



UNLOCKING A SUSTAINABLE FUTURE WITH AmBank Group: LEADING THE WAY IN ESG INITIATIVES

AmBank Group is committed in its sustainability agenda by integrating **Environmental, Social and Governance (ESG)** into every aspect of the business. In an era where ESG values drive business decisions, and as one of the top banking groups in Malaysia, we are committed to pursuing our ESG aspirations with a rigorous approach, creating a positive impact on both customers and the communities we serve. We strive towards inclusive growth, ensuring that we provide economic empowerment to our customers and communities while managing the climate and social impact of our operations.

AmBank Group recognizes that addressing climate change is not only a moral duty but also an economic necessity. As such, we have launched green financing initiatives to support projects that reduce carbon emissions and promote environmental sustainability. Whether it's funding renewable energy projects, green building developments, or sustainable agriculture, we are dedicated to driving Malaysia's transition to a greener future.

How does AmBank Group work towards achieving this? We institutionalised sustainability through AmBank Group's Sustainability Framework, which defines the Group's commitments that aligns with 10 of the 17 United Nations Sustainability Development Goals (UN SDGs), Value-Based Intermediation (VBI) principles, as well as the Group's core values. Our Sustainability Universe has three themes: responsible banking, conscious

self-conduct and positive societal impact. We have incorporated ESG considerations into our lending/ financing evaluations and investment and advisory practices to contribute to the global effort of advancing sustainability and help mitigate climate change risks. Non-individual borrowers with exposures of at least RM10 million are subject to our credit and ESG assessment criteria. We have eight sectors specific ESG risk evaluation checklists and a list of businesses and activities that are excluded from new financing, such as, coal fired power plants and firms with questionable human rights track record.

Transparency and Accountability Are Key to ESG Excellence

AmBank Group has implemented sustainability measurement practices, ensuring that progress is tracked, measured, and reported as required. By doing so, we hold ourselves accountable for our ESG commitments, demonstrating our dedication to responsible banking. Our senior management team has ESG key performance indicators while each business line also has ESG-focused KPIs.

We seek to understand the customers' plans to mitigate ESG risks allowing us to assist transition to lower ESG risk practices through sustainable financing initiatives. We are also an industry participant on the Joint Committee on Climate Change (JC3) and actively provide feedback on the challenges and practices that would need to be addressed on the ground given experiences of our customers, particularly the SMEs.

ESG and climate considerations are also embedded in our investment and advisory practices from January 2022. Our proprietary investments in financial assets considers the impact of climate change, and our fund management business embeds ESG risk assessments for investable securities.





Tuan Nik Nazmi bin Nik Ahmad, Minister of Natural Resources, Environment and Climate Change of Malaysia and Encik Kamarudin Hashim, Managing Director of Securities Commission (SC) Malaysia and Co-chair of JC 3 (front row, centre), with AmBank Group's Board Members and Senior Management.

Our Growing ESG Portfolio

At AmBank Group, we believe that sustainability can create value that extends beyond business profits. We are committed to empowering SMEs in adopting ESG practices, providing financial support, and offering expert guidance to help SMEs navigate the transition to a more sustainable business model. We believe that by fostering sustainability at the SME level, we can collectively make a significant impact on the nation's ESG landscape.

Taking SME empowerment in the ESG space to the next level, AmBank Group and Pantas Software Sdn Bhd (Pantas) have signed an agreement to work together with BNM as part of their Greening the Value Chain (GVC) programme. This is key as Pantas will provide the software platform for customers to calculate, track and report carbon emissions. Customers will be able to have better access to BNM's Low Carbon Transition Fund (LCTF) and where the reporting requirements may be provided by the Pantas software.

International ESG Conference 2023

We held our International ESG Conference on 15 August 2023 to create awareness among our customers and investors. The event underscores AmBank Group's unwavering dedication to sustainability and paves the

"As a constituent of the financial ecosystem, we recognise the crucial role we play in driving social and economic growth in our communities. Our commitment goes beyond banking services, extending to the empowerment of our communities that foster long-lasting positive change."

Dato' Sulaiman Mohd Tahir,
Group Chief Executive Officer,
AmBank Group

way for responsible banking best practices in the region. The full day event was graced by the Minister of Natural Resources, Environment and Climate Change, YB Tuan Nik Nazmi Nik Ahmad who delivered the keynote address and featured five panel discussions led by AmBank Group's leadership alongside external sustainability champions and stewards of leading corporations.

Beyond our dedicated CSR programmes, we are committed to enhancing financial inclusivity for the Bottom 40 (B40) income group. In FY2023, we disbursed over RM2.6 billion in loans/ financing under affordable home and auto financing schemes. We also cater to the financial needs of underserved businesses, particularly SMEs, by providing

Empowering Our Communities

At AmBank Group, we deeply appreciate the vital role we play in

financial access and supporting capacity building initiatives. As of March 2023, our SME loans/ financing outstanding stood at RM26.7 billion.

Managing Carbon Internally

At AmBank Group, we are committed to reducing our environmental footprint with responsible consumption practices. In May 2022, we were the first Malaysian financial institution to be awarded the Energy Management Gold Standard (EMGS) Certification. We have also increased our digitalisation efforts to reduce paper consumption by realigning and centralising our business processes. 100% of energy consumption from operations in Sarawak was from a hydroelectricity source.

On 16 March 2023, we participated in the nation's inaugural carbon credit auction on the Bursa Carbon Exchange (BCX) and successfully bid for carbon credit. We expect that carbon credits will facilitate meeting our long-term strategies and targets to achieve a carbon neutral position.

AmBank Group Triumphs with Honour at Asiamoney Awards

AmBank Group has recently been awarded the "Best Bank for Environmental, Social and Governance (ESG) in Malaysia 2023" by Asiamoney. **Ms. Amanah Aboobucker, Chief Sustainability Officer at AmBank Group** said, "Receiving the Asiamoney Award for Best Bank for ESG in Malaysia is a testament to AmBank Group's enduring commitment to integrating sustainability and ESG considerations into our core enterprise and business strategies. This recognition encourages us to continue our journey to contribute towards a more inclusive and environmentally responsible financial landscape."

In conclusion, AmBank Group is not merely a financial institution; we are a catalyst for positive change. Our commitment to ESG values, from green financing to empowering SMEs and fostering sustainability, ensures that we lead the way in creating a better future for Malaysia. Together with our customers and communities, we are forging a path towards a more prosperous, sustainable, and equitable tomorrow.

