labour, or human trafficking. Employment at the Bank is based solely on the voluntary acceptance of the Bank's terms and conditions of employment by the employee. We fully comply with all relevant national laws regarding working hours and overtime compensation, with the goal of eliminating excessive working hours. Furthermore, we do not require our employees to surrender any government-issued identification, such as passports or work permits, to the Bank as a condition of their employment.



Right to Collective Bargaining

Alliance Bank adheres to the Industrial Relations Act 1967, Trade Unions Act 1959, Employment Act 1955, and relevant labour regulations in Malaysia, fully supporting and respecting the right to collective bargaining. The Bank is party to 4 collective agreements covering Non-Clerical, Clerical, Special Grade Clerks and Officer level employees. 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 FY2024, approximately 15% of Alliance Bank employees were represented by trade unions or covered under a collective agreement.

SUSTAINABLE WORKPLACE

Health and Safety

We are dedicated to safeguarding the health and safety of our employees, customers, and communities. Our Bank has implemented an Occupational Safety & Health (“OSH”) Policy that applies to 100% of our employees and workers, highlighting our commitment to creating a safe and healthy environment for both customers and employees in the workplace. We acknowledge that health and safety concerns within the workplace not only compromise employee well-being but also have ramifications on morale and our reputation as a responsible employer. Therefore, we uphold stringent standards to safeguard against such risks, reaffirming our commitment to the welfare of our workforce and the communities we serve.

The Bank maintains an Occupational Safety & Health Statement and a corresponding Occupational Safety & Health Procedure to regulate pertinent processes. At every branch, a dedicated OSH Committee is formed to oversee all relevant OSH matters within the workplace. This is complemented by a Central OSH Committee situated at our headquarters, ensuring comprehensive oversight on all OSH-related issues and policy implementations across our operations. The Central OSH Committee is structured to include representatives from management, executive, and non-executive employees, ensuring diverse perspectives and addressing varying concerns and requirements within the workplace. Regular meetings are mandated for both branch-level OSH Committees and the Central OSH Committee to address relevant risk factors specific to their respective workplaces. As part of our OSH procedures, the Central OSH Committee takes charge of investigating all reportable accidents and dangerous occurrences.

Furthermore, we operate under a zero-tolerance policy concerning harassment and discrimination in the workplace. To address these concerns effectively, we have implemented a policy statement and guidelines specifically designed to combat workplace harassment and discrimination. In our ongoing effort to eradicate workplace harassment, we’ve embarked on a multi-phase initiative. This initiative includes training programmes, communication strategies and the establishment of an internal complaints committee dedicated to addressing harassment issues.

We also prioritise the safety of our premises by ensuring they are equipped with the necessary safety equipment, maintained in optimal working condition. Regular reporting to the Department of Occupational Safety & Health is a fundamental aspect of our commitment, ensuring prompt communication and resolution of any arising OSH issues in the workplace.



ZERO
incidents of work-related fatalities



0.31
Lost time injury rate



118
dedicated employees trained in health and safety standards



40
employees certified in first aider training

In FY2024, we saw employees returning physically to the office as COVID-19 restrictions gradually eased. To protect the health and safety of our employees, we continued to implement diverse precautionary measures such as:

- Maintaining the Enhanced Safety Directives (“ESD”), a comprehensive guide that provides clear and concise directives to ensure our employees’ health and well-being;
- Displaying best practices and safety notices;
- Maintaining a COVID-19 portal: a one stop centre for employees to access all COVID-19 related matters including a “Return to the Office Guide” and health and safety videos;
- Continued to maintain and emphasise the Bank’s flexible work arrangement, including hybrid work options; and
- Enabled continuous distribution of Personal Protective Equipment (“PPE”) and COVID-19 self-test kits.

In FY2024, we conducted an ergonomic risk assessment for employees at our head office. To address the risk of ergonomic and musculoskeletal injuries, while simultaneously promoting employee well-being and personal development, the Bank implemented flexible benefits that allows claims of ergonomic living which covers ergonomics equipment and home office setup for management employees. We will continue to focus on increasing awareness of ergonomic risks among employees.

SUSTAINABLE WORKPLACE

Employee Well-being

The well-being of our employees is a fundamental aspect of our sustainability initiatives. We prioritise maintaining a healthy work-life balance and promoting healthier lifestyles to foster a dynamic and supportive working environment for our employees.

FY2024 Employee Well-being Initiatives

Flexible Work Arrangement

The Bank has a Flexible Work Arrangement (“FWA”) Guideline which introduces Staggered Hours (“SH”) and Hybrid Work Arrangement (“HWA”) to support diverse employee needs. SH offers three schedule options, promoting work-life integration. HWA, under Senior Management’s discretion, enables hybrid work that leverages on technology and communication tools to maintain connectivity and productivity. The guideline prioritises employee well-being, technology-enabled flexibility, and open communication channels for support and feedback.

Fit@Alliance

The well-being 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. The Fit@Alliance programme encourages our employees to lead an active and well-balanced lifestyle. All initiatives are focused on four key wellness pillars: physical, mental, financial and social. Some of the initiatives in FY24 included:

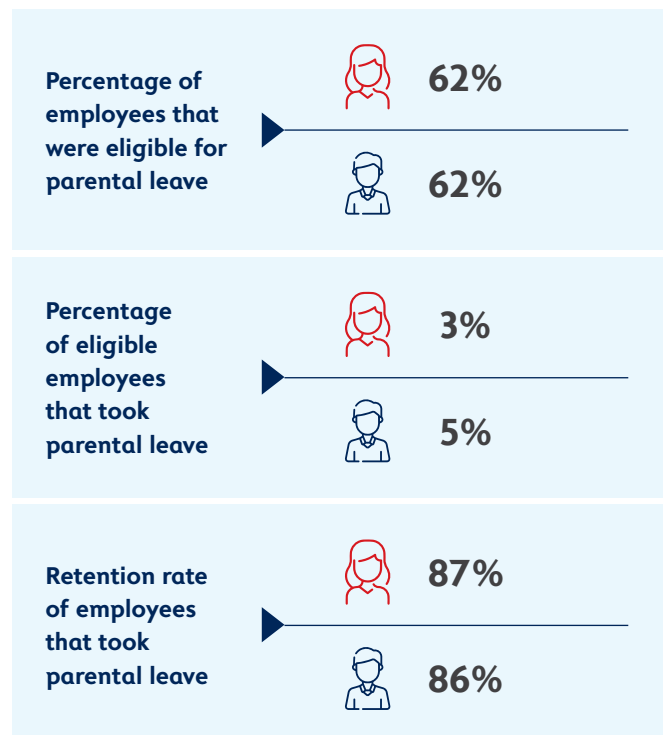
- ▶ Participation in PERKESO’s Activ@Work Challenge (“AWC”) 2023 for the fifth consecutive year. A total of 498 employees participated and helped the Bank record over 239 million steps, an increase of 115 million steps compared to AWC 2022. Additionally, we designed monthly divisional, team and individual spurt challenges with rewards to entice and motivate our employees;
- ▶ Ironman Challenge and Wellness Day events organised at our very own gym at Headquarters to motivate our employees to keep fit and healthy;
- ▶ Organised Employee Wellness Week which includes introduction to telemedicine services for Long Term Medication, health talk and on-site health screening in collaboration with external partners;
- ▶ Leveraging on partnerships that promotes a healthy lifestyle via exclusive gym membership rates and health screenings; and

▶ The Bank partnered with various clinical specialist and medical providers to organise a host of wellness webinars that included:

- Hypertension & Modern Technology Treatment;
- Women & Men Health and Wellness;
- Leveraging Technology to Battle Oral Cancer;
- Abdominal Pain: Gallstones;
- Managing High Blood Pressure & Cholesterol;
- Breast Cancer;
- Heart Wellness; and
- Workplace Conflict Management.

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.



SUSTAINABLE WORKPLACE

Recreational Sports Club

In line with the easing of COVID-19 restrictions, the Bank's Sports Club conducted various in-person activities in FY2024. Employees participated in physical events such as the Alliance Bank Treasure Hunt, Go Kart Race, Diving Trip, Movie Night, Badminton Tournament, Paint Ball, and the Group CEO Futsal Cup.

A key initiative organised in FY2024 was our Earth Guardians Discovery Quest. The treasure hunt revolved around our AGILE values and incorporated ESG elements to promote awareness and appreciation of sustainability amongst our employees. A key feature of the hunt was a beach cleanup and tree planting activity, which resulted in 670 kg of trash being collected and 82 trees being planted, with participation from 324 employees across all 14 divisions.



Feature Stories: Cultivating Employee Engagement in Sustainability Hearing Our Voices

Here at Alliance Bank, we deeply value the voices and experience of our employees. We had the privilege of speaking with Cheah Soon Seng, Vice President of Enterprise Solutions and Policy for Group Corporate and Transaction Banking, to gain insights on his experience with the Bank's employee engagement and well-being initiatives.



How would you describe your experience with Alliance Bank's sustainability and employee engagement initiatives, including any notable highlights in FY24?

The path to a more holistic understanding of sustainability comes through on-the-job application. As we embarked on the ESG initiatives for the Corporate Banking division, those of us who were involved in the reporting and management of sustainability topics began to gain a better appreciation of the agenda as a whole.

Exercises such as the computation of Scope 3 GHG emissions, and the introduction to the methodology used in BNM's CCPT classification enabled me to have a deeper insight into the mechanics and thought processes used to determine a customer's ESG rating, as well as a need to support them in their transition, as part of our journey together to a sustainable future.

How would you describe your experience with the Bank's well-being initiatives, including any notable highlights in FY24?

The benefits arising from the well-being initiatives such as the gym facilities are invaluable. Considering the substantial amount of time spent within the workplace, the accessibility of having a gym in the office has enabled me to dedicate some time to prioritise my health and well-being. This would otherwise have been difficult to achieve, as the attempt to exercise is already a challenging exercise in itself.

In what manner have the Bank's sustainability and employee engagement initiatives impacted you and your day-to-day activities?

Seeing the bigger picture often helps to narrow down one's own focus on the little things. In understanding our customers' large-scale efforts to enhance environmental accountability, I began to appreciate the impact of my own, smaller actions and how it could contribute to the overall sustainability agenda.

Inspired by the various initiatives by the Sustainability Team, I consciously began to place a more conscious effort in conservation, such as reducing paper usage and optimising device power consumption by powering down devices when not in active use. While these efforts may seem inconsequential, but I firmly believe that all big things come from small beginnings.

In what manner have the Bank's well-being initiatives impacted you and your day-to-day activities?

All in all, the tides are changing, both literally and figuratively. With a growing focus in shaping a better tomorrow, the Bank's various efforts have enabled me to gain a deeper sense of purpose and understanding of my role in this transition, be it in supporting our clients or in my own sustainability journey.

SUSTAINABLE WORKPLACE



Nurturing Sustainability Through Action

As I reflect on the past year, I am grateful for the enriching experiences which I had the privilege to be a part of, especially those relating to environmental and social sustainability. Through various initiatives by the Bank, I expanded my knowledge and deepened my commitment to conserving nature and fostering a sustainable future.

One of the highlights included the quarterly employee engagement theme, 'Conserving Nature,' which provided a platform for meaningful learning and action. Participating in webinars led by industry experts opened my eyes to the invaluable ecosystem services provided by forests and the importance of local efforts to green urban spaces. These sessions served as a catalyst for me to explore opportunities to invest in nature and to become a more conscious consumer in my daily life. One area where I have been able to make a tangible difference is in my own home garden. By carefully selecting plants that support urban biodiversity, I am contributing in my own small way to the health of local ecosystems. This newfound appreciation for nature has not only enhanced the beauty of my surroundings but also deepened my connection to the natural world.

Beyond individual actions, I also had the opportunity to participate in collective efforts through the Alliance Bank Sports Club. An example would be the 'Unleashing your Inner Diver' activity, which provided not only a chance to connect with colleagues who share a passion for diving but also an opportunity to make a positive impact on the environment. The diving trip concluded with a beach cleanup activity, highlighting the importance of responsible stewardship and left a lasting impression on me about the power of collective action in protecting our planet.

My journey towards sustainability is ongoing, and I am excited about the possibilities that lie ahead. I remain committed in continuing my efforts, both personally and professionally, to contribute to a more sustainable future. I am grateful for the support and opportunities provided by the Bank to engage in meaningful initiatives that align with my values. Together, we can make a meaningful difference in conserving nature for future generations.

Sabrina Ho, Manager, Group Sustainability

SUSTAINABLE WORKPLACE

Creating a Fair and Inclusive Work Culture













Relevant material matters:

- Diversity, Equity, and Inclusion

Promoting Diversity, Equity, and Inclusion

At Alliance Bank, we acknowledge that our organisation’s success is rooted in the skills and abilities of our workforce. We value the diversity of backgrounds, skill sets, and experiences that strengthen our team. Therefore, we are dedicated to fostering an inclusive work culture and actively embracing diversity. This commitment is reflected in our Sustainability Framework, which emphasises our status as an Equal Opportunity Employer. We embrace diversity from the very start of our hiring process, omitting requests for details such as age, gender, and religion from our job application form on the Alliance Bank Career Page. We will also continue to strengthen our efforts in ensuring Equal Opportunity in work processes.

The Bank’s outlook on inclusivity is reflected in our diverse workforce. In FY2024, women comprised 62% of our workforce. Female representation in our Senior Management and the Board of Directors stood at 21% and 30%, respectively.

Directors		Senior Management		Senior Vice President		Vice President and Assistant Vice President		Manager, Senior Executive and below		Clerical and Non-clerical Employees	
Gender											
											
70%	30%	79%	21%	64%	36%	43%	57%	35%	65%	36%	64%
Nationality											
Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign
60%	40%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
Age											
30-50 years	>50 years	30-50 years	>50 years	30-50 years	>50 years	<30 years	30-50 years	<30 years	30-50 years	<30 years	30-50 years
10%	90%	43%	57%	62%	38%	2%	81%	31%	60%	0%	62%
						>50 years		>50 years		>50 years	
						17%		9%		38%	
Ethnicity											
Bumiputera: 30% Chinese: 70%		Bumiputera: 7% Chinese: 79% Indian: 7% Others: 7%		Bumiputera: 6% Chinese: 88% Indian: 6%		Bumiputera: 13% Chinese: 80% Indian: 6% Others: 1%		Bumiputera: 34% Chinese: 56% Indian: 9% Others: 1%		Bumiputera: 72% Chinese: 18% Indian: 9% Others: 1%	
Employment Type											
		Contract: 21% Permanent: 79%		Contract: 2% Permanent: 98%		Contract: 1% Permanent: 99%		Contract: 1% Permanent: 99%		Contract: 100% Permanent: 0%	

SUSTAINABLE WORKPLACE

Zero tolerance for Discrimination and Harassment

Reflecting the Bank's strong commitment to eradicating discrimination and harassment, we rolled out the Guidelines on Workplace Harassment & Discrimination ("Guidelines") during FY2023. These Guidelines specify the types of discrimination the Bank opposes and provides protocols for addressing complaints in such instances.

In order to maintain a safe and secure workplace, all employees are expected to adhere to the Guidelines, which have been disseminated through employee communications and our inAlliance intranet portal. Moreover, new employees, including Managers, receive training on addressing complaints related to bullying, harassment, and discrimination during their induction sessions.

Any reports of discrimination are thoroughly investigated through the Bank's disciplinary procedures, and appropriate actions are taken as per consequence management. It is worth noting that there were no reported incidents of discrimination in FY2024.



GRI CONTENT INDEX

Statement of use	ABMB has reported the information cited in this GRI Content Index for the period 1 st April 2023 to 31 st March 2024 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	The Organisation and its reporting practices					
	2-1	Organisational details			Page 3: Corporate Profile Page 4-6: Corporate Information	
	2-2	Entities included in the organisation's sustainability reporting			Page 55: Scope and Boundary	
	2-3	Reporting period, frequency and contact point	-	-	Page 55: Scope and Boundary	
	2-4	Restatements of information			Page 55: Scope and Boundary Page 109: Scope of GHG Inventory Page 111: Electricity Consumption	
	2-5	External assurance			Page 55: Scope and Boundary Page 143: Statement of Assurance	
	Activities and Workers					
	2-6	Activities, value chain and other business relationships	-	-	Page 7: Corporate Structure Page 8-14: Products and Services	
	2-7	Employees	Labour Practices and Standards	Labour Standards	Page 122-123: Promoting Diversity, Equity, and Inclusion	
	2-8	Workers who are not employees				
	Governance					
	2-9	Governance structure and composition			Page 7: Corporate Structure Page 66-68: Sustainability Governance	
	2-10	Nomination and selection of the highest governance body	-	Corporate Governance	Page 147-185: Corporate Governance Overview Statement	
	2-11	Chair of the highest governance body			Page 4-6: Corporate Information	
	2-12	Role of the highest governance body in overseeing the management of impacts			Page 66-68: Sustainability Governance	

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION	
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	-	Corporate Governance	Page 66-68: Sustainability Governance	
	2-14	Role of the highest governance body in sustainability reporting			Page 66-68: Sustainability Governance	
	2-15	Conflicts of interest			Page 147-185: Corporate Governance Overview Statement	
	2-16	Communication of critical concerns			Page 186-187: Statement on Risk Management and Internal Control, Risk Management	
	2-17	Collective knowledge of the highest governance body			Page 114: Sustainability Learning	
	2-18	Evaluation of the performance of the highest governance body			Page 168-175: Board Effectiveness	
	2-19	Remuneration policies			Page 66-68: Sustainability Governance	
	2-20	Process to determine remuneration			Page 175: Corporate Governance Report	
	2-21	Annual total compensation ratio			Page 175: Corporate Governance Report	
	Strategy, policies and practices					
2-22	Statement on sustainable development strategy	-	Risk management	Page 26-33: Statement by Chairman of Alliance Bank Malaysia Berhad & Group Chief Executive Officer		
2-23	Policy Commitments			Page 62: Executing our Sustainability Strategy Page 117: Human Rights		
2-24	Embedding policy commitments			Page 62: Executing our Sustainability Strategy		
2-25	Processes to remediate negative impacts			Page 102-105: Ethical Business Practices		

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION	
Economic/Governance						
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption	Anti-Corruption, Risk Management	Page 102-105: Ethical Business Practices	
	2-27	Compliance with laws and regulations			Page 102-105: Ethical Business Practices Page 113: Labour Standards	
	2-28	Membership associations	-	-	Page 85-89: Participating in Associations	
	Stakeholder engagement					
	2-29	Approach to stakeholder engagement	-	Human Rights and Community	Page 85-89: Participating in Associations	
GRI 3: Material Topics 2021	2-30	Collective bargaining agreements		Human Rights and Community	Page 117: Human Rights	
	3-1	Process to determine material topics	-	-	Page 50: Material Matters	
GRI 201: Economic Performance 2016	3-2	List of material topics	-	-	Page 50-52: Material Matters	
	3-3	Management of material topics	-	Social Supply Chain	Page 81: Delivering Strong Economic Value	
GRI 202: Market Presence 2016	201-1	Direct economic value generated and distributed	-	Social Supply Chain	Page 81-82: Delivering Strong Economic Value	
	202-2	Proportion of senior management hired from the local community			Page 122: Promoting Diversity, Equity, and Inclusion	
GRI 203: Indirect Economic Impacts	3-3	Management of material topics			Page 72-76: Integrating Sustainable and Responsible Financing Page 93-96: Corporate Social Responsibility Page 97-99: Fostering Financial Well-being Among Communities	

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Economic/Governance					
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported		Page 72-76: Integrating Sustainable and Responsible Financing Page 93-96: Corporate Social Responsibility Page 97-99: Fostering Financial Well-being Among Communities	
	203-2	Significant indirect economic impacts		Page 72-76: Integrating Sustainable and Responsible Financing Page 93-96: Corporate Social Responsibility Page 97-99: Fostering Financial Well-being Among Communities	
GRI 204: Procurement Practices 2016	3-3	Management of material topics	Supply Chain Management	Page 92: Embedding a Sustainable Supply Chain	
	204-1	Proportion of spending on local suppliers		Page 92: Embedding a Sustainable Supply Chain	
GRI 205: Anti-Corruption 2016	3-3	Management of material topics	Anti-Corruption, Risk Management	Page 102-105: Ethical Business Practices	
	205-1	Operations assessed for risks related to corruption		Page 105: Anti-Bribery and Corruption	
	205-2	Communication and training about anti-corruption policies and procedures		Page 105: Anti-Bribery and Corruption	
	205-3	Confirmed incidents of corruption and actions taken		Page 105: Anti-Bribery and Corruption	
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Page 134: Performance Data	

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Environmental					
GRI 302: Energy 2016	3-3 Management of material topics	Energy Management	Climate Change	Page 111: Energy Management	
	302-1 Energy consumption within the organisation			Page 111: Energy Management	
	302-4 Reduction of energy consumption			Page 111: Energy Management	
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Water		Page 112: Conserving the Environment	
	303-5 Water consumption		Page 112: Conserving the Environment		
GRI 305: Emissions 2016	3-3 Management of material topics	Emissions Management		Page 107-108: Addressing the Challenge of Climate Change	
	305-1 Direct (Scope 1) GHG emissions		Page 108-109: Minimising Our Own Emissions		
	305-2 Energy indirect (Scope 2) GHG emissions		Page 108-109: Minimising Our Own Emissions		
	305-3 Other indirect (Scope 3) GHG emissions		Page 108-109: Minimising Our Own Emissions Page 109-110: Managing Our Financed Emissions		
	305-5 Reduction of GHG emissions		Page 108-109: Minimising Our Own Emissions		
GRI 308: Supplier Environment Assessment	3-3 Management of material topics	Supply Chain Management	Environmental Supply Chain	Page 92: Embedding a Sustainable Supply Chain	
	308-1 New suppliers that were screened using environmental criteria			Page 92: Embedding a Sustainable Supply Chain	
	308-2 Negative environmental impacts in the supply chain and actions taken			Page 92: Embedding a Sustainable Supply Chain	

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Social					
GRI 401: Employment 2016	3-3	Management of material topics	Labour Practices and Standards	Labour Standards	Page 113: Labour Standards Page 113; Recruitment and Performance Management Page 119: Employee Well-being
	401-1	New employee hires and employee turnover			Page 140: Performance Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee			Page 119: Employee Well-being
	401-3	Parental leave			Page 119: Employee Well-being
GRI 403: Occupational Healthy and Safety 2018	3-3	Management of material topics	Health and Safety	-	Page 118: Health and Safety
	403-1	Occupational health and safety management system			Page 118: Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation			Page 118: Health and Safety
	403-3	Occupational health services			Page 118: Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety			Page 118: Health and Safety
	403-5	Worker training on occupational health and safety			Page 118: Health and Safety
	403-6	Promotion of worker health			Page 118: Health and Safety
	403-8	Workers covered by an occupational health and safety management system			Page 118: Health and Safety
	403-9	Work-related injuries			Page 118: Health and Safety
	403-10	Work-related ill health			Page 118: Health and Safety

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Social					
GRI 404: Training and Education 2016	3-3	Management of material topics	Labour Practices and Standards	Page 113: Capability Development	
	404-1	Average hours of training per year per employee		Page 139: Performance Data	
	404-2	Programmes for upgrading employee skills and transition assistance programmes		Page 113: Capability Development	
	404-3	Percentage of employees receiving regular performance and career development reviews		Page 113: Capability Development	
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Diversity	Labour Standards	Page 122: Promoting Diversity, Equity, and Inclusion
	405-1	Diversity of governance bodies and employees			Page 122: Promoting Diversity, Equity, and Inclusion
GRI 406: Non-Discrimination 2016	3-3	Management of material topics	-	-	Page 123: Zero tolerance for Discrimination and Harassment
	406-1	Incidents of discrimination and corrective actions taken			Page 123: Zero tolerance for Discrimination and Harassment
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	-	-	Page 117: Human Rights
GRI 408: Child Labor 2016	3-3	Management of material topics	-	-	Page 117: Human Rights
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	-	-	Page 117: Human Rights

GRI CONTENT INDEX

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Social					
GRI 413: Local Communities 2016	3-3	Management of material topics	Community/ Society	Human Rights and Community	Page 93-96: Corporate Social Responsibility Page 97-99: Fostering Financial Well-being Among Communities
	413-1	Operations with local community engagement, impact assessments, and development programmes			Page 93-96: Corporate Social Responsibility Page 97-99: Fostering Financial Well-being Among Communities
GRI 414 : Supplier Social Assessment	3-3	Management of material topics	Supply Chain Management	Social Supply Chain	Page 92: Embedding a Sustainable Supply Chain
	414-1	New suppliers that were screened using social criteria			Page 92: Embedding a Sustainable Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken			Page 92: Embedding a Sustainable Supply Chain
GRI 417: Marketing and Labeling 2016	3-3	Management of material topics	-	-	Page 79: Enhancing Customer Satisfaction through Trust and Fair Treatment
	417-1	Requirements for product and service information and labeling	-	-	Page 79: Enhancing Customer Satisfaction through Trust and Fair Treatment
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Data Privacy and Security	-	Page 80: Safeguarding Customer Data
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Page 133: Performance Data

TCFD CONTENT INDEX

TCFD RECOMMENDATION		LOCATION
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Page 67: Sustainability Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Page 67: Sustainability Governance
Strategy	a) Describe the climate-related risks and opportunities the organisation had identified over the short, medium and long term	Page 72-76: Integrating Sustainable and Responsible Financing Page 107-108: Addressing the Challenge of Climate Change
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Page 61: ABMB Unveils Net Zero Roadmap Page 62: Executing Our Sustainability Strategy Page 106: Prohibited Lending Page 106: Exposure to ESG-Sensitive Sectors Page 72-76: Integrating Sustainable and Responsible Financing Page 107-111: Addressing the Challenge of Climate Change
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2 degrees or lower scenario	Page 72-76: Integrating Sustainable and Responsible Financing Page 107-111: Addressing the Challenge of Climate Change
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	Page 106: Risk Appetite Page 106: ESG Risk Assessment Tools Page 106: Climate Change and Principle-based Taxonomy ("CCPT") Screener Tool Page 106: ESG Risk Acceptance Criteria ("RAC") Page 106: Prohibited Lending Page 106: Exposure to ESG-Sensitive Sectors Page 107-111: Addressing the Challenge of Climate Change
	b) Describe the organisation's processes for managing climate-related risks	Page 107-108: Addressing the Challenge of Climate Change
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Page 107-108: Addressing the Challenge of Climate Change
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	Page 108-109: Minimising Our Own Emissions Page 109-110: Managing Our Financed Emissions
	b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and the related risks	Page 108-109: Minimising Our Own Emissions Page 109-110: Managing Our Financed Emissions
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Page 61: ABMB Unveils Net Zero Roadmap Page 62: Executing Our Sustainability Strategy

PERFORMANCE DATA

INDICATOR	UNIT	FY2022	FY2023	FY2024
Economic/Governance				
Customer Data Privacy				
Total number of substantiated complaints concerning breaches of customer privacy ¹	No.	N/A	N/A	2
Total identified leaks, thefts, or losses of customer data	No.	0	0	0
Customer Experience				
Average Net Promoter Score (“NPS”)	No.	28	33	33
Digitalisation				
Total Number of Digital Users (Online & Mobile)	No.	396,987	455,491	527,498
Economic Performance				
Total economic value generated	RM million	1,867.6	1,919.8	2,020.4
Total economic value distributed	RM million	1,422.6	1,491.9	1,555.0
Total economic value retained	RM million	445.1	428.0	465.4
New sustainable banking business	RM billion	2.0	8.1	12.6
C5% of portfolio	%	<65%	35%	31%
Ethics and Compliance				
Percentage of operations assessed for corruption-related risks	No.	233	322	302
	%	23%	29%	24%
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
Public legal cases regarding corruption, and the outcome	No.	0	0	0
Cost of fines, penalties, or settlements in relation to corruption (RM)	RM	0	0	0
Fines/settlements where each is valued > US \$100 million	No.	0	0	0
Combined total value of fines/settlements where each is valued > US \$100 million (RM)	RM	0	0	0
Total amount of political contributions made (RM)	RM	0	0	0
	No.	3,329	3,537	3,788
Total employee training hours on anti-corruption and bribery	Hours	6,658.0	7,074.0	7,576.0
	%	94%	94%	100%
Senior Management	Hours	32.0	30.0	28.0
	%	99%	95%	100%
Senior Vice President	Hours	150.0	146.0	162.0
	%	98%	96%	98%
Vice President and Assistant Vice President	Hours	1,962.0	2,036.0	2,356.0
	%	93%	92%	98%
Manager, Senior Executive and below	Hours	4,166.0	4,414.0	4,750.0
	%	61%	82%	52%
Clerical and Non-Clerical Employees	Hours	348.0	448.0	280.0
	Hours	8,359	8,807	9,477
Total employee training hours on AML/CFT	Hours	8,359	8,807	9,477

¹ Refinement of methodology to derive the number in FY24

PERFORMANCE DATA

INDICATOR	UNIT	FY2022	FY2023	FY2024	
Economic/Governance					
Ethics and Compliance					
Employees who have received training on AML/CFT by employee category	Senior Management	%	94%	94%	100%
		Hours	40.0	38.0	35.0
	Senior Vice President	%	99%	95%	100%
		Hours	188.0	183.0	203.0
	Vice President and Assistant Vice President	%	98%	96%	98%
		Hours	2,453.0	2,533.0	2,948.0
	Manager, Senior Executive and below	%	94%	92%	98%
		Hours	5,213.0	5,490.0	5,943.0
	Clerical and Non-Clerical Employees	%	65%	82%	52%
		Hours	465.0	563.0	348.0
Number of legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	No.	0	0	0	
Sustainable and Responsible Financing					
BNM Low Carbon Transition Facility ("LCTF")	RM million	N/A	0.31	17.03	
Sustainable Procurement					
Percentage spent on local suppliers	%	87%	92%	94%	
Proportion of new suppliers that were screened using environmental criteria	%	N/A	N/A	100%	
Total suppliers assessed for environmental impacts	No.	N/A	N/A	545	
Total suppliers with negative environmental impacts	No.	N/A	N/A	0	
Proportion of suppliers having negative environmental impact with improvements agreed upon	%	N/A	N/A	0%	
Proportion of suppliers having negative environmental impact with relationships terminated upon	%	N/A	N/A	0%	
Proportion of new suppliers that were screened using social criteria	%	N/A	N/A	100%	
Total suppliers assessed for social impacts	No.	N/A	N/A	545	
Total suppliers with negative social impacts	No.	N/A	N/A	0%	
Proportion of suppliers having negative social impact with improvements agreed upon	%	N/A	N/A	0%	
Proportion of suppliers having negative social impact with relationships terminated upon	%	N/A	N/A	0%	

PERFORMANCE DATA

INDICATOR	UNIT	FY2022	FY2023	FY2024	
Environmental					
Climate Change					
Total energy consumption	GJ	52,691.15	49,836.65	49,741.09	
Direct GHG emissions (Scope 1) - Stationary and Mobile Combustion	tCO ₂ e	24.21	32.05	25.53	
Indirect GHG emissions (Scope 2) - Purchased Electricity	tCO ₂ e	10,405.58	9,822.20	9,766.06	
Other Indirect GHG emissions (Scope 3) - Business Travel by Land	tCO ₂ e	577.25	686.37	680.70	
Reduction of GHG emissions (Scope 1 and 2) Against FY2020 Baseline	%	13.0%	17.8%	18.3%	
Financed emissions by asset class	Listed equity and corporate bonds	tCO ₂ e	-	69,265	-
	Business loans and unlisted equity	tCO ₂ e	-	699,033	-
	Project finance	tCO ₂ e	-	2,796	-
	Commercial real estate	tCO ₂ e	-	35,463	-
	Mortgages	tCO ₂ e	-	236,025	-
Conserving the Environment					
Printing Volume	Print copy	28,903,021	30,952,606	34,085,034	
Total water consumption from all areas	m ³	N/A	N/A	25,199.50	
Social					
Corporate Social Responsibility					
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM million	1.4	1.2	1.3	
Total no. of beneficiaries of the investment in communities	No.	4,421	3,520	2,919	
Diversity, Equity, and Inclusion					
Directors by gender	Male	%	78%	78%	70%
	Female	%	22%	22%	30%
Directors by age group	<30	%	0%	0%	0%
	30-50	%	11%	11%	10%
	>50	%	89%	89%	90%
Directors by ethnicity	Bumiputera	%	22%	22%	30%
	Chinese	%	78%	78%	70%
	Indian	%	0%	0%	0%
	Other	%	0%	0%	0%
Directors by nationality	Local	%	56%	56%	60%
	Foreign	%	44%	44%	40%
Total number of employees	No.	3,604	3,815	3,999	

PERFORMANCE DATA

INDICATOR		UNIT	FY2022	FY2023	FY2024		
Social							
Diversity, Equity, and Inclusion							
Percentage of employees by gender for each employee category	Senior Management	Male	%	76%	81%	79%	
		Female	%	24%	19%	21%	
	Senior Vice President	Male	%	63%	68%	64%	
		Female	%	37%	32%	36%	
	Vice President and Assistant Vice President	Male	%	44%	44%	43%	
		Female	%	56%	56%	57%	
	Manager, Senior Executive and below	Male	%	36%	35%	35%	
		Female	%	64%	65%	65%	
	Clerical and Non-Clerical Employees	Male	%	36%	37%	36%	
		Female	%	64%	63%	64%	
	Percentage of women in the global workforce			%	61%	61%	62%
	Percentage of employees by age group for each employee category	Senior Management	<30	%	0%	0%	0%
30-50			%	35%	31%	43%	
>50			%	65%	69%	57%	
Senior Vice President		<30	%	0%	0%	0%	
		30-50	%	62%	66%	62%	
		>50	%	38%	34%	38%	
Vice President and Assistant Vice President		<30	%	2%	2%	2%	
		30-50	%	82%	82%	81%	
		>50	%	16%	16%	17%	
Manager, Senior Executive and below		<30	%	29%	33%	31%	
		30-50	%	62%	59%	60%	
		>50	%	9%	8%	9%	
Clerical and Non-Clerical Employees		<30	%	0%	0%	0%	
		30-50	%	74%	68%	62%	
		>50	%	26%	32%	38%	

PERFORMANCE DATA

INDICATOR		UNIT	FY2022	FY2023	FY2024		
Social							
Diversity, Equity, and Inclusion							
Percentage of employees by employment type for each employee category	Senior Management	Contract	%	18%	19%	21%	
		Permanent	%	82%	81%	79%	
	Senior Vice President	Contract	%	4%	3%	2%	
		Permanent	%	96%	97%	98%	
	Vice President and Assistant Vice President	Contract	%	0%	0%	1%	
		Permanent	%	100%	100%	99%	
	Manager, Senior Executive and below	Contract	%	2%	2%	1%	
		Permanent	%	98%	98%	99%	
	Clerical and Non-Clerical Employees	Contract	%	0%	0%	0%	
		Permanent	%	100%	100%	100%	
	Percentage of employees by ethnicity for each employee category	Senior Management	Bumiputera	%	11%	6%	7%
			Chinese	%	65%	75%	79%
			Indian	%	12%	13%	7%
			Other	%	12%	6%	7%
Senior Vice President		Bumiputera	%	5%	5%	6%	
		Chinese	%	86%	86%	88%	
		Indian	%	8%	8%	6%	
Vice President and Assistant Vice President		Other	%	1%	1%	0%	
		Bumiputera	%	12%	13%	13%	
	Chinese	%	82%	80%	80%		
	Indian	%	5%	5%	6%		
Manager, Senior Executive and below	Other	%	1%	2%	1%		
	Bumiputera	%	35%	34%	34%		
	Chinese	%	54%	56%	56%		
	Indian	%	10%	9%	9%		
Clerical and Non-Clerical Employees	Other	%	1%	1%	1%		
	Bumiputera	%	71%	72%	72%		
	Chinese	%	18%	18%	18%		
	Indian	%	10%	9%	9%		
		Other	%	1%	1%	1%	

PERFORMANCE DATA

INDICATOR		UNIT	FY2022	FY2023	FY2024	
Social						
Diversity, Equity, and Inclusion						
Percentage of employees by age nationality for each employee category	Senior Management	Local	%	94%	100%	100%
		Foreign	%	6%	0%	0%
	Senior Vice President	Local	%	99%	99%	100%
		Foreign	%	1%	1%	0%
	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	%	39%	39%	38%
		Female	%	61%	61%	62%
Permanent employees by nationality	Local	%	99%	99%	100%	
	Foreign	%	1%	1%	0%	
Contract employees by gender	Male	%	46%	37%	47%	
	Female	%	54%	63%	53%	
Contract employees by nationality	Local	%	98%	100%	100%	
	Foreign	%	2%	0%	0%	
% of employees that are contractors or temporary staff		%	1%	1%	1%	
Total employees with a disability		%	0%	0%	0.05%	
Employee Engagement, Health, Safety and Well-being						
No of work-related fatalities		No.	0	0	0	
Lost time injury rate (own staff)		Rate	0.11	0.27	0.31	
Lost time injury rate (contractors)		Rate	0	0	0	
No. of dedicated employees trained on health and safety standards		No.	0	26	118	

PERFORMANCE DATA

INDICATOR		UNIT	FY2022	FY2023	FY2024	
Social						
Employee Engagement, Health, Safety and Well-being						
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.	892	961	952	
	Female	No.	1,423	1,523	1,541	
Total number of employees that took parental leave by gender	Male	No.	33	14	50	
	Female	No.	51	58	52	
Total number of employees that returned to work in the reporting period after parental leave ended by gender	Male	No.	28	14	43	
	Female	No.	48	54	45	
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.	28	13	43	
	Female	No.	48	54	45	
Return to work rate of employees that took parental leave by gender	Male	%	85%	100%	86%	
	Female	%	94%	93%	87%	
Retention rates of employees that took parental leave by gender	Male	%	85%	93%	86%	
	Female	%	94%	93%	87%	
Talent Management						
Total training hours		Hours	149,503	128,107	147,377	
Average training per employee		Hours	41.5	33.6	36.9	
		Days	5.2	4.2	4.6	
Average training hours by gender	Male	Hours	41.8	33.2	41.8	
	Female	Hours	41.2	33.9	33.8	
Training hours by employee category	Senior Management	Total	Hours	950.0	365.0	711.0
		Average	Hours	55.9	22.8	50.8
	Senior Vice President	Total	Hours	4,524.0	8,977.0	4,046.0
		Average	Hours	59.5	116.6	50.0
	Vice President and Assistant Vice President	Total	Hours	46,962.0	32,552.0	47,742.0
		Average	Hours	47.2	30.7	39.8
	Manager, Senior Executive and below	Total	Hours	76,342.0	71,907.0	91,695.0
		Average	Hours	34.3	30.1	37.7
	Clerical and Non-Clerical Employees	Total	Hours	20,725.0	14,306.0	3,201.0
		Average	Hours	72.2	52.4	11.9

PERFORMANCE DATA

INDICATOR		UNIT	FY2022	FY2023	FY2024
Social					
Talent Management					
New hires by gender	Male	%	45%	42%	43%
	Female	%	55%	58%	57%
New hires by age group	<30	%	57%	53%	45%
	30-50	%	42%	46%	53%
	>50	%	1%	1%	2%
New hires by nationality	Local	%	100%	100%	100%
	Foreign	%	0%	0%	0%
% of Senior Management that are hired from the local community		%	94%	100%	100%
Employee turnover		Rate	0.17	0.21	0.15
Employee turnover by gender	Male	%	45%	44%	47%
	Female	%	55%	56%	53%
Employee turnover by age group	<30	%	38%	36%	42%
	30-50	%	52%	52%	49%
	>50	%	10%	12%	9%
Employee turnover by nationality	Local	%	100%	100%	100%
	Foreign	%	0%	0%	0%
Employee turnover by employee category	Senior Management	%	0%	0%	1%
	Senior Vice President	%	2%	2%	1%
	Vice President and Assistant Vice President	%	24%	23%	21%
	Manager, Senior Executive and below	%	73%	74%	76%
	Clerical and Non-Clerical Employees	%	1%	1%	1%
Number of employees who are covered by OHS management system		%	100%	100%	100%
Number of employees who are covered by OHS management system that has been internally audited		%	0%	0%	0%
Number of employees who are covered by OHS management system that has been audited or certified by an external party		%	0%	0%	0%

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

The following performance data table has been prepared in accordance with the requirements of the Bursa Main Market Listing Requirements and the enhanced Sustainability Reporting Guide, 3rd edition.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	94.00	94.00	100.00
Senior Vice President	Percentage	99.00	95.00	100.00
Vice President and Assistant Vice President	Percentage	98.00	96.00	98.00
Manager, Senior Executive and below	Percentage	93.00	92.00	98.00
Clerical and Non-Clerical Employees	Percentage	61.00	82.00	52.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	23.00	29.00	24.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,400,000.00	1,200,000.00	1,300,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,421	3,520	2,919
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	35.00	31.00	43.00
Senior Management Above 50	Percentage	65.00	69.00	57.00
Senior Vice President Under 30	Percentage	0.00	0.00	0.00
Senior Vice President Between 30-50	Percentage	62.00	66.00	62.00
Senior Vice President Above 50	Percentage	38.00	34.00	38.00
Vice President and Assistant Vice President Under 30	Percentage	2.00	2.00	2.00
Vice President and Assistant Vice President Between 30-50	Percentage	82.00	82.00	81.00
Vice President and Assistant Vice President Above 50	Percentage	16.00	16.00	17.00
Manager, Senior Executive and below Under 30	Percentage	29.00	33.00	31.00
Manager, Senior Executive and below Between 30-50	Percentage	62.00	59.00	60.00
Manager, Senior Executive and below Above 50	Percentage	9.00	8.00	9.00
Clerical and Non-Clerical Employees Under 30	Percentage	0.00	0.00	0.00
Clerical and Non-Clerical Employees Between 30-50	Percentage	74.00	68.00	62.00
Clerical and Non-Clerical Employees Above 50	Percentage	26.00	32.00	38.00
Gender Group by Employee Category				
Senior Management Male	Percentage	76.00	81.00	79.00
Senior Management Female	Percentage	24.00	19.00	21.00
Senior Vice President Male	Percentage	63.00	68.00	64.00
Senior Vice President Female	Percentage	37.00	32.00	36.00
Vice President and Assistant Vice President Male	Percentage	44.00	44.00	43.00
Vice President and Assistant Vice President Female	Percentage	56.00	56.00	57.00
Manager, Senior Executive and below Male	Percentage	36.00	35.00	35.00
Manager, Senior Executive and below Female	Percentage	64.00	65.00	65.00
Clerical and Non-Clerical Employees Male	Percentage	36.00	37.00	36.00
Clerical and Non-Clerical Employees Female	Percentage	64.00	63.00	64.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	78.00	78.00	70.00
Female	Percentage	22.00	22.00	30.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	11.00	11.00	10.00
Above 50	Percentage	89.00	89.00	90.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	52,691,150.00	49,836,650.00	49,741,090.00

Internal assurance External assurance No assurance

(*) Restated

PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.11	0.27	0.31
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	26	118
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	950	365	711
Senior Vice President	Hours	4,524	8,977	4,046
Vice President and Assistant Vice President	Hours	46,962	32,552	47,742
Manager, Senior Executive and below	Hours	76,342	71,907	91,695
Clerical and Non-Clerical Employees	Hours	20,725	14,306	3,201
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	1.00	1.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	3	5
Senior Vice President	Number	9	15	7
Vice President and Assistant Vice President	Number	149	178	127
Manager, Senior Executive and below	Number	448	577	454
Clerical and Non-Clerical Employees	Number	5	10	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	87.00	92.00	94.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	2
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	-	25.199500

Internal assurance External assurance No assurance (*)Restated

Note:

For Bursa C4(a) Total energy consumption, the data presented is reported in the unit of Megajoules (MJ)

STATEMENT OF ASSURANCE

Assurance Undertaken

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to the following:

- an internal review by Alliance Bank's internal auditors that has been approved by Alliance Bank's Audit Committee; and
- an independent assurance in accordance with recognised assurance standards for selected indicators

The scope, subject matter(s) covered, and relevant conclusion(s) (where applicable) are provided below:

Type of Assurance	Subject Matter	Scope	Conclusion
Independent assurance	4 ESG indicators: <ul style="list-style-type: none"> FY24 New Sustainable Banking Business C5% of portfolio Energy consumption GHG Emissions 	Review of the application of methodology, data quality, transparency, traceability and accuracy of the data being disclosed. Level of assurance is set at limited.	Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Alliance Bank has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion: <ul style="list-style-type: none"> The level of data accuracy included in Alliance Bank Sustainability Statement 2024 is fairly stated; The level of disclosure of the selected sustainability performance information presented in the report was found to be properly prepared; The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.
Internal review	11 Common Indicators identified in Bursa Malaysia Sustainability Reporting Guide.	a) Common indicators identified in the Guide, which are assessed both quantitatively and qualitatively based on a sampling basis: <ul style="list-style-type: none"> accuracy, completeness and classification of the indicators against the source data. data collection and reporting processes are adequately controlled, formalised and provide sufficient audit trails. b) Disclosures of the 3 financial years' performance data in respect of the reported indicators in the Sustainability Statement.	Not applicable



Please refer to page 144-146 for the assurance report provided by Sirim QAS International.

STATEMENT OF ASSURANCE



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Alliance Bank Malaysia Berhad (hereafter referred to as Alliance Bank) to perform an independent verification and provide assurance of the Alliance Bank Sustainability Statement 2024. The main objective of the verification process is to provide assurance to Alliance Bank and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to selected sustainable performance information (subject matter) within the assurance scope which is included in Alliance Bank Sustainability Statement 2024.

The management of Alliance Bank was responsible for the preparation of the Sustainability Statement. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of Alliance Bank's Sustainability Statement, and the Annual Report 2024.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of selected applicable subject matter as listed below. Details are provided in Appendix 1.

Subject matter	Page no. (as in the Sustainability Statement)
New Sustainable Banking Business	64
C5% portfolio	64
GHG Emissions Footprint – Scope 1, Scope 2 and Scope 3	64, 110, 111
Energy Management – Electricity and Fuel Consumption	113

The verification was carried out by SIRIM QAS International in May 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Statement includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report to substantiate the veracity of the claims.

STATEMENT OF ASSURANCE

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Alliance Bank Annual Report 2024.
- The corporate office at Menara Multi-Purpose, Capital Square, Jalan Munshi Abdullah, was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Alliance Bank's buildings and branches. And,
- The verification team did not verify any contractor or third-party data.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Alliance Bank relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Statement was subsequently reviewed and revised by Alliance Bank. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues related to the selected subject matters. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Alliance Bank has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Alliance Bank Sustainability Statement 2024 is fairly stated;
- The level of disclosure of the selected sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamorthy	:	Team Member
3)	Ms. Suzalina Kamaralarifin	:	Team Member
4)	Ms. Aine Jamaliah Mohamad Zain	:	Team Member

Statement Prepared by:



AERNIDA BINTI ABDUL KADIR

Team Leader

Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 20 May 2024

Statement Approved by:



Ts. MD ADHA BIN RAHMAT

Senior General Manager

Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 24 May 2024

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantees the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (17 May 2024).

STATEMENT OF ASSURANCE

Appendix 1 The topics and subject matters covered in this assessment is tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
New Sustainable Banking Business				
C5% portfolio				
GHG Emissions Footprint – Scope 1, Scope 2 and Scope 3				
Energy Management – Electricity and Fuel Consumption				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (17 May 2024).

Note 2:

The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1.

HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.

LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.