

# Scope and Boundary

## SCOPE AND BOUNDARY

The Sustainability Statement (“Statement”) outlines Alliance Bank Group (“Alliance Bank” or “the Bank”) significant Economic, Environmental, Social and Governance (“EESG”) activities across its operations. This covers all business segments, subsidiaries and joint venture operations (where relevant) for the financial year 2025 (“FY2025”), unless stated otherwise, and reflects our engagement with both internal and external stakeholders throughout Malaysia.

For a fully comprehensive view of our sustainability strategy and performance, this statement should be read in conjunction with our ESG-related disclosures in our 2025 Annual Report and Corporate Governance Report.

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 2024 to 31 March 2025 (“FY2025”), 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 (3<sup>rd</sup> Edition)
- Task Force on Climate-related Financial Disclosures (“TCFD”), Application Guide for Malaysian Financial Institutions
- National Sustainability Reporting Framework (“NSRF”) which addresses the use of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures and the Sustainability Accounting Standards Board (“SASB”) Industry Standard

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 133 to 146.

## STATEMENT OF ASSURANCE

To maintain the credibility of our Sustainability Statement, we regularly review and assess the level of transparency of our disclosures. Several indicators have been subjected to a limited independent assurance by SIRIM QAS International Sdn. Bhd.



For further details of the scope of assurance, please refer to the Statement of Assurance on page 157.

## FEEDBACK

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

For further enquiries and feedback, please contact:

**Roy Heong Beng Wai**

Chief Sustainability Officer

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## INTRODUCTION TO ALLIANCE BANK

At Alliance Bank, we foster a robust sustainability culture within our Bank as well as our community. This is done through integrating sustainability into all aspects of our operations whilst simultaneously empowering our stakeholders to adopt ESG practices that generate value for their businesses, communities and the environment. Upon recognising the significant impact of climate change, we are committed to environmental stewardship and working towards a sustainable future for all. We aim to lead by example and hope to continue seeing success in our sustainability goals and aspirations.

## OUR PURPOSE, VISION AND SUSTAINABILITY POINT OF VIEW

We believe that sustainability is an extension of our brand purpose, and that banking should be more than just a transactional experience. Rooted in our Brand Purpose as The Bank for Life, we are deepening our commitment to sustainability through supporting our customers at every stage of their financial journey. Through various initiatives, we aim to encourage our customers to embrace ESG best practices. Furthermore, aligned with our mission of Building Alliances to Improve Lives, we aim to create a meaningful impact on sustainability in collaboration with our people, customers and community. We foster collaborations and ecosystems that drive financial and social empowerment for our people and planet.



## FY2025 Key Sustainability Performance Highlights

### ECONOMIC



**RM2.27 billion**

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

**Over 560 million**

approved under our Sustainability Impact Programme ("SIP")

**Over 1,000**

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

**RM14.4 billion**

in new sustainable banking business since FY2022 to FY2025

Maintained our **4-star FTSE4Good ESG Rating**, placing in the top quartile of PLCs in the FTSE Bursa Malaysia EMAS index

**96%**

of our procurement spent on local suppliers

Acted as a Joint Principal Advisor, Joint Lead Arranger and Joint Lead Manager for **Avaland Berhad's RM1 billion Sukuk Murabahah Programme**, which allows for Sustainability-Related Sukuk issuance

Partnered with Asia CarbonX Change Plt ("CarbonX") to **launch the Islamic Sustainability Financing Programme ("ISF Programme")**

Launched the **Sustainability Enhancement Programme ("SEP")**, with Bursa Malaysia, to improve sustainability performance and disclosures for public listed companies, alongside the Green Supply Chain Programme

**Rolled out the Sustainable Product Framework ("SPF")**

### ENVIRONMENT



**17.8% reduction**

in Scope 1 and Scope 2 greenhouse gas ("GHG") emissions against FY2020 baseline

**12.9%** decrease in energy consumption against FY2020 baseline<sup>3</sup>

Established our **Recyclable Waste Baseline** as **159,426kg**

**712 KG** of recyclables collected through IPC Recycling Drive with employees

Conducted **ESG enhancement and GHG calculation workshops** to 1,058 business attendees nationwide via our strategic partnership with UNGCMYB

Launched national ESG Report titled **"The Path to Sustainable Impact – Sectoral Insights of Malaysian SMEs (ESG 2.0 Report)"** by Minister of Natural Resources and Environmental Sustainability

Reduced C5a%<sup>2</sup> of portfolio to

**21.1%**

Conducted an ESG workshop for **53 of Alliance Bank suppliers** to support their sustainability transition

Jointly organised with the Malaysian Investment Development Authority ("MIDA"), our **carbon tax advisory workshop** for over 50 companies in impacted sectors

<sup>1</sup> Economic value generated from revenue.

<sup>2</sup> C5a refers to Bank Negara Malaysia's Climate Change and Principle-based Taxonomy ("CCPT") classification of businesses and transactions that do not demonstrate a commitment to remediate any harm caused nor any initiative to transition to more sustainable practice.



## FY2025 Key Sustainability Performance Highlights

## SOCIAL



**53%** of women holding managerial roles

Offered **flood relief assistance** and launched a fundraising campaign through the SocioBiz platform

**169,186** total training hours for employees

**Zero** work-related fatalities

Launched the **seventh edition of the AEIOU challenge** and expanded its **reach to approximately 39,270 schoolchildren**

**RM2.8 million** amount invested in communities, impacting over 44,500 lives

Provided **RM450,000 in no-cost microfinancing to 103 asnaf entrepreneurs** by partnering with LZS and AIM

**Zero** cases of non-compliance with labour standards

Organised the annual **Alliance Bank Heritage Run** for the second year.

**Zero** reported substantiated complaints concerning human rights violations

**90%** score in the Sustainable Engagement Index

Partnered with CGC Digital Sdn Bhd ("CGC Digital") to **launch The Alliance Digital SME Startup Financing**, a digital guaranteed scheme, to help new companies capitalise on their early growth opportunities

Empowered growth opportunities for entrepreneurs with **RM2 million in prize value, via our BizSmart® Challenge Programme**

## GOVERNANCE



**Zero** incidents of corruption

**7,420** hours of training on anti-bribery and corruption for our employees

**Zero** complaints concerning breaches of customer privacy

**Zero** reported cases of employee non-compliance with our Anti-Bribery and Corruption ("AB&C") policy



## Our Sustainability Journey

FY2020 and prior	FY2021	FY2022	FY2023
Exploratory and Initial Efforts		Foundation Building and Helping Customers with Sustainability Goals	
<ul style="list-style-type: none"> <li>We initiated community initiatives designed to strengthen financial resilience and well-being</li> <li>We have integrated ESG principles into our customer support frameworks in response to the growing need for businesses to mitigate their environmental impact</li> <li>We defined our sustainability purpose, governance, and strategy, formalising our sustainability journey</li> </ul>		<ul style="list-style-type: none"> <li>We focused on enhancing our sustainability capabilities, strengthening risk management and infrastructure, and improving sustainability disclosures</li> </ul>	<ul style="list-style-type: none"> <li>We continued to support our customers in adopting sustainable practices and facilitating their transition to a low-carbon economy</li> <li>In FY2023, we set sustainability goals, established thought leadership, and supported our customers in navigating the evolving ESG landscape</li> </ul>

## EMBEDDING ESG AT THE HEART OF OUR

<ul style="list-style-type: none"> <li>Constituent of the FTSE4Good Bursa Malaysia (F4GBM) Index since 2015</li> <li>Launched "SocioBiz"<sup>1</sup></li> <li>Supported green business initiatives through the Eco-Biz Dream Project</li> </ul>	<ul style="list-style-type: none"> <li>Established the Sustainability Steering Committee ("SSC")</li> <li>Developed the Sustainability Framework</li> <li>Performed BNM Climate Change and Principle-based Taxonomy ("CCPT") portfolio baselining</li> </ul>	<ul style="list-style-type: none"> <li>Established our Sustainability Strategy Framework (FY2022-FY2025)</li> <li>Established the Group Sustainability Committee ("GSC")</li> <li>Developed new sustainable business targets and sector exclusions</li> <li>Achieved RM2.1 billion in new sustainable banking business</li> <li>Established our GHG emissions baseline</li> <li>Rolled out an ESG Screener and ESG Risk Acceptance Criteria</li> </ul>	<ul style="list-style-type: none"> <li>Introduced Acceler8 2027 strategy</li> <li>Doubled our new sustainable banking business target to RM10 billion by FY2025</li> <li>Reduced the C5<sup>2</sup> proportion of our portfolio to 35%</li> <li>Announced a 20% reduction target in Scope 1 and 2 GHG emissions by FY2027 against the FY2020 baseline</li> <li>Strengthened our ESG thought leadership and sustainable financing propositions for businesses</li> <li>Developed an internal sustainability skills and competency framework</li> <li>Developed a supplier ESG due diligence checklist</li> </ul>
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## Our Sustainability Journey

FY2024	FY2025	FY2026 and Beyond
Securing Impact of Sustainability	To be The Bank for Life	Advancing Sustainability Impact
<ul style="list-style-type: none"> <li>We prioritised the enhancement of our risk management practices and development of our workforce's competencies, while developing tailored products and solutions for our customers</li> </ul>	<ul style="list-style-type: none"> <li>This year, we further integrated sustainability into our business strategies, processes, and operations, which enables us to support our customers in their transition</li> <li>We continue to fortify our approach in managing climate and environmental risks, to protect the Bank's and our customers' businesses, cultivating a strong sustainability culture within our Bank</li> </ul>	<ul style="list-style-type: none"> <li><b>Moving forward, we will continue to enhance our portfolio of sustainability solutions and expand opportunities in green and social financing</b></li> <li><b>Furthermore, we will continue to support our customers on their journey toward a low-carbon transition and the development of climate resilience</b></li> <li><b>We will further embed ESG considerations in our business and risk strategies and processes, while continuing to prioritise a strong sustainability-driven culture within our Bank</b></li> <li><b>Continue to accelerate our efforts towards achieving our Net Zero commitment by 2050</b></li> </ul>
BUSINESS AND OPERATIONS		
<ul style="list-style-type: none"> <li>Increased our sustainable business targets to RM15 billion by FY2027</li> <li>Rolled out the Bank's Sustainable Product Framework ("SPF") to enable sustainable finance offerings</li> <li>Enhanced management of climate-related risks</li> <li>Reduced the C5<sup>2</sup> proportion of our portfolio to 31%</li> <li>Developed and rolled out our Net Zero Roadmap</li> <li>Advanced emissions profiling and reduction efforts</li> <li>Improved our FTSE4Good ESG Rating</li> <li>Established key ESG partnerships and affiliations</li> </ul>	<ul style="list-style-type: none"> <li>Achieved RM14.4 billion in total sustainable banking business</li> <li>On track to achieve a C5a<sup>2</sup> portfolio proportion of less than 20% by FY2030</li> <li>On track to achieve 20% reduction in Scope 1 and 2 GHG emissions by FY2027 against our FY2020 baseline</li> <li>Strengthened our climate and environmental risk management practices through scenario analysis</li> <li>Identified climate-related opportunities for our Bank</li> </ul>	

<sup>1</sup> 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.

<sup>2</sup> From 2024 onwards, BNM has replaced its C5 classification with C5a. C5a 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.



# Our Sustainability Approach

## Sustainability Strategy Framework








## Our Sustainability Approach

### Fulfilling our Sustainability Purpose

Driven by our commitment to make a positive environmental and social impact, we are strengthening our sustainability management practices to benefit the environment, our employees and our communities whilst simultaneously assisting our customers in adopting more sustainable business practices. Our Acceler8 strategy reinforces this commitment to build an ESG-focused organisation.

	<b>Consumers</b>	We promote sustainable living among our consumers by offering a range of sustainable financing products and services, empowering them to contribute towards a more sustainable future.
	<b>Employees</b>	Our people are at the heart of the Bank's sustainability efforts. We are dedicated to fostering an engaged workforce that recognises the importance of sustainability and its influence on our business, the communities we support, and the well-being of our planet. By promoting education, empowerment and collaboration, we aim to cultivate a shared sense of responsibility and inspire impactful actions toward a more sustainable future.
	<b>Business Customers/Partner</b>	We believe that ESG proficiency can offer a competitive edge to our business customers. To support this, we aim to help businesses develop profitable solutions through our distinctive 3As Approach - "Advocacy," "Advice," and "Answers." In doing so, we empower our customers and partners to give back to both the community and the planet.



### ABMB's Progress Towards Net Zero

Alliance Bank affirms our sustainability commitment towards net zero, which continues to underscore our commitment to supporting both the Bank and our customers in their sustainability journey, transitioning towards a lower carbon footprint and a more sustainable future.

**We have embarked on our journey towards Net Zero through a high-level roadmap which is structured around two broad phases:**

- **Phase 1** focuses on maximising customer engagement to obtain data on customer's decarbonisation plans and targets. This phase also aims to enhance our database and quality of our data, which is critical in informing our sustainability strategies.
- **Phase 2** will build upon these foundations to define and implement the Bank's longer-term strategy towards achieving Net Zero Emissions by 2050.

Key milestones achieved:

<b>1</b> <b>Calculation of Financed Emissions:</b> We have calculated our baseline financed emissions and subsequently, for FY2024 and identified 8 high-emitting sectors within our portfolio namely palm oil, construction, real estate, iron and steel, forestry & logging, power generation, oil & gas and coal. This serves as a crucial foundation for setting meaningful targets and tracking our progress. More information on our financed emissions results coverage, including our retail and financial markets segments can be found in our corporate website Our Environment   Alliance Bank Malaysia.	<b>2</b> <b>Targeted Customer Engagement:</b> We shortlisted the top 100 high-emitting customers across three pilot sectors. These customers remain our top priority, with the goal of supporting them in developing decarbonisation plans and setting reduction targets.	<b>3</b> <b>Equipping Our Front-liners:</b> Recognising the importance of equipping our front-liners for effective customer engagement, we are developing a suite of tools, including handbooks and dedicated training programmes to support our relationship managers in these efforts. These initiatives aim to build internal capability and ensure we can meaningfully support our customers with their decarbonisation journey.
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The Bank's Net Zero Roadmap is, however, also dependent on several factors such as evolving government policies, technology developments, data availability and quality. This roadmap represents our steadfast commitment and fiduciary duty to both the broader environment and our customers, as we work to achieve our overall Net Zero 2050 commitment.

## Our Sustainability Approach

### Executing Our Sustainability Strategy

Our three topline goals guide our sustainability purpose and strategy, where we have made significant progress towards achieving them.

Sustainable Business	Sustainable Society	Sustainable Workplace
 <b>Grow our sustainable banking business</b>	 <b>Help our customers adopt sustainable lifestyles and business practices</b>	 <b>Reduce the Bank's greenhouse gas ("GHG") emissions footprint</b>
Target		
Achieve RM15 billion in new sustainable banking business by FY2027 since FY2022 to FY2025 <sup>1</sup>	Ensure C5a% <sup>2</sup> of portfolio is <20% by FY2030	Reduce Scope 1 and 2 GHG emissions by 20% by FY2027 against our FY2020 baseline
Approach		
<p>As part of Alliance Bank's Sustainability Strategy Framework, growing our sustainable banking business is a key measure of progress. To achieve this, we tailored engagement strategies for Corporates, SMEs and Consumers, offering advocacy, advice and practical solutions. We also formed strategic partnerships with leading businesses and NGOs to support the growth of our sustainable portfolio.</p> <p>Moving forward, we will continue to focus on providing relevant banking solutions, innovative products and a strong customer experience within our sustainability strategy.</p>	<p>Our focus on sustainability adoption is driven by the value we offer our customers. Through a network of green technology partners, we provide advisory services and solutions that drive cost efficiencies and growth, supporting customers in their transition journey.</p> <p>We continue to enhance our product offerings for both retail and non-retail banking to meet diverse needs, while investing in workforce training to better support our customers on their sustainability journey. Delivering positive social impact remains a key priority in our framework.</p>	<p>As we work towards our Net Zero goals, our approach focuses on reducing the Bank's GHG emissions footprint, including our employees, supply chain and, importantly, our customers' financed emissions. To achieve this, we emphasise the adoption of green technology, operational efficiency and fostering a sustainable culture among our employees.</p> <p>Additionally, with support from external partnerships, we will continue collaborating with customers in high-emission sectors to develop and implement sector-specific decarbonisation roadmaps and initiatives.</p>
Achievement as of FY2025		
Achieved RM14.4 billion in new sustainable banking business since FY2022	C5a%* of portfolio was reduced to 21%, on track to achieve our FY2030 target of 20%	Reduced emissions by 17.8% against our FY2020 baseline
Our Key Efforts		
<ul style="list-style-type: none"> <li>Developed new sustainable financing propositions for businesses</li> <li>Rolled out the Sustainable Product Framework ("SPF")</li> <li>Achieved over RM560 million approval under the Sustainability Impact Programme ("SIP")</li> <li>Signed Memorandum of Understanding ("MOU")s with key partners for Green Supply Chain Programme</li> <li>Engaged over 30 public listed companies ("PLCs") to reduce their supply chain carbon footprint as part of the Bank's Green Supply Chain Programme</li> </ul>	<ul style="list-style-type: none"> <li>Partnered with various organisations to help our customers understand and adopt sustainable business practices</li> <li>Commissioned ESG 2.0 'The Path to Sustainable Impact' with partners to understand ESG maturity levels and challenges faced by SMEs</li> <li>Generated over 1,000 climate reports as part of our Climate Assessment Tool (PROGRESS)</li> <li>Strengthened our sustainability and climate-related risk management to align with BNM's CRMSA</li> </ul>	<ul style="list-style-type: none"> <li>Upskilled our people and improved internal processes to be more sustainable</li> <li>Continued execution of the GHG emissions reduction strategy</li> <li>Calculated the Bank's Scope 3 financed emissions for 8 high emitting sectors for the second year</li> <li>Continued the implementation of our Net Zero Roadmap</li> <li>Achieved a 90% sustainability index score in our annual Voice of Employee survey, reflecting strong employee awareness of the Bank's ESG goals</li> <li>Conducted a workshop to help &gt;50 vendors and suppliers with awareness and understanding of ESG-related matters</li> <li>Established our Recyclable Waste Baseline as 159,426kg</li> <li>Collected 712 kg of recyclables through IPC Recycling Drive with our employees</li> </ul>

<sup>1</sup> New sustainable banking business target to be revised upon achievement.

<sup>2</sup> C5a refers to BNM's CCPT classification of businesses and transactions that do not demonstrate a commitment to remediate any harm caused nor initiative to transition to more sustainable practices.

## Our Sustainability Approach

By embedding our Sustainability Strategy Framework within the Acceler8 strategy, we have developed nine sustainability commitments that are progressively rolled out and updated when necessary. These commitments, which are linked to the Bank's material matters as outlined in the Materiality Matrix (page 61), act as key principles guiding our sustainability journey. We continue to actively engage with key stakeholders, as highlighted in the Key Stakeholder Engagement section (page 50 to 54), to capture a broad range of perspectives. Furthermore, these nine commitments enhance our contribution towards advancing the United Nations Sustainable Development Goals (UN SDGs).

The SDGs represent a set of interconnected global objectives established by the UN to drive efforts towards ending poverty, safeguarding the planet, and promoting peace and prosperity by 2030. Out of the 17 SDGs, the Bank has aligned its initiatives with the 15 goals most relevant to its business activities.



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



## Our Sustainability Approach

The table below presents the Bank's nine sustainability commitments and their alignment with our material matters and the UN SDGs. This integration strengthens our efforts to support and contribute more effectively to the global sustainability agenda.

Our Commitment	Description	UN SDGs Supported
Improve the ESG profile of our portfolio	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.	     
Enhance our risk management infrastructure	We have incorporated sustainability and climate-related risks as an integral part of our 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, CRMSA and Climate Risk Stress Testing (CRST).	 
Improve the Bank's ESG practices	We are constantly looking for opportunities to enhance sustainability and climate-related risk management including risk mitigation and reporting in alignment to BNM's CRMSA.	        
Improve our capability and engagement efforts	We are focused on improving our people's capability and engagement efforts related to sustainability at all levels, starting with our Board and Senior Management, who 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.	  



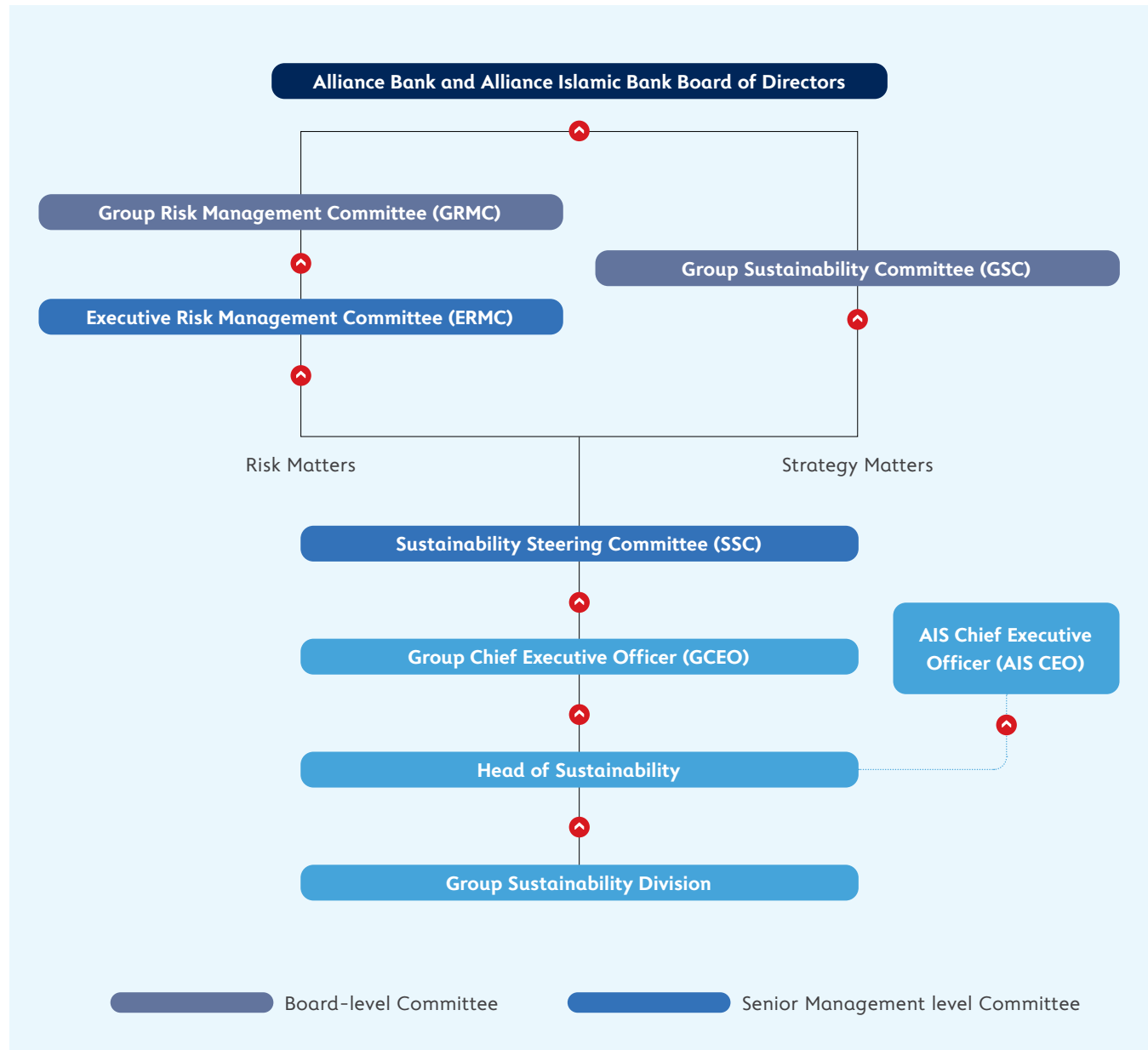
## Our Sustainability Approach

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.	17 PARTNERSHIPS FOR THE GOALS
Rollout sustainability solutions	We will continuously develop and offer sustainability solutions for our customers through various types of green/social financing, investment and advisory propositions.	1 NO POVERTY, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
Strengthen engagement and advocacy	We will advocate for sustainability through continuously developing our internal capabilities and increasing our sustainability communications and brand presence.	8 DECENT WORK AND ECONOMIC GROWTH
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 to BNM's CRMSA.	13 CLIMATE ACTION
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.	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 13 CLIMATE ACTION

# Upholding Strong Governance Practices for Sustainable Growth

## Sustainability Governance

In line with our commitment to sustainability, we implemented a governance structure in 2021 to guide our sustainability efforts. This framework has been instrumental in driving progress towards our sustainability goals while embedding sustainability considerations into our decision making. It also enhances our ability to manage climate-related risks and evaluate opportunities, carefully considering their trade-offs.





## Upholding Strong Governance Practices for Sustainable Growth

### Board-level Oversight

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

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

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

The GSC is the dedicated Board-level sustainability committee to support the Board in the governance of sustainability and climate-related matters of the Group, and ensures the Group's strategies, goals and principles pertaining to sustainability are aligned with the Group's sustainability commitments.

The GSC is chaired by Ms Susan Yuen Su Min (Independent Director of Alliance Bank, and its members are Ms Cheryl Khor Hui Peng (Independent Director of Alliance Bank), Mr Chia Yew Hock Wilson (Non-Independent Non-Executive Director of Alliance Bank) and Dato' Ahmad Hisham bin Kamaruddin (Independent Director of Alliance Islamic Bank).

The GSC's primary responsibilities are:

- To review and recommend to the Board for approval of sustainability strategies, priorities and targets proposed by Management, which takes into account environmental risks and opportunities including but not limited to risks and opportunities arising from climate change.
- To provide oversight on integration of sustainability and climate-related risks with existing risk management infrastructure, to safeguard the Bank's resilience against the adverse impacts of climate change.
- To provide oversight and input to management to ensure that the Group's strategies, goals and principles pertaining to sustainability are aligned with, promote and encourage the Group's commitment towards sustainability.
- To review issues relating to sustainability arising from independent audits, assurance reports, and any matters on sustainability that are highlighted by regulators or consultants.

#### 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 operations of the Group's remuneration system, 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.

## Upholding Strong Governance Practices for Sustainable Growth

Management of Sustainability	
Sustainability Steering Committee (“SSC”)	
<p>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.</p> <p>The SSC recommends sustainability-related frameworks, policies, goals, metrics and initiatives to the GSC for review and endorsement/approval.</p> <p>The SSC is chaired by the Group Chief Executive Officer (“GCEO”) and comprises the Senior Management with key leads from the relevant divisions involved in the sustainability workstreams. It convenes at least quarterly, or as and when required, and provides regular reports on the Bank’s sustainability initiatives to the GSC and Board.</p>	
Executive Risk Management Committee (“ERMC”)	
<p>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.</p>	
Sustainability Execution	
Group Chief Executive Officer (“GCEO”)	Alliance Islamic Bank Chief Executive Officer (“AIS CEO”)
<p>The GCEO provides oversight on the integration of sustainability and climate-related matters across the Bank’s strategy, frameworks, policies and processes.</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>
Head of Sustainability	Sustainability Workstreams
<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>Five sustainability workstreams comprising of all business units and various support functions (such as Group Risk Management, Group Credit, Group Finance, Group Human Resource, Group Strategy and Transformation), catalysed and coordinated by the Group Sustainability Division, 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 can be found in the Corporate Governance section on page 204, and on our Corporate Governance website ([Corporate Governance | Alliance Bank Malaysia](#)).

## Upholding Strong Governance Practices for Sustainable Growth

### Sustainability Target Operating Model

To ensure continued alignment with evolving industry standards and effectively advance the Bank's sustainability agenda across all operations, the Bank recognises the importance of refreshing and future-proofing its Sustainability Target Operating Model ("TOM"). In line with this, the Bank is taking proactive steps to address existing gaps in resourcing its climate-related activities by conducting competency and resourcing analysis. Strengthening our foundational capabilities through targeted upskilling initiatives for our employees remains a key priority, supporting our long-term ambition to be The Bank for Life and embedding sustainability into our culture and operations.

### 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 banking business and operations. We have embedded these risks into our internal control frameworks across the three lines of defense to ensure the robust management of material climate-related risks.

The Enterprise Risk Management Framework provides a governance and overarching risk management architecture for managing risks arising from banking business and operations.



Further details of our approach to sustainability-related and climate-related risks can be found in the Addressing the Challenge of Climate Change section of this report in page 113.

Board of Directors		
<ul style="list-style-type: none"> <li>Board-level Committees - GSC, GRMC</li> <li>Management-level Committees - SSC, ERM</li> </ul>		
1 <sup>st</sup> Line of Defence	2 <sup>nd</sup> Line of Defence	3 <sup>rd</sup> Line of Defence
<ul style="list-style-type: none"> <li>Lines of Business</li> <li>Support Units</li> </ul>	<ul style="list-style-type: none"> <li>Group Risk Management</li> <li>Group Compliance</li> <li>Shariah Review</li> </ul>	<ul style="list-style-type: none"> <li>Group Internal Audit</li> </ul>
<p>Business units are the primary risk owners, responsible for managing risks within the Bank's business activities, aided by Business Support functions</p>	<p>Group Risk Management is responsible for identifying, measuring, controlling, monitoring, reporting and disclosing the Bank's overall risk exposures through the various risk management frameworks, policies, strategies, methodologies, techniques and risk tolerances.</p> <p>Group Compliance is responsible for developing and maintaining the Group Compliance Framework, compliance policies and procedures as well as reviewing the adequacy of the Bank's internal controls and mitigation measures to manage compliance risk.</p> <p>Shariah Review Team, under Group Compliance, conducts reviews on the operations of Alliance Islamic Bank Berhad to ensure its products comply with Shariah principles. Review results and any identified non-compliances are reported to Alliance Islamic Bank Berhad's Shariah Committee.</p>	<p>Group Internal Audit is responsible for conducting independent assessment and providing assurance on the adequacy and effectiveness of the Bank's internal controls related to processes, risks and governance functions.</p>



## Upholding Strong Governance Practices for Sustainable Growth

### Embedding ESG-linked Remuneration to Senior Management Performance

The Bank's overall performance is measured using the balanced scorecard approach. It encompasses metrics that are based on the Bank's key financials and franchise building, focusing on medium to longer-term strategic initiatives and the sustainability agenda, incorporating ESG elements into employee key performance indicators ("KPIs"). The climate change and sustainability KPIs covering new sustainable banking business, the reduction of the Group's greenhouse gas emissions and proportion of the C5a portfolio are integrated into the Group's corporate scorecard.

This scorecard directly influences the performance evaluations and remuneration of the Group CEO, Senior Management and key sustainability champions as well as subject matter experts ("SMEs"). The Board sets the tone from the top by reviewing and approving the Group's balanced scorecard, while the Group Sustainability Committee ("GSC") provides oversight on the sustainability and climate related goals, performance measures, strategic plans and implementation to ensure we uphold our commitments and deliverables of the sustainability KPIs.

Additionally, the executive remuneration structure incorporates the Bank's performance in sustainability and climate-related goals, influencing short-term incentive bonus funding at the group, division and individual levels. A long-term incentive plan, which may include the Bank's key sustainability and climate-related goals, is currently under review.

### Keeping Our Stakeholders Informed

The Bank maintains constant and effective communication with our stakeholders on corporate information, including climate change and sustainability matters, through quarterly briefings and online platforms such as our corporate website. The Investor Relations team engages with the investing community to provide consistent, accurate, transparent and timely information. Briefings for analysts are conducted every quarter in conjunction with the release of the quarterly financial results to facilitate active dialogue between the Bank's key Senior Management and the investment community. These briefings include information about the Bank's sustainability progress towards its sustainability goals. Furthermore, our sustainability disclosures can be found on our website, and we regularly respond to enquiries regarding sustainability matters from regulators, rating agencies and the public.



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



Building an ESG-focused organisation is a top priority under our business strategy, Acceler8. We are committed to generating ongoing value creation for the Bank and our stakeholders through embedding sustainability in our business strategy and daily operations through a top-down approach.

Recognising our leadership in the financial services industry, we are dedicated to creating sustainable financing options that generate economic value for our stakeholders. We aim to grow our sustainable banking business to RM15 billion by FY2027 by offering tailored solutions to our customers to help support them in their transition and better equip them to adapt and mitigate against the challenges of climate change.

### Driving Sustainable Finance

**FY2025:**  
**RM14.4 billion**

*FY2024: RM12.6 billion*

*FY2023: RM8.1 billion*

**Grow RM15 billion in new sustainable banking business by FY2027\***

Material Matters	FY2025 Achievements
<b>Sustainable and Responsible Financing</b>	<ul style="list-style-type: none"> <li>• Sustainability Impact Programme (“SIP”) provided more than RM560 million in financing to support business clients’ sustainability transitions</li> <li>• Launched the Sustainability Enhancement Programme (“SEP”), with Bursa Malaysia, to improve sustainability performance and disclosures for public listed companies, alongside the Green Supply Chain Programme</li> <li>• In FY2025, AIS acted as the Lead Manager for the following sustainable bonds &amp; sukuk: <ul style="list-style-type: none"> <li>- A sustainability-linked sukuk for a public listed company; and</li> <li>- A medium-term note aligned with the International Capital Market Association (“ICMA”)’s Sustainability-linked Bond principles</li> </ul> </li> <li>• Acted as a Joint Principal Advisor, Joint Lead Arranger and Joint Lead Manager for Avaland Berhad’s RM1.0 billion Sukuk Murabahah Programme and supported their inaugural issuance of sustainability sukuk amounting RM300.0 million</li> <li>• Received sustainability awards for helping businesses transition to greener practices, including: <ul style="list-style-type: none"> <li>- Qorus Reinvention Awards Asia Pacific 2025 - Silver winner for SME Bank of the Year;</li> <li>- ASEAN Banking Awards 2025 - ESG Award;</li> <li>- ESG Business Awards 2024 - Cross-Sector Collaboration Award; and</li> <li>- Qorus Best SME Banking Awards 2024 - Gold winner for SME Partnership of the year.</li> </ul> </li> </ul>

\* New sustainable banking business target to be revised upon achievement.

## Sustainable Business

Material Matters	FY2025 Achievements
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>Partnered with Asia CarbonX Change Plt (“CarbonX”) to launch the Islamic Sustainability Financing Programme (“ISF Programme”), including the Low Carbon Transition Facility-i</li> <li>Signed a Memorandum of Understanding (“MOU”) with Solarvest to accelerate green financing and renewable energy projects in Malaysia</li> </ul>
<b>Business Continuity and Risk Management</b>	<ul style="list-style-type: none"> <li>Reduced the C5a*% of our portfolio to 21.1%. We are on track for the achievement of our Topline Goal 2: Ensure C5a% of portfolio is &lt;20% by FY2030</li> </ul>
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>Total number of digital users (online and mobile) reached 769,345, indicating a 10.9% increase compared to FY2024</li> <li>Expanded Virtual Credit Cards (“VCC”) offerings: <ul style="list-style-type: none"> <li>Integrated with Samsung Pay and Google Pay</li> <li>Ability to directly apply for the VCC via the MetaFin Digital App, Malaysia’s first DIY digital platform for insurance and personal financial services</li> <li>Manage and pay maintenance fees, rental charges and subscriptions to popular platforms such as Netflix through the MyTaman App</li> </ul> </li> </ul>
<b>Digitalisation</b>	<ul style="list-style-type: none"> <li>Partnered with CGC Digital Sdn Bhd (“CGC Digital”) to launch The Alliance Digital SME Startup Financing, a digital guaranteed scheme, to help new companies capitalise on their early growth opportunities</li> <li>The Bank Statement Analyser (“BSA”), a sophisticated AI-drive tool was introduced to improve customer experience and streamline the financial processes. The tool aims to refine our credit approach, enabling faster, better and more personalised banking solutions for MSMEs</li> <li>We also launched the eKYC project targeted to sole-proprietors and Sdn Bhd companies, to seamlessly onboard customers digitally, providing convenience, paperless and a hassle-free customer experience</li> </ul>
<b>Customer Data Privacy</b>	<ul style="list-style-type: none"> <li>Maintained strong data security with no major breaches reported throughout the year</li> <li>Successfully implemented year-round programmes to enhance continuous learning and staff awareness on compliance and customer data protection, including e-learning modules, branch roadshows, and internal communications</li> </ul>
<b>Economic Performance</b>	<ul style="list-style-type: none"> <li>Increase in revenue to RM2,269.9 million</li> <li>Increase in total economic value distributed to RM1,742.5 million</li> <li>Increase in total economic value retained to RM527.5 million</li> </ul>

\* From 2024 onwards, BNM has replaced its C5 classification with C5a. C5a 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.

## Sustainable Business

## INTEGRATING SUSTAINABLE AND RESPONSIBLE FINANCING

We help new and existing customers address challenges such as climate change through financing.

**Relevant material matters:**

- Sustainable and Responsible Financing
- Climate Change
- Business Continuity and Risk Management

Our strategy's focus on sustainability continues to guide our long-term direction of ensuring our products and services deliver positive impacts across all stakeholder groups, including customers, communities, and the environment. We partner with customers to fund environmentally sound projects and support their shift to a low-carbon future through managing environmental risks. In implementing our strategy to manage sustainability risks and opportunities, our customer assessments now include environmental factors, and we provide sustainable financing products, ESG advisory and green technology solutions to facilitate their transition. These practices are aimed at mitigating physical, financial and transition risks for both our stakeholders and the Bank itself.

Our Business Banking Team works in close coordination with the Group Strategy and Transformation Team to actively promote Sustainable Financing and conduct educational roadshows for customers seeking to enhance their business operations and sustainability awareness. This collaborative effort supports high carbon-emitting industries in embarking on a sustainable business transition towards lower carbon emissions, while providing lower-emitting industries with insights into relevant best practices. As a result of these initiatives, our momentum for green financing has been on the rise.

**The Sustainable Product Framework**

In 2023, we established our Sustainable Product Framework ("SPF") to lay the foundation for a phased approach to managing sustainability across the Bank's operations. The SPF is designed to strengthen our internal capacity and infrastructure to support customers in achieving their sustainability goals.

The framework defines the scope of eligible facilities and serves as a guide to direct financing activities towards sustainable outcomes. In doing so, it reinforces our commitment to facilitating our customers' transition to a low-carbon economy, while aligning with the Bank's asset growth targets and overall sustainability ambitions.

Recognising that our business resilience is closely linked to our customers' ability to manage climate-related risks, we have integrated periodic customer assessments into our lending practices. The business units, in collaboration with the Strategic Partnerships & Innovation team, engages directly with clients to understand their ESG challenges and to propose practical improvement or mitigation measures.

To further embed climate considerations into our core processes, Relationship Managers ("RMs") conduct ESG reviews during onboarding and on a periodic basis using the Climate Change and Principle-Based Taxonomy ("CCPT") Screener developed by Group Climate and Sustainability Risk. This tool enables us to classify customers' economic activities in terms of their contributions to climate change mitigation and adaptation, while gaining deeper insight into their readiness for a low-carbon transition. To ensure consistency and independence in the assessment, Group Credit performs a separate review of the CCPT classification for each facility, in alignment with the CCPT Screener.

The SPF has also driven progress in the creation of sustainability-linked offerings, such as sustainability-linked loans for our corporate business units and green government scheme SME loans.

Looking ahead, we aim to broaden the SPF's integration across the organisation and strengthen internal capabilities for effective implementation. This will be supported by ongoing training and awareness-building efforts. We will also continue to track evolving market trends and regulatory changes to ensure the framework remains effective and aligned with best practices.



## Sustainable Business

### Driving Sustainable Financing Propositions

In alignment with our commitment to driving sustainability initiatives within the industry, we have developed and launched innovative sustainable financing products and propositions to help facilitate sustainable adoption among Malaysian business whilst growing our sustainable banking portfolio. Sustainability is a core aspect of our long-term strategy, ensuring our offerings benefit customers, communities and the environment.

Since FY2023, we have leveraged the Low Carbon Transition Facility (“LCTF”) by Bank Negara Malaysia to empower SMEs with sustainable solutions. Through this, we have launched a collateral-free solar panel financing scheme with loans up to RM10 million at preferential interest rates and a loan tenure of up to 10 years, as well as extended financing options to customers installing rooftop solar panels, providing a zero-cost option by supporting Registered Solar Photovoltaic Investors (“RPVI”). Alongside these initiatives, we also offer financial support for bioenergy and wastewater projects, therefore significantly boosting sustainability practices and facilitating the transition of local SMEs.

In FY2025, our Sustainability Impact Programme (“SIP”) provided over RM560 million in financing to support business customers sustainability transitions. This included over RM110 million via our Green Supply Chain Programme with major corporations.



### Solarvest and Alliance Bank Forge Strategic Partnership to Accelerate Green Financing & Renewable Energy Projects in Malaysia

Alliance Bank has partnered with Solarvest, a leading clean energy solutions provider, to accelerate the adoption of sustainable energy solutions in Malaysia. Through this partnership, Solarvest will leverage its expertise by identifying and introducing potential customers as well as providing technical support for clean energy projects, while we will contribute through providing tailored financing schemes and acting as the primary banking partner.

The signed Memorandum of Understanding (“MOU”) details a collaborative framework where Solarvest will connect Alliance Bank with potential customers seeking green financing for commercial, industrial and large-scale solar ventures. Correspondingly, Alliance Bank will develop preferential financing options for Solarvest’s renewable energy projects, provide ESG guidance and support project funding and financial viability assessments.

Both parties organised a series of nationwide workshops to help businesses understand the potential benefits of leveraging renewable energy and raising awareness on the latest technologies available along with green financing to support solar project implementations.



## Sustainable Business

## Transitioning Customers

We remain committed in our journey towards Net Zero and acknowledge that we play a vital role in facilitating our customers' transition. We have reduced the C5a% of our portfolio to 21.1%, and are on track for the early achievement of our Topline Goal 2: Ensure C5a% of portfolio is <20% by FY2030. Moving forward, we intend to continue supporting our customers in improving their CCPT classification and with their transition financing needs, whilst assisting them in their journey towards a low-carbon economy.

As the Bank closely monitors our customers in ESG-sensitive sectors, moving forward, we plan to begin identifying key customers that are exposed to transition risks due to upcoming regulations, such as carbon pricing, as well as physical risks, such as flooding. The Bank also plans to continue building capabilities through enhanced training for Relationship Managers to equip them with the expertise and tools necessary to effectively support our customers in their transition and ultimately foster long-term partnerships.

## Green Mortgage

We are accelerating sustainable community development through strategic alliances with leading developers—including UEM Sunrise, Sunway Property, Malton, IJM Land, Eastern & Oriental, Avaland, Gamuda Land, Mah Sing, SkyWorld and UOA. Our tailored green mortgage solutions offer preferential interest rates and expedited approvals, designed to empower eco-conscious homeownership. Building on this momentum, we are now extending these initiatives to commercial properties, driving sustainability across Malaysia's real estate landscape.

## SME Express Loan ("SXL")

To make sustainable initiatives more accessible and affordable for SMEs, we offer financing solutions for up to RM2,000,000 with flexible repayment tenures of up to 10 years and a simplified, hassle-free application process.

## PROGRESS Tool

To support SME climate action, we launched our PROGRESS digital Tool (PROmoting Green REsilient & Sustainable SMEs) in FY2024 via a collaboration with the UN Global Compact Network Malaysia & Brunei ("UNGCMYB"). The tool conducts peer benchmarking and generates a personalised climate transition plan to help facilitate SMEs on their sustainability journey. Depending on the SME's climate maturity, they can benefit from preferential green loan rates and working capital financing from the Bank. In FY2025, the tool was enhanced with a new Corporate Dashboard feature, providing corporate customers participating in the Bank's green supply chain programme with a comprehensive overview of their suppliers' climate performance. This enables them to make more informed decisions and supports the development of effective decarbonisation strategies.

## Green Loan

Our Corporate Banking division has reached a key sustainability milestone by providing a green loan to a leading property developer. This loan, aligned with green loan principles, support the development of an environmentally friendly property featuring energy-efficient designs and sustainable materials. Furthermore, the developer aims to achieve GreenRE Gold Rating. Through funding and supporting projects as such, we aim to mitigate the environmental impact as well as promote responsible business practices within the property sector.

## Sustainable Business

### Sustainability Impact Programme (“SIP”)

The Sustainability Impact Programme (“SIP”) supports customers in transitioning and maximising emerging sustainability opportunities using a 3As approach: Advocacy, Advice and Answers.

 Advocacy	 Advice	 Answers
Promote awareness through thought leadership, research, impactful events and initiatives to foster ESG practices among our customers, partners, employees and the community.	Partnerships with industry experts to deliver capacity building, advisory and practical tools that will ensure our customers are ESG ready.	Delivering green banking and beyond banking solutions that are tailored to support our customers in their transition to a low-carbon economy.

Through **Advocacy**, we educate on the importance of ESG adoption and how impactful it can be on their businesses. We provide **Advice** on capacity building and practical tools, such as PROGRESS, which offers climate assessments and transitions plans. **Answers** encompasses both banking and beyond banking solutions including financing and green technology offerings at preferential rates.

This programme is designed to boost Malaysian businesses’ profitability, efficiency and global competitiveness and is strengthened through partnerships with organisations, such as the UN Global Compact Network Malaysia & Brunei, Bursa Malaysia, Malaysian Green Technology and Climate Change Corporation, GreenRE and others.

Our SIP is designed to assist our customers in transitioning to more sustainable business practices to ensure they remain competitive. Our relationship managers and strategic partnerships team regularly engage with our customers to develop targeted solutions, including supply chain improvements, based on the challenges identified. Throughout the engagements, we offer assistance in areas such as climate actions, waste and pollution management, supply chain decarbonisation and social impact. We are also committed to expanding our solutions to include ecosystem preservation and biodiversity.

### Sustainability Enhancement Programme (“SEP”)

With the support from Bursa Malaysia, Alliance Bank has developed the SEP, expanding on our successful collaboration on Bursa Malaysia’s Centralised Sustainability Intelligence (“CSI”) solution. The programme aims to support Public Listed Companies (“PLCs”) on the ACE market and newly listed companies that adopt Bursa Malaysia’s CSI solution to improve their ESG rating and prepare for sustainability disclosure requirements.

Participating companies can access the SEP offerings upon fulfilling the Bank’s financing requirements and by subscribing to the CSI solution. This includes a comprehensive FTSE4Good Assessment and Optimisation Report that identifies gaps, benchmarks performance and provide tailored solutions that enable companies to improve their FTSE4Good ratings. Furthermore, the programme also offers an AI-powered sustainability report generator and preferential banking incentives.

To help participating companies to integrate sustainability into their supply chains, the SEP also offers valuable resources such as climate assessments and ESG training to develop greener operations. The Bank has allocated RM1 billion in preferential funding for SME suppliers to PLCs that have signed up for the CSI Solution, incentivising sustainability improvements and disclosures. To be eligible, PLCs must register with Bursa Malaysia’s CSI Solution and establish a banking relationship with Alliance Bank through financing or deposits.



## Sustainable Business



## Driving Innovative Sustainable Financing Solutions

To empower SMEs in their sustainability journey, Alliance Islamic Bank has partnered with Asia CarbonX Change Plt (“CarbonX”) to launch the Islamic Sustainability Financing Programme (“ISF Programme”), including the Low Carbon Transition Facility-i.

The purpose-built sustainability programme offers green and transition financing solutions to help SME businesses in their sustainability journey, reduce carbon emissions and acquire Renewable Energy Certificates (RECs). Through this partnership, CarbonX will act as an intermediary and facilitate the acquisition and registration of RECs for solar or other RE financing customers, enabling them to confidently claim renewable energy usage, reduce Scope 2 emissions as well as offer the customers the opportunity to monetise their RE attributes via RECs.

This partnership represents our commitment to building an ESG-focused organisation through developing innovative sustainable financing solutions to empower and encourage businesses to adopt sustainable practices, reduce their carbon footprint and enhance their competitiveness in the global market.



## Fostering Partnership in Sustainable Finance Programme

Alliance Islamic Bank and AmlInvestment Bank Berhad have become the Joint Principal Advisors, Joint Lead Arrangers and Joint Lead Managers for Avaland Berhad’s RM1.0 billion Islamic Medium-Term Notes (“Sukuk”) programme.

In accordance with the Securities Commission (“SC”) Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (“LOLA Guidelines”), the Sukuk Programme will enable the award-winning property developer to issue Sustainable and Responsible Investment (“SRI”) Sukuk, ASEAN Sukuk, SRI-linked and ASEAN sustainability-linked Sukuk to fund amongst others, sustainable developments, land acquisition and capital expenditures.

Avaland Berhad intends to utilise this new programme to fund future launches in its three brand tiers:

- AVA Luxe: an upscaled luxury brand offering a high-end and prestigious development;
- AVA Prime: a brand catering to the middle-income segment with great emphasis on lifestyle and wellness; and
- AVA Risa: an affordable housing solution.

RAM Rating Services Berhad assigned the Sukuk Programme a long-term credit rating of AA3 with a stable outlook, reflecting Avaland’s successful transformation and strong earnings visibility supported by RM852 million in unbilled sales as of 31<sup>st</sup> March 2024.

We are proud to have been able to support Avaland Berhad in their sustainability journey and are confident that the sustainability sukuk issuance will create long-term generational value for its buyers and the wider community. Our Corporate Bonds & Sukuk team bring deep industry and product expertise and we hope to continue offering our customers tailored sustainable financing options, aligning with our commitment to make a positive impact to all stakeholders.



## Sustainable Business

### ADVANCING THE CUSTOMER EXPERIENCE

We ensure GREAT customer experience through innovation and operational excellence.

#### Enhanced Customer Experience through Digitalisation

#### Relevant material matters:

- Customer Experience
- Digitalisation

Alliance Bank is dedicated in providing outstanding customer experience. Our Alliance Customer Promise, which is built on five core principles known as G.R.E.A.T - Good Advice, Relevant Solutions, Ease, Accuracy and Timeliness - ensures we consistently meet our customers' expectations. It empowers our employees to consistently deliver on our brand promise, whether through product adoption, digital channels, or employee engagement, we ensure every interaction reflects our commitment to superior customer service.

Our complaint management process prioritises timely and effective resolutions, supported by data-driven insights. In FY2025, we achieved an average resolution time of three working days, consistently delivering satisfactory outcomes to customers. Additionally, we have a closed-loop feedback system that enables close collaboration with stakeholders to address issues promptly and prevent recurrence, resulting in 67 process improvements implemented during the year. Complaint trends are reported monthly to the Management Committee and biannually to the Board, ensuring strong oversight of efforts to address customer concerns and uphold high service quality standards.

We continue to drive digitalisation to stay ahead, using technology to promote sustainable practices and enhance customer experience. Our fully digital e-KYC solution enables customers to open savings accounts or apply for loans and credit cards via our allianceonline mobile app, eliminating the need for branch visits. The Branch-in-a-Tablet initiative allows Relationship Managers to open accounts and process loans at customers' preferred locations, while businesses benefit from a streamlined '1-day, 1-visit' service.

Our digital initiatives continue to gain traction, as seen in the growing usage of our mobile and online platforms. In FY2025, overall digital banking users rose by more than 10% year-on-year (YOY), while active mobile app users increased by 6% YOY—demonstrating strong customer adoption and engagement across our digital ecosystem.

#### Total Number of Digital Users (Online and Mobile)

FY	Business Banking <sup>1</sup>	GCB	Total
<b>FY2025</b>	<b>66,171</b>	<b>703,174</b>	<b>769,345</b>
FY2024	63,418	630,028	693,446
FY2023	55,003	539,331	594,334
FY2022	47,442	463,997	511,439

#### Total Number of Active\* Mobile App Users

FY	Business Banking <sup>1</sup>	GCB	Total
<b>FY2025</b>	<b>54,511</b>	<b>256,855</b>	<b>311,366</b>
FY2024	49,115	245,331	294,446
FY2023	35,820	185,509	221,329
FY2022	19,071	132,497	151,568

\* Effective May 2024 reporting to BNM, the definition of 'active' is defined as users who have at least one (1) financial transaction made. Prior to 2024, 'active' was defined as users who have at least 1 login and user status is Active.

<sup>1</sup> Business Banking comprises of Group Business and Transaction Banking ("GBTB") and Group Corporate and Institutional Banking ("GCIB")

## Sustainable Business

**Virtual Credit Card (“VCC”)**

In April 2023, Alliance Bank Malaysia Berhad launched its Visa Virtual Credit Card (“VCC”), designed to offer a safer and more secure option for digital transactions through the introduction of a “Dynamic Card Number” (“DCN”) feature. Accessible via the allianceonline mobile app, the VCC enables users to generate an unlimited number of unique, one-time-use 16-digit card numbers for each online transaction—safeguarding their primary account from exposure and enhancing protection against fraud and data theft. Since its launch, the VCC has driven an 84% increase in credit card users, with more than 70,000 VCCs approved in FY2025—underscoring the importance of digital innovation and our commitment to sustainable banking.

In FY2025, we have continued to expand our VCC offerings through collaborating with MetaFin, Malaysia’s first DIY digital platform for insurance and personal financial services. Through this partnership, users can now enjoy direct application of the VCC via the MetaFin Digital App and thus, enhanced convenience and flexibility. Additionally, we have collaborated with MyTaman, a smart community security app, to enable MyTaman users to effortlessly manage and pay their maintenance fees, rental charges and subscriptions to popular platforms such as Netflix.

**BizSmart® Mobile App**

Business can use our BizSmart® Mobile App to manage their business account, submit and approve transactions remotely. It also enhances security through serving as a personalised security token for login validation and transaction authorisation, thus providing greater protection for our customers against financial scams and fraudulent activity.

Our app allows business owners to conveniently make employee salary payments and statutory contributions through employee pre-registration, while also enabling fixed deposit online placements and withdrawals. Our BizSmart® Chatbot, BOB, was developed to provide instant self-help via WhatsApp messaging 24/7, including weekends and public holidays. In FY2025, we further enhanced the app’s security by introducing a kill switch and a cooling-off period—key controls implemented to strengthen our fraud countermeasures in line with market best practices.

**BizSmart® eTrade**

Alliance Bank pioneered mobile trade financing in Malaysia with our BizSmart® eTrade platform. Our award-winning service allows for paperless submission, swift approvals, and disbursements of funds within 24 hours. Business owners can also manage their trade finance and payments remotely, 24/7, using their mobile phones.

Furthermore, we have recently expanded our platform to include a wider range of trade finance products and services, such as Letters of Credit and Bank Guarantees. Customers can now perform both domestic and international transfers to over 190 countries through eTrade transactions. In FY2025, we continued to enhance our offerings with the introduction of the Summary of Invoice feature, which allows customers to upload files for bulk eTrade applications—enabling the submission of up to 50 invoices in a single application and significantly improving the overall customer experience.

**Revolutionise SME Operational Processes**

To enhance our credit approach for MSMEs, our Digital SME team (“DSME”) has introduced the Bank Statement Analyser (“BSA”). This advanced tool uses analytic algorithms to streamline operations and is part of our ongoing strategy to make banking solutions faster, better and more personalised in order to broaden financial access for more MSMEs. The BSA has played an instrumental role in the launch of our Straight Through Processing (“STP”) business loan initiative aimed at digitalising the loan application and approval process from start to finish with same-day approvals.



## 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 about our products and services which is foundational to our customers' 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 to ensure that our interactions with customers are conducted with fair treatment and consideration for their best interests.

To gauge customer loyalty and their likelihood of recommending our products and services, we utilise the Net Promoter Score (NPS). This strategic tool allows us to assess the effectiveness of our customer relationship strategy and ensures that we consistently meet and exceed customer expectations. Through the NPS results, we are able to pinpoint areas for improvement and implement strategic measures to address any customer concerns and enhance overall customer satisfaction levels.

In FY2025, the Bank achieved a composite Net Promoter Score ("NPS") of 39, marking a 6-point increase from the previous year. This notable improvement reflects our continued focus on delivering effective, customer-centric solutions, enhancing the ease of transactions via our web and mobile platforms, and ensuring fast approvals through our eKYC account openings. Looking ahead, we aim to further equip our Relationship Managers to engage more proactively with our customers, while refining our internal protocols to provide an even more seamless and consistent customer experience.



## Sustainable Business



## Accelerating Digital Transformation

**Alliance Bank and CGC Digital Ease Access to Financing for New Businesses: Alliance Digital SME Startup Financing**

Alliance Bank has strategically partnered with CGC Digital, a wholly owned FinTech subsidiary of Credit Guarantee Corporation Malaysia Berhad (“CGC”), to launch The Alliance Digital SME Startup Financing, a digital guarantee scheme.

The scheme seeks to simplify working capital access for new companies to fuel their early growth. The collaboration enables more businesses without collateral to obtain financing, offering RM20,000 to RM100,000 loans through a streamlined online application requiring only a six-month bank statement.

Furthermore, Alliance Bank has introduced the Bank Statement Analyser (“BSA”), a sophisticated AI-drive tool, to improve customer experience and streamline the financial processes. As part of a Proof-of-Concept with CGC Digital, the BSA aims to refine our credit approach, enabling, faster, better and more personalised banking solutions for MSMEs, thereby broadening financial access. This tool showcases our dedication to leveraging cutting-edge technology.



## Alliance Bank elevates digital banking with Visa VCC integration

To enhance the convenience of digital banking, Alliance Bank has integrated its Visa Virtual Credit Card (“VCC”) with Samsung Pay and Google Pay. This enables seamless usability for online and in-store transactions, streamlines the management of finances and businesses and offers more robust security.

A first in Malaysia and the region, our VCC uses Dynamic Card Number (“DCN”) technology. This generates single-use or subscription-based temporary card numbers, enhancing online transaction security and reducing fraud risks. Cardholders also gain control through customisable settings, such as adjusting the expiry dates and transaction limits.



Our VCC is Near Field Communication (“NFC”) enabled, allowing consumers to make secure, contactless payments using Samsung Wallet and Google Wallet on mobile and wearable devices, catering to the rising demand for this technology. We are focused on providing this feature for Android users first, with Apple Pay integration planned for the future.

This integration offers a seamless payment experience, combining online, DuitNow, QR scans, JomPAY and now in-store transactions with credit card acceptance, providing an ESG-friendly payment solution. Furthermore, the NFC technology eliminates the need for physical cards, reducing plastic usage and bridging the gap between online and offline transactions. This initiative reflects our commitment to deliver a smooth, secure and contactless payment solution to our customers.

## Sustainable Business

### SAFEGUARDING CUSTOMER DATA

#### Relevant material matters:

- Customer Data Privacy

Protecting customer data privacy maintains a top priority at Alliance Bank, particularly as we increase our digital operations. We continue to recognise the importance of integrating robust controls to maintain the trust of our customers and stakeholders and ensure that we adhere to the Personal Data Protection Act 2010, Financial Services Act 2013, Islamic Financial Services Act 2013 amongst other relevant laws. Furthermore, we have implemented a comprehensive internal Personal Data Privacy Policy, that governs the collection, use, and protection of our customers' data. Access to this data is limited to authorised staff, whilst physical documents are securely stored in locked cabinets at a designated secure location and any obsolete materials are securely destroyed.

We strengthen our cybersecurity by regularly assessing and improving our infrastructure to prevent breaches and data leaks. In addition, we ensure that our employees are regularly trained on the appropriate measures to take to prevent cyber-attacks through e-Learning modules and staff bulletins.

#### Safeguarding Personal Data Protecting Customer Privacy – Five Core Functions

We safeguard personal data and customer privacy through robust security controls, processes and procedures detailed in our Security Operational Procedure ("SOP") and Security Incident Response Procedure ("SIRP"). These frameworks provide a structured approach to mitigating cybersecurity risks, encompassing threat detection and timely, effective responses to cyber incidents.

To effectively address dynamic cybersecurity risks, we manage them by leveraging the National Institute of Standards and Technology ("NIST") five core functions. We implement these functions continuously across our technology to build an operational culture that can adapt to dynamic cybersecurity challenges.

#### Identify

Develop a comprehensive understanding of cybersecurity risks across systems, people, assets, data and capabilities using established frameworks, policies, and SOPs.

#### Protect

Implement safeguards such as endpoint protection with antivirus, malware protection and data leak prevention to mitigate potential cybersecurity events.

#### Detect

Establish activities to promptly identify cybersecurity events through tools like Security Incident Event Management ("SIEM") and continuous Security Operations Center ("SOC") monitoring.

#### Respond

Take decisive actions upon detecting cybersecurity events, including conducting thorough gap analyses, identifying root causes and implementing permanent corrective actions or mitigations.

#### Recover

Maintain resilience plans and swiftly restore impacted services following cybersecurity events, leveraging ongoing SOC monitoring and distributed denial of-service ("DDoS") protection services as needed.

Our Security Operations Centre ("SOC") provides central, operational oversight of system security, utilising Security Information and Event Management ("SIEM") tools for real-time monitoring. This enables swift detection and response to both internal and external cyber threats. We continuously update our cybersecurity infrastructure to align with the latest risk and threat mitigation advancements.

To actively enhance our cybersecurity posture, Alliance Bank maintains regular dialogue with regulatory bodies, including the Cyber Security Task Force ("CSTF"). In addition, we subject ourselves to rigorous assessments to ensure continuous compliance and resilience, including:

- Annual Payment Card Industry Data Security Standard ("PCI DSS") certification audits.
- Bi-annual General IT Control Audits conducted by external auditors, covering internal and external vulnerability assessments and penetration testing at both application and server levels.



## Sustainable Business

Furthermore, our comprehensive Vulnerability Management (“VM”) Programme adheres to BNM Risk Management in Technology (“RMIT”) guidelines, ensuring the security of our Bank’s digital assets.

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

### DELIVERING STRONG ECONOMIC VALUE

We deliver consistent and sustainable economic value to our stakeholders.

**Relevant material matters:**

- Economic Performance

To sustain our lending strength and support our expansion, we are committed to maintaining our strong capital foundation and ensuring robust liquidity levels.



For further information, please refer to the “Management Discussion and Analysis” section on page 30 to 43 of this Annual Report.

In order to prepare for potential macroeconomic challenges, such as Gross Domestic Product (“GDP”) decline, rising interest rates, increasing unemployment rates amongst others, we regularly perform thorough risk-management and capital adequacy assessments. This includes stress tests across all business areas of the Bank. Our proactive risk management and strategic capital allocation has enabled us to deliver significant economic value to our stakeholders, despite facing numerous challenges.



## Sustainable Business

FY2025  
TOTAL ECONOMIC VALUE GENERATED

**RM2,270.0 million\***

*\*includes revenue & share of results of joint venture*

FY2025  
TOTAL ECONOMIC VALUE DISTRIBUTED

**RM1,742.5 million**

FY2025 OPERATING COSTS  
(excluding personnel expenses and  
community investments)

**RM302.3 million**



FY2025 ALLOWANCES FOR EXPECTED  
CREDIT LOSSES

**RM188.5 million**



FY2025 EMPLOYEE AND WAGES BENEFITS

**RM684.5 million**



FY2025 COMMUNITY INVESTMENTS  
(administrative expenses – donation)

**RM0.7 million**



FY2025 PAYMENTS TO GOVERNMENT  
– TAXATION AND ZAKAT

**RM242.2 million**



FY2025 PAYMENTS TO PROVIDERS OF  
CAPITAL – CASH DIVIDENDS PAID TO  
SHAREHOLDERS

**RM324.3 million**



FY2025  
TOTAL DIRECT ECONOMIC VALUE RETAINED

**RM527.5 million**

## Sustainable Society



### Relevant stakeholders:



### Relevant material matters:

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

At Alliance Bank, we aim to support sustainable communities and society, aligning with our Topline Goal 2 - to help customers adopt sustainable lifestyles and business practices. As a community-centric bank, we strive to positively impact businesses and consumers. We intend on doing so through embracing a holistic approach, partnering with stakeholders to drive sustainable outcomes across the ecosystem and investing in meeting the diverse needs of communities and small businesses. In FY2025, we reduced the C5a% of our portfolio to 21%, making good progress in our Topline Goal 2 target and being on track for early achievement. Our progress serves as a testament to the Bank's commitment to supporting our customers in their transition and the success of our initiatives in fostering a more sustainable ecosystem amongst our stakeholders.

### Empowering Sustainable Living

#### FY2025:

Reduced to **21.1%**

FY2024: Reduced to 31.0%

FY2023: Reduced to 35.0%

Ensure **C5a\*% of portfolio**  
is <20% by FY2030

Material Matters	FY2025 Achievements
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>• Launched our ESG 2.0 report titled 'The Path to Sustainable Impact - Sectoral Insights of Malaysian SMEs' in collaboration with Monash University Malaysia, Zurich Malaysia, UN Global Compact Network Malaysia &amp; Brunei ("UNGCMYB"), SME Corporation Malaysia, Malaysian Green Technology and Climate Change Corporation ("MGTC"), and INCEIF University</li> </ul>
<b>Financial Inclusion</b>	<ul style="list-style-type: none"> <li>• Launched our seventh edition of the BizSmart® Challenge Accelerator Edition, attracting a record-breaking 593 submissions, the highest since its inception in 2013</li> <li>• Began a 3-year partnership with UN Global Compact Network Malaysia &amp; Brunei ("UNGCMYB") to improve sustainability levels of SMEs</li> <li>• Signed a MoU with UNGCMYB and InvestSarawak to provide climate inclusive financing</li> <li>• Invited to speak at the UN Global Compact Leaders Summit in New York in September 2024</li> <li>• Launched five (5) impactful campaigns on the SocioBiz Platform</li> <li>• Launched the 4<sup>th</sup> edition of the Alliance Islamic Economic Empowerment Programme ("EEP") 4.0 where 25 micro-entrepreneurs were onboarded</li> </ul>



## Sustainable Society

Material Matters	FY2025 Achievements
<b>Sustainable Procurement</b>	<ul style="list-style-type: none"> <li>• Channeled 96% of procurement spend to local suppliers</li> <li>• Enhanced the Supplier Self-Assessment Questionnaire (“SAQ”) to include a more comprehensive ESG screening criteria</li> <li>• Signed MoU to participate in the Sustainable Vendor Financing Programme (SVFP) for Oil &amp; Gas Services and Equipment (“OGSE”) Sector in collaboration with PETRONAS</li> <li>• Signed MoU with SD Guthrie to support palm oil plantations’ business division with climate improvements engaging suppliers across the value chain</li> </ul>
<b>Corporate Social Responsibility</b>	<ul style="list-style-type: none"> <li>• Launched the seventh edition of the AEIOU challenge and expanded its reach to approximately 39,270 schoolchildren</li> <li>• Organised the second edition of the Alliance Bank Heritage Run which attracted close to 4,000 participants</li> <li>• Carried out volunteering and community outreach programmes for the Bank’s staff to be involved through the Employee Volunteerism Programme (“EVP”) throughout FY2024-2025</li> <li>• Offered flood relief assistance and launched a fundraising campaign through the SocioBiz platform</li> </ul>

### DRIVING CHANGE BEYOND BUSINESS

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

#### Enabling Financial Inclusion for SMEs

#### Relevant material matters:

- Financial Inclusion
- Climate Change

Alliance Bank recognises the critical role SMEs play in driving the nation’s economic engine, whilst understanding the unique challenges they face. The Bank is deeply committed to empowering these businesses through tailored financial solutions, digital innovation and a strong focus on sustainable practices. We believe that by fostering the growth and resilience of SMEs, we are contributing to a more prosperous and sustainable future for Malaysia.

To further empower MSMEs, particularly those lacking collateral, the Bank has launched RM2 billion in new guarantee schemes with Credit Guarantee Corporation Malaysia Berhad (“CGC”) and Syarikat Jaminan Pembiayaan Perniagaan Berhad (“SJPP”). Our SME Banking division was the first in Malaysia to launch a Business Credit Card that comes with CGC. This initiative is part of our ongoing effort in giving financial solutions to the underserved segment, which is mainly made up of MSMEs. We aspire to grow SMEs together by building a robust credit history, hence enabling them to access larger funding support with an enhanced business credit profile.

Additionally, we have introduced a new supply chain financing programme, new digital capabilities including eKYC for business customers and implemented the Bank Statement Analyser to streamline credit assessments and expand financial access for SMEs.

Our commitment to developing innovative banking and non-banking solutions for SME growth and resilience has led to the Bank’s recognition as the “Best SME Bank in Malaysia” by The Asian Banker’s Global Excellence in Retail Financial Services Award 2024 and The Digital Banker’s Global SME Banking Innovation Awards 2024. Additionally, Alliance Bank made history by being the only Malaysian bank shortlisted for the Qorus SME Banking Awards 2024, eventually winning for our Sustainability Impact Programme (“SIP”).

These successes underscore the Bank’s commitment to providing outstanding services to our customers through innovative and personalised financing solutions to foster SMEs growth. Moving forward, we seek to continue our long-standing relationship with the SME sector and support our customers in overcoming their dynamic challenges.

## Sustainable Society

### BizSmart® Challenge Accelerator Edition

The Alliance Bank BizSmart® Challenge is an initiative by the Bank designed to support and accelerate the growth of high-potential SMEs in Malaysia. It aims to help promising SME companies to advance their next growth phase through providing coaching and brand exposure, connecting them with investors as well as offering preferential financing to selected finalists.

In FY2025 we launched our seventh edition of the challenge, attracting a record-breaking 593 submissions, the highest since its inception in 2013. The challenge expanded its eligibility criteria to Malaysian-registered SMEs that have been operating between 1 to 10 years with an annual sales turnover of RM500,000 to RM40 million.

The recent BizSmart® Challenge offered a unique opportunity: the top 30 finalists were able to pitch to 1337 Ventures 5x Capital, Credit Guarantee Corporation Malaysia Berhad (“CGC”) as well as Cradle Fund’s MYStartup for potential investment and partnerships. The top 10 finalists and 3 wild cards were then able to compete for a prize package worth up to RM2 million and were also offered mentoring as well as access to RM20 million in preferential financing from Alliance Bank.

The BizSmart® Challenge Accelerator Edition demonstrates the Bank’s ongoing commitment to supporting business growth through comprehensive banking and non-banking solutions.

### Participating in Associations

Alliance Bank maintains its commitment to being a sustainability-focused institution through strategic partnerships with leading ESG-focused associations. By working closely with regulators and industry peers, we facilitate knowledge sharing which enables us to contribute to shaping sustainability policy as an industry-leader. The Bank actively participates in industry associations and regulator-industry committees, including The Association of Banks in Malaysia (“ABM”) ESG Committee, the Joint Committee on Climate Change (“JC3”) and its various focus groups such as the SME Focus Group (“JC3 SFG”), the Climate Change and Principle-based Taxonomy Implementation Group (“CCPT IG”) and the Association of Islamic Banking and Financial Institutions Malaysia (“AIBIM”). We have also promoted the Simplified ESG Disclosure Guide (“SEDG”) organised by Capital Markets Malaysia (“CMM”) and proactively forged strategic partnerships with leading organisations such as Bursa Malaysia, UNGCMYB, MGTC, SME Corp, amongst others. We aim to cultivate a powerful ecosystem that accelerates Malaysia’s progress towards a sustainable, low-carbon future.

#### Alliance Bank commits RM1 billion in preferential financing for SMEs utilising Bursa Malaysia’s CSI platform

To empower SMEs embracing sustainability, we are excited to have introduced RM1 billion in preferential financing to support SMEs participating in Bursa Malaysia Bhd’s new Centralised Sustainability Intelligence (“CSI”) platform, enabling them to integrate ESG principles into their business and enhance their competitive edge.



## Sustainable Society

### Partnership with SME Corporation Malaysia

In a collaborative effort with SME Corporation Malaysia, we are taking proactive steps to drive thought leadership and directly assist small and medium-sized enterprises (“SMEs”) in adopting lower carbon practices. Our strategy involves in-depth engagements with these businesses to gain a comprehensive understanding of their specific challenges and problems, which will then inform the development of practical and actionable solutions designed to overcome these obstacles.



### Partnership with Malaysian Green Technology and Climate Change Corporation (“MGTC”)

By partnering with MGTC, Alliance Bank can offer a wide range of MYHIAU-certified green technology solutions. These solutions have been approved by the Malaysian government, assuring their quality and granting access to further tax incentives under the Green Investment Tax Exemption (“GITE”) and Green Investment Tax Allowance (“GITA”) programmes.



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

Alliance Bank has remained as 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.



**Global Compact**  
Network  
Malaysia & Brunei

In FY2024, we entered a 3-year exclusive partnership with UNGCMYB to improve sustainability levels of SMEs and meet client demands. This includes the following initiatives:

- **Advocacy & Awareness:** Collaborates on thought leadership, marketing initiatives like press releases, workshops, research and conferences to promote ESG awareness to SMEs nationwide
- **Advisory:** Provides the PROGRESS Climate Diagnostic tool and exclusive green solutions to help SMEs assess and improve their ESG performance
- **Inclusive financing:** Provides green financing to incentivise climate action amongst SMEs nationwide
- **Ecosystem engagement:** State & global level partnerships to drive adoption of sustainability amongst SMEs via large scale supplier ecosystems
- **Capacity Building:** Offers expertise and resources for SMEs to develop and implement climate transition action plans

In September 2024, we were invited to speak at the UN Global Compact Leaders’ summit in New York in promoting ESG adoption amongst Malaysian SMEs. The prestigious summit, held during the UN General Assembly high-level week attended by over over 1,500 global leaders from various sectors and more than 85 countries. Our Group Chief Strategy & Transformation Officer, Dr Aaron Sum, offered insights into Alliance Bank’s ongoing support for Malaysian SMEs in adopting and navigating the often-complex ESG landscape, highlighting our Sustainability Impact Programme’s 3As Approach: Advocacy, Advice and Answers.

Currently, we are collaborating with the UNGCMYB to support SMEs in adopting sustainable practices through various activities such as the SME ESG Symposium. Furthermore, we also have a tripartite MoU with UNGCMYB and InvestSarawak to help accelerate ESG adoption amongst SMEs in Sarawak through conducting ESG workshops and providing Climate Inclusive Financing.



## Sustainable Society



## Enhancing sustainability and ESG adoption among local SMEs

## ESG 2.0 'The Path to Sustainable Impact – Sectoral Insights of Malaysian SMEs'

As a result of the success of Alliance Bank's inaugural ESG survey report in 2023 (ESG 1.0), the Bank produced the follow-up report titled 'The Path to Sustainable Impact – Sectoral Insights of Malaysian SMEs' (ESG 2.0) in collaboration with Monash University Malaysia, Zurich Malaysia as knowledge partners; and with UN Global Compact Network Malaysia & Brunei ("UNGCMYB"), SME Corporation Malaysia, Malaysian Green Technology and Climate Change Corporation (MGTC) and INCEIF University as supporting partners.

Launched by YB Nik Nazmi Nik Ahmad, Minister of Natural Resources and Environmental Sustainability, at the SME ESG START Symposium 2025 held at Monash University Malaysia, the report aims to provide valuable insights into the collective perspectives of local businesses and SMEs regarding the adoption of ESG practices and their crucial role in enhancing business resilience.

ESG 2.0 found that general ESG awareness levels have increased nearly six times since the ESG 1.0 report was launched in 2023, and this was driven by a focus on sustainable business practices and efforts made by the government, corporates and NGOs in Malaysia. Furthermore, cost savings and meeting market demands were primary motivations for ESG implementation amongst SMEs that adopted sustainable practices.

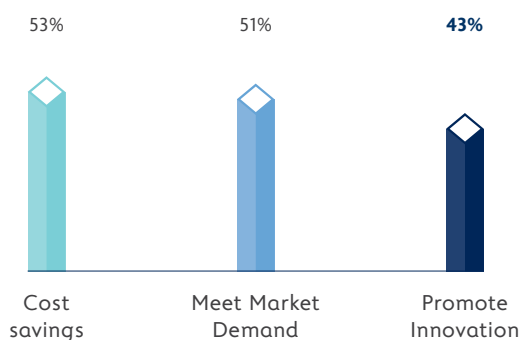


## Sustainable Society

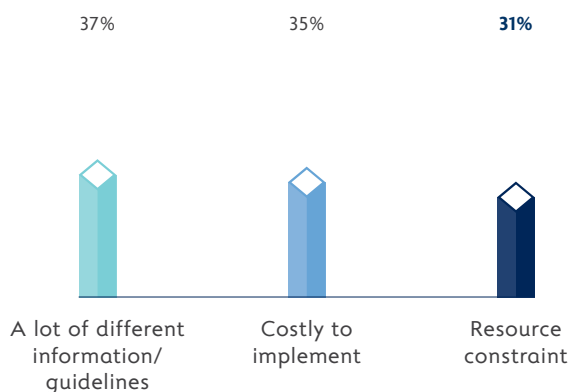
Key findings of the study are:

**80% of SMEs in Malaysia had a general level of ESG awareness**

**The top 3 motivations for ESG implementation amongst SME ESG adopters**

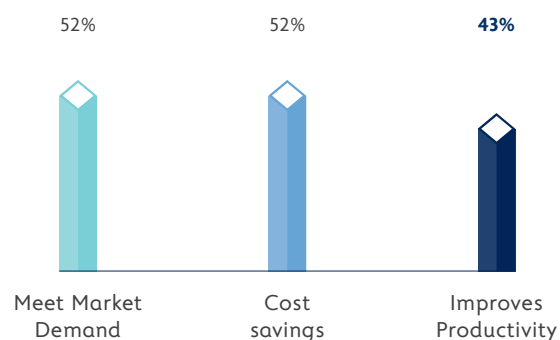


**The top 3 challenges when adopting ESG**

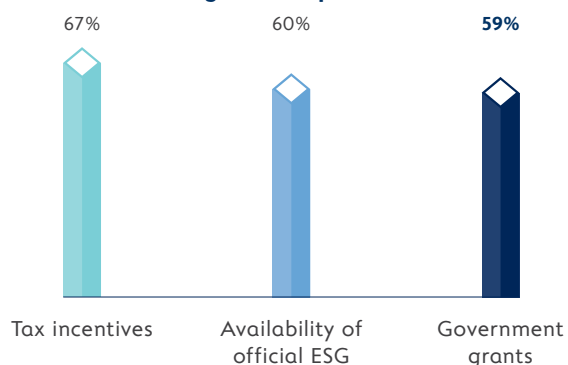


**60% of SMEs in Malaysia had a general level of ESG adoption**

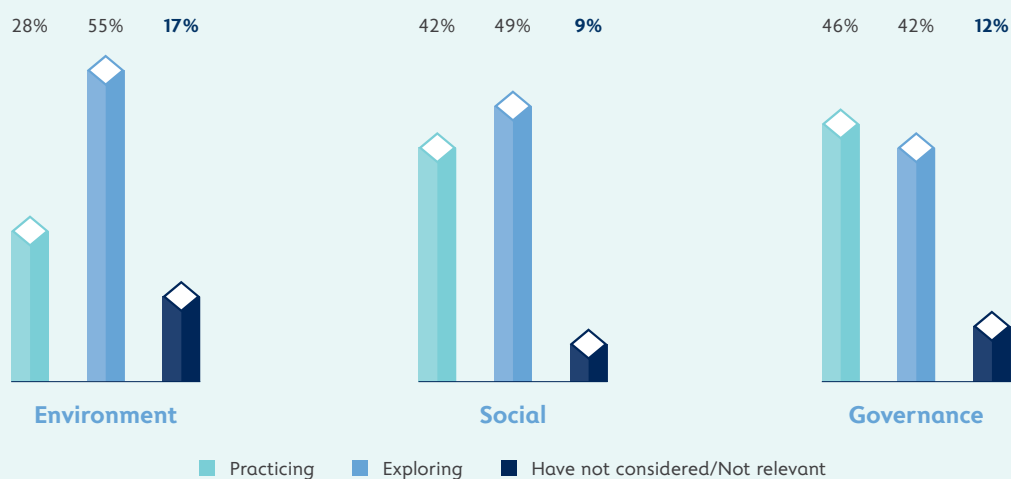
**The top 3 motivations for ESG implementation amongst SME non-ESG adopters**



**The 3 key support required to encourage ESG implementation**



### Adoption Level of Three ESG Pillars by SMEs



## Sustainable Society

## Embedding a Sustainable Supply Chain

## Relevant material matters:

- Sustainable Procurement

At Alliance Bank, we understand that sustainability requires a broad approach, extending beyond our own operations and into our own supply chain. Upon recognising this, we are committed to achieving fairness, transparency and accountability in our procurement practices, aligning every purchase with our Procurement Policy and Standard Operating Procedures. This fosters fair supplier treatment and builds long-term beneficial partnerships.

We require suppliers to follow our Code of Conduct and Procurement Integrity terms, which are included in our Purchase Order terms. Our e-Procurement system streamlines all cost quotations and tenders for our suppliers, promoting fair competition and facilitating efficient evaluation. We also conduct due diligence, for both potential and current suppliers, and perform on-site visits, when necessary, to ensure they meet our standards and expectations.

Our supply chain management prioritises social and environmental responsibility alongside cost and speed, supporting our ESG goals. Since FY2023, we have integrated ESG into our Procurement Policy and Procedures, as we recognise the dynamic and interconnected nature of issues across the supply chain. We have implemented the ESG Supplier Self-Assessment Questionnaire ("SAQ") in our e-Procurement system which utilises ESG criteria, including anti-bribery and corruption practices, for supplier screening. In FY2025, 654 vendors completed the SAQ, and we hope to continuously improve our SAQ to further promote sustainable practices within our supply chain.

In FY2025, we have organised and invited suppliers to participate in several ESG workshops aimed at promoting awareness and understanding of ESG-related matters. We ensure that vendors and suppliers are kept informed about industry-trends as well as ongoing commitments towards ESG initiatives. This focus aligns with our ESG commitments and our dedication to local economic development and job creation. Moving forward, we will continue to implement initiatives that encourage our suppliers to adopt more sustainable practices.

Proportion of  
Spending on Local  
Procurement

FY2025

96%

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

At Alliance Bank, we believe that the well-being of our communities is fundamental to our success. This belief drives us to actively engage and partner with local communities, in line with our mission of “Building Alliances to Improve Lives.” In FY2025, we invested over RM2.8 million in community initiatives, positively impacting more than 44,500 beneficiaries and reaffirming our commitment to community welfare and empowerment.

Our efforts go beyond financial contributions—we also encourage our employees to give back through our Employee Volunteerism Programme, fostering a culture of service and community engagement. In addition, the seventh edition of our AEIOU Challenge, a financial literacy awareness programme, reached 39,270 schoolchildren nationwide this financial year. Our SocioBiz platform continues to empower the B40 community through entrepreneurship, playing a particularly crucial role during the heavy flooding across Kedah, Kelantan, Terengganu, Sabah and Sarawak. These initiatives underpin our commitment to responsible growth, and we will continue to strengthen them to build a more resilient and thriving community.

In FY2025, we enhanced our CSR Strategy Framework to strengthen its alignment with The Bank for Life initiative, reinforcing our commitment to building stronger, more sustainable communities while enhancing our reputation as a socially responsible, community-focused financial institution. We have also refreshed our four focus areas to better align with our target beneficiaries:

#### Alliance Bank's CSR Strategy Framework

Target Beneficiaries/ Focus	Underserved Communities Asnaf, B40 Communities, B40 Microentrepreneurs	Local/Small Businesses Local and MSME businesses that have limited access to funding, training and networks	Children/Youth Primary/ Secondary Schoolchildren University students	The Environment Sustainability, Environmental Preservation and Awareness
Key Impact Areas	Economic Empowerment	Education	Health and Community Well-Being	Sustainability and Environmental Preservation
Programmes				
	EEP	Sihat Express	Zero Wastage Program	
	Collaborative Impact Programmes (together with strategic partners)			
	Employee Volunteerism Programme (“EVP”)			

## Sustainable Society

Through A Life Cycle Approach			
Economic Empowerment	Education	Health & Community Well-Being	Sustainability & Environmental Preservation
Provide support to the underprivileged communities through economic empowerment programmes that create sustainable income livelihood and decent jobs.	<p>Equip children/youth with the knowledge and skills necessary to make informed financial decisions and achieve financial stability.</p> <p>Raise awareness and encourage sustainable practices within the community to protect and preserve the environment.</p>	Support programmes that provide or increase access to healthcare services for those within hard-to-reach places (e.g. rural communities) through tele-healthcare, and access to time-sensitive medical assistance (e.g. AED) in more urban areas.	<p>There is an urgent need to address climate change, and to protect the environment from further degradation and biodiversity loss.</p> <p>In our efforts to support innovative and climate change mitigation projects, with a strong focus on environmental awareness.</p>

## Alliance Bank's Heritage Run 2024

Building on the success of its inaugural edition, the Alliance Bank Heritage Run 2024 attracted close to 4,000 participants. Held in historic George Town, Penang, the Heritage Run welcomed participants from all around the world to celebrate heritage, community and participating in sustainability efforts, whilst supporting local businesses. The event featured a new 12-kilometre competitive race and a redesigned 7-kilometre route that offered an immersive experience through the UNESCO-listed landmark. The event's aim was to encourage community spirit, foster cultural immersion and support sustainability-initiatives, underscoring Alliance Bank's ambition to become a leading ESG-focused organisation.



## Sustainable Society

### Flood Recovery and Adaptation Efforts

Recognising the growing impact of climate change, we continued to provide financial relief for flood-affected individuals and businesses through loan moratoria, repayment modifications and fee waivers. Application for this programme is extended based on regional flood occurrences. We also provide support to our employees affected by floods.

In FY2025, we began utilising scenario analyses to better understand our customers' flood risk impact. We plan to use these results to guide us in flood management initiatives and financing flood resilience projects. Additionally, we collaborate with our insurance partner to provide flood insurance products which can be taken up by our customers. The development of these initiatives demonstrate our commitment to support customers in recovery and adaptation efforts against the acute effects of climate change.

### Our Zakat Contribution

In FY2025, Alliance Islamic Bank ("AIS") allocated RM1 million in *zakat* (Islamic tithes) to various *asnaf* (underprivileged) beneficiaries, some of whom were identified by our partners i.e., *Lembaga Zakat Selangor* ("LZS"), *Amanah Ikhtiar Malaysia* ("AIM"), *Lembaga Zakat Negeri Kedah* ("LZKN"), *Yayasan Kebajikan Negara* ("YKN"), *Accelerate Global*, *Rumah Pengasih Warga Prihatin* ("RPWP"), *Yayasan Pelangi Malaysia* ("YPM"), *International Islamic University Malaysia* ("IIUM"), *Tabung Baitulmal Sarawak*, *Charity Right Malaysia* and others.

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

- » Alliance Islamic Bank Zakat Microfinancing ("AZAM"), provided RM450,000 in no-cost microfinancing to 103 *asnaf* entrepreneurs by partnering with LZS and AIM. In return, AIS will obtain *Zakat Wakalah* of RM225,000 to be distributed to AZAM recipients with *Amanah Ikhtiar Malaysia* ("AIM");
- » Alliance Islamic Bank Economic Empowerment Programme ("EEP") which assisted *asnaf* entrepreneurs to improve their livelihood;
- » Collaborated with LZKN to financially support *asnaf* paddy farmers to purchase harvest equipment;
- » Partnered with YPM and RPWP to distribute Raya clothing to *asnaf* communities;
- » Helped underprivileged students at IIUM to pay for their outstanding tuition fees;
- » Distributed food boxes to *asnaf* families in Sarawak in partnership with YKN; and
- » Distributed food boxes to *asnaf* families in Klang Valley during the holy month of Ramadhan in collaboration with Charity Right Malaysia.

Employees of Alliance Bank and Alliance Islamic Bank have contributed to the community support through returned *zakat* (*zakat wakalah*), totalling RM91,654 from individual *zakat* payments made to *Pusat Pungutan Zakat - Majlis Agama Islam Wilayah Persekutuan*. These funds were used to provide aid and essential supplies to *asnaf* families impacted by natural disasters, as well as to deliver religious talks to Muslim communities.

In a significant development, AIS has also received approval from LZS to receive *zakat wakalah* contributions from both individuals and corporates specifically for the AZAM programme. This will enable the Bank to scale up the initiative by expanding the pool of available funds for micro-entrepreneurs.



## Sustainable Society

**Fostering Sustainability with Local Communities**

This financial year saw the launch of the seventh edition of Alliance Bank's AEIOU Challenge, an award-winning education initiative that seeks to raise awareness of good money management amongst schoolchildren aged 9 to 12. In its most recent edition, the AEIOU challenge has expanded its reach to approximately 39,720 schoolchildren, representing an almost a 30% increase from the previous iteration.

To facilitate participation, the AEIOU Challenge offered comprehensive comic creation and financial education guidance through roadshows and online resources. The teachers were also equipped with the necessary skills to guide students through online briefings via the Train-the-Trainers programme. Simultaneously, the AEIOU Mobile App offered ongoing access to financial videos and comic strips from the AEIOU Challenge, to support lifelong education and ensure continued learning post-challenge, in support of the Ministry of Education's 2027 School Curriculum Framework.

The recent AEIOU Challenge, themed 'Spot the Scams: Be a Financial Superhero!', emphasised financial literacy for navigating the digital age and avoiding scams. The campaign included the AEIOU Comic Challenge, which seeks to foster creative learning, as well as the AEIOU Financial e-Game Challenge, which aims to educate students on financial skills through interactive modules: Save, Plan, Spend.

Since its launch in 2015, the challenge has positively impacted 180,000 school children across Malaysia, with over 200,000 submissions for its Comic and e-Games Challenges. The programme has also empowered close to 2,000 teachers to deliver financial literacy workshops, reaching out and engaging with more than 1,500 schools. The AEIOU Challenge embodies our goal of becoming 'The Bank for Life' and is an integral part of our efforts to help Malaysians enhance their financial literacy through offering a platform to learn smart money management.

**Providing Support to Flood Victims**

To alleviate the financial strain caused by floods, Alliance Bank offers a Flood Relief Assistance Programme for affected customers. The relief package includes loan moratoria of up to six months, loan repayment adjustments and waivers of fees and charges for affected customers and businesses nationwide. The Bank also offers payment relief on conventional loans and Islamic financing facilities, as well as waives fees and charges for selected services such as replacement of debit and ATM cards, cheque books and passbooks damaged during the flood.

In addition, we have previously launched a Flood Relief fundraising campaign on our SocioBiz platform to support communities affected by the recent floods in Kelantan, Kedah and Terengganu, which was subsequently extended to aid victims in Sabah and Sarawak. Running from December 2024 to February 2025, the raised funds will be directed to the Malaysian Relief Agency (MRA), a trusted partner renowned for its disaster relief efforts. To amplify the impact, the Bank matched every RM1 donated with RM2, up to RM250,000 to support essentials, home repairs and post-flood recovery.

## Sustainable Society

### Fostering Financial Well-being Among Communities

#### Relevant material matters:

- Financial Inclusion

Recognising its pivotal role in building a thriving and equitable society, Alliance Bank is deeply invested in fostering financial inclusion and empowering communities. We are committed to developing innovative solutions, educational programmes and community partnerships that breaks down barriers and promotes sustainable growth for all. We continue to foster community financial well-being through various initiatives, including SocioBiz, Economic Empowerment Programme (“EEP”), Zakat Microfinancing and #SupportLokal.

These initiatives are rooted in the Bank’s commitment in uplifting communities through economic inclusion and empowering businesses that contribute positively to the society and the environment.

#### SocioBiz

SocioBiz is a Shariah-compliant social funding platform that champions social empowerment by supporting underprivileged individuals and communities through entrepreneurship. It offers the public a meaningful way to give back by donating to initiatives that enable beneficiaries to achieve financial independence, acquire new skills and generate sustainable livelihoods. For FY2025, 5 impactful campaigns have been successfully launched on the SocioBiz platform:

Support Hulu Langat Microentrepreneurs Thrive!

Flood Relief Campaign: Rebuilding Lives in Kelantan, Terengganu, Kedah, Sabah and Sarawak

MySURI Seragam Project: Uplifting Single Mothers and Students in Langkawi & Klang Through Sustainable Income

Lift B40 Communities Out of Poverty Through Food Entrepreneurship

Empowering Low-Income Entrepreneurs: Join Us in Making a Difference

One of the flagship campaigns for the year is the MySURI Seragam Project: Uplifting Single Mothers and Students in Langkawi & Klang Through Sustainable Income. This initiative, in partnership with Suri Inspirasi Sdn. Bhd., aims to empower 50 B40 women by equipping them with

sewing skills. These women will sew uniforms for 1,000 underserved schoolchildren, providing them with a sense of dignity while easing the financial burden on their families. The campaign targets a fundraising amount of RM70,000, which will be used to purchase materials for the uniforms. In doing so, this not only supports access to education but also creates a stable source of income for the participating women.

In addition, SocioBiz played a vital role in facilitating a flood relief assistance from December 2024 to February 2025, aimed at assisting communities impacted by severe flooding. In partnership with the Malaysian Relief Agency (MRA)—a well-established humanitarian organisation—the campaign focused on a two-phase response: providing immediate essentials followed by longer-term recovery support. To amplify the impact, the Bank matched every RM1 donated with RM2, up to RM250,000, effectively tripling the contributions made by the public.

Looking ahead, we remain committed to expanding the reach and impact of SocioBiz. By continuing to empower communities and enabling meaningful fundraising initiatives, we aim to promote economic inclusion and support the growth of sustainable, community-based businesses.

To date, SocioBiz has raised close to RM1.9 million over the past five years, an achievement that reflects the growing strength of collective social responsibility.

## Sustainable Society

## Alliance Islamic Bank Economic Empowerment Programme (“EEP”) 4.0

Launched in December 2020, Alliance Islamic Bank’s EEP aims to improve the economic well-being of micro-entrepreneurs from the *asnaf* and B40 communities. It provides comprehensive training in entrepreneurial, financial and digital skills, and has benefitted 173 participants since its inception.

Building on the achievements of EEP 1.0 in 2021, EEP 2.0 in 2022 and EEP 3.0 in 2024 the latest instalment—EEP 4.0—was launched in February 2025 in collaboration with Accelerate Global Sdn. Bhd. A total of 25 micro-entrepreneurs were successfully onboarded and will undergo four months of structured training and coaching, with the programme set to conclude in July 2025.

## Zakat Microfinancing

Alliance Islamic Bank’s social finance initiatives are driven by a strong Social Funding Strategy, ensuring targeted support for those in need. Through partnerships with social enterprises and State Religious Authorities, we rigorously verify recipient eligibility, especially *asnaf* status. Our Zakat Policy and Procedures document outlines our calculation methods, eligibility criteria, partner onboarding and governance.

In September 2022, Alliance Islamic Bank launched “*Zakat and Microfinance*,” Malaysia’s first book on *zakat* microfinancing. This groundbreaking initiative, developed in collaboration with experts from Universiti Kebangsaan Malaysia and *Pusat Pungutan Zakat*, aims to foster equitable development by using *zakat* funds to support underprivileged micro-entrepreneurs. This research and consultation led to the launch of our flagship Alliance Islamic Bank Zakat Microfinancing Programme (“AZAM”).

This programme demonstrates our innovative *zakat* distribution model. By using *zakat* funds to create a revolving fund, we provide profit-free loans (*Qard*) to *asnaf* micro-entrepreneurs. This not only empowers them financially but also ensures the sustainability of *zakat* funds through repayment recycling. This approach, aligned with Value-Based Intermediation (“VBI”), reinforces our commitment to financial inclusion. Through this programme, Alliance Islamic Bank disbursed RM225,000 in FY2025, benefiting 45 *asnaf* micro-entrepreneurs. Additionally, RM65,000 was disbursed to 13 new recipients using *zakat wakalah* funds from the first round, further expanding our outreach to *asnaf* micro-entrepreneurs.

So far, we have disbursed RM450,000 to 103 *asnaf* micro-entrepreneurs in Selangor. We are committed to continuing this support, with plans to distribute another RM225,000 to an additional 45 recipients by Q1 FY2026.

Alliance Islamic Bank will grow its Islamic social finance propositions by introducing blended financing—i.e., a combination of *zakat* and commercial funds—to support emerging *asnaf* entrepreneurs. This structure allows us to offer financing at a profit rate lower than the prevailing commercial rate, enabling recipients to scale their businesses more affordably and sustainably.

Furthermore, AIS has launched the AIS TEJA Programme, our iTEKAD Programme in March 2025, in collaboration with MADCash Sdn Bhd, and *Jabatan Wanita dan Keluarga Sarawak*. The programme will provide access to seed capital, structured training and access to microfinancing to 50 women microentrepreneurs in Sarawak.



## Sustainable Society

### Halal in One Programme

Alliance Islamic Bank's Halal in One ("HiO") programme remains a leader in helping businesses enter the halal market. It offers comprehensive support, including halal certification assistance, Shariah-compliant financing and global market access. Recently, we have focused on digitalisation, providing training and online marketplace access through partnerships with Halal Development Corporation ("HDC"), HQC Commerce Sdn Bhd and the International Institute for Halal Research. HiO has helped over 50 SMEs access markets and enabled 10 SMEs achieve halal certification in FY2025. Since its inception, the programme has granted over RM2 billion in business financing for Alliance Bank.

### #SupportLokal

To help local businesses grow and expand their customer reach, the SupportLokal programme offers assistance in enhancing their online presence. Through this flagship initiative, onboarded businesses are featured on our digital platforms which on average managed to garner more than 20k audience reach per post.

In FY2025, our commitment deepened through the hosting of on-site community events, notably during the Alliance Bank BizSmart® Business Conference 2024 and the Alliance Bank Heritage Run 2024, where SupportLokal's merchants (Kloth, Plus Eatery, Senyumm, Rabbit Teeth Gourmet) and partners (Christy Ng, Signature Market, Chriszen and more) were invited to participate and to setup their booths at no cost. We also forged partnerships with merchants located near to our branches, enabling collaborative promotions to drive foot traffic and customer engagement.

## Sustainable Workplace



### Relevant stakeholders:



### Relevant material matters:

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

With a strong focus on action and accountability, we are dedicated to integrating sustainability into our operations, embodying the principle of “We walk the talk”. At Alliance Bank, we understand the need to balance our business activities with responsible environmental stewardship, social accountability and long-term economic sustainability to ensure lasting and meaningful value to all our stakeholders.

To align with global sustainability objectives, we have enhanced our policies and procedures to prioritise ESG considerations and continue incorporating climate-related factors into our risk assessments and decision-making processes.

Guided by our commitment to strengthening the Bank’s ESG practices, we strive to cultivate a sustainable workplace that reflects our ethical values through empowering our employees to contribute towards a more sustainable future.

### Progress Towards Net Zero

**FY2025:**

**17.8%** total reduction

*FY2024: 18.3% total reduction*

Reduce Scope 1 and 2  
GHG emissions **by 20%**  
**by FY2027** against our  
FY2020 baseline.

## Sustainable Workplace

Material Matters	FY2025 Achievements
<b>Ethics and Compliance</b>	<ul style="list-style-type: none"> <li>Maintained our FTSE4Good ESG Rating to be among the top quartile PLCs in the FTSE Bursa Malaysia EMAS Index</li> <li>Zero reported incidents of corruption and employee non-compliance with our AB&amp;C policy</li> <li>3,710 employees received anti-bribery and corruption training, totaling 7,420 training hours</li> <li>Strengthened ESG disclosures via the implementation of our disclosure adoption plan</li> </ul>
<b>Business Continuity and Risk Management</b>	<ul style="list-style-type: none"> <li>Enhanced the Business Continuity Management (“BCM”) governance and implemented a robust BCM programme and methodology to improve organisational resilience. This initiative ensures a coordinated and effective response to incidents, support continuity of critical functions, minimises material impacts and protect key stakeholders’ interest, reputation, brand and value-creating activities</li> <li>Conducted Climate Scenario Analysis to assess exposure to climate-related risks</li> <li>Enhanced internal liquidity management to meet regulatory requirements under BNM Liquidity Management Policy Document</li> <li>Enhanced stress testing methodology to strengthen our climate resilience</li> <li>Introduced Digital, Cloud and AI Risk Management Frameworks to manage significant risks associated with the use of new technologies in driving efficiency</li> </ul>
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>Achieved a 17.8% reduction in Scope 1 and Scope 2 GHG emissions against our FY2020 baseline</li> </ul>
<b>Conserving the Environment</b>	<ul style="list-style-type: none"> <li>Established our Recyclable Waste Baseline as 159,426kg</li> <li>Collected 712 kg of recyclables through IPC Recycling Drive with our employee</li> </ul>
<b>Talent Management</b>	<ul style="list-style-type: none"> <li>Provided 169,186 training hours for employees (an average of 40 learning hours per employee)</li> </ul>
<b>Employee Engagement, Health, Safety and Well-being</b>	<ul style="list-style-type: none"> <li>Achieved a score of 90% in the Sustainable Engagement Index (“SEI”)</li> <li>Zero reported cases of non-compliance with labour standards</li> </ul>
<b>Diversity, Equity and Inclusion</b>	<ul style="list-style-type: none"> <li>The female representation in our workforce is 62%</li> <li>Zero incidents of discrimination reported</li> </ul>



## 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

We are committed to carrying out our business operations with integrity, transparency and compliance to ethical and regulatory standards. We have established the following policies as means to reinforce our ethical culture and ensure that every employee upholds these principles while protecting both individual and organisational well-being and reputation.

## Alliance Bank Code of Conduct

## Scope:

The Bank has established a Code of Conduct that outlines the principles and standards of business and ethical conduct that Directors and employees are required to adhere to, ensuring the promotion and maintenance of the highest level of professionalism and exemplary conduct at all times.

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

- Staff orientation programmes
- Compliance culture within the Bank
- AB&C-related trainings (i.e. virtual AB&C learning sessions, branch roadshow, annual AB&C e-Learning programmes)
- Code of Conduct e-learning
- Staff communications via the inAlliance intranet portal

## Whistleblowing Policy

## Scope:

The Bank implemented a Whistleblowing Policy to guide and facilitate the reporting of any misconduct related to the Code of Conduct, including bullying, harassment, corruption and bribery without the fear of reprisals.

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

- Designated channels for reporting
- 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:

## Core areas of conduct

Compliance with laws, regulations, internal policies and procedures

Misuse of information and insider trading

Avoidance of conflict of interest

Reject bribery and corruption

Misuse of position

Respect customer confidentiality and data privacy

Stay alert to money laundering, terrorism, and fraud

## Sustainable Workplace

The Alliance Bank Code of Conduct is reviewed every two years, with necessary updates incorporated to align with evolving requirements and circumstances. Both the Code of Conduct and Whistleblowing Policy are readily available to all employees via the inAlliance intranet portal in English. Employees can raise grievances through established channels defined in the Bank's Collective Agreements. Additionally, a Whistleblowing Statement is published on the corporate website, providing external stakeholders including vendors, contractors and customers—a platform to report concerns in accordance with the Bank's Whistleblowing Policy.

To uphold transparency and accountability, whistleblowing complaints can be submitted anonymously, with confidentiality maintained when necessary. The Group Audit Committee ("GAC") Chairman, an Independent Non-Executive Director, oversees the Whistleblower Policy's implementation and monitors complaints and investigations. Furthermore, senior executives, including the GAC Chairman, Board Chairman, Group Nomination and Remuneration Committee Chairman and Group CEO, actively participate in whistleblower processes to ensure key findings are reported to the Bank Board and principal subsidiary boards.

The Bank has a comprehensive Consequence Management Framework to address instances of misconduct, negligence, and regulatory, operational or risk-related breaches.

This framework evaluates the severity of violations and enforces appropriate disciplinary measures to mitigate risks and uphold compliance with internal and external regulations. Additionally, the Bank adheres to the Procedures on Disciplinary Action & Disciplinary Management Policy. Matters related to regulatory, operational and risk issues are escalated to Group Compliance and/or Group Risk Management, as outlined in the Code of Conduct/Compliance Guide: Reporting of Regulatory Breaches or relevant guidelines issued by GHR, Group Compliance or Group Risk Management. All complaints and cases are reported to the appropriate heads unless exceptional circumstances require an alternative approach.

### Anti-Bribery and Corruption

We uphold a strict zero-tolerance policy against bribery and corruption, ensuring that all business dealings and relationships are conducted with professionalism, fairness and integrity. This commitment is reinforced through our Code of Conduct, Anti-Bribery and Corruption ("AB&C") Policy and Gifts & Entertainment Policy, which set the minimum conduct standards and key principles for managing bribery and corruption risks within the Bank's operations. Employees can access these policies via the inAlliance intranet portal, while the AB&C Policy is also available to external stakeholders on our corporate website. <https://www.alliancebank.com.my/Anti-Bribery-and-Corruption-Policy>.

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

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 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.

## Sustainable Workplace

The Bank's AB&C Policy outlines due diligence requirements when dealing with third parties, associated persons and customers. It covers key processes such as the pre-approval and declaration of gifts and entertainment, as well as the assessment of donations and corporate sponsorships. Any actual or suspected violations of the AB&C Policy can be reported through our whistleblowing channel, as detailed in our Whistleblowing Policy.

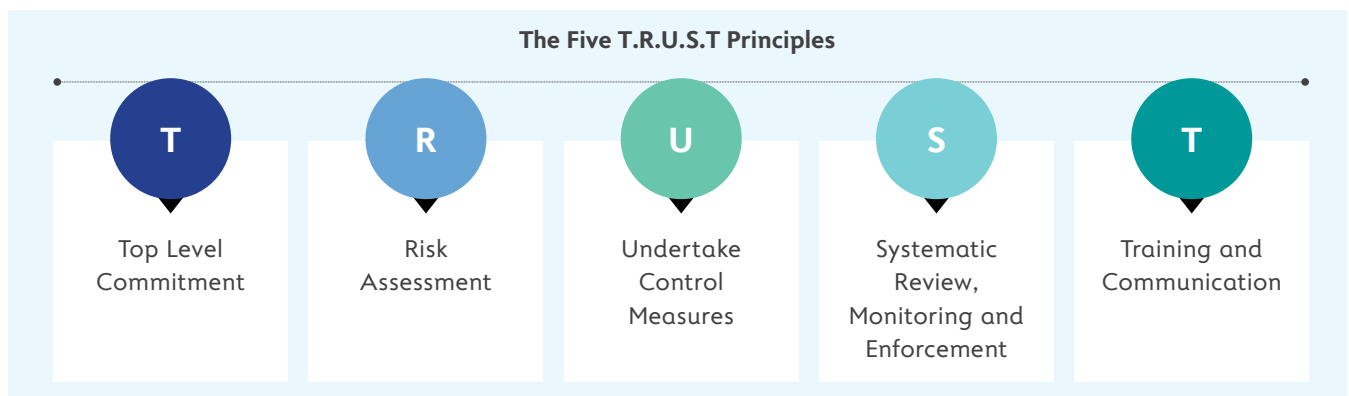
The Group Risk Management Committee, a Board-level committee, is responsible for overseeing the Bank's regulatory compliance, including the effectiveness of AB&C policies and procedures. The Bank adopts a bribery and corruption risk assessment approach to identify, analyse, and mitigate both internal and external risks. The corruption risk assessment procedures for intermediaries such as contractors or agents include conducting due diligence assessments during onboarding and annual vendor accreditation reviews. Risk and Compliance Officers conduct assessments and evaluate control measures through the Bank's Risk & Control Self-Assessment ("RCSA") process, while Group Risk Management reviews and validates these risks as part

of ongoing RCSA monitoring. Additionally, the AB&C Procedures incorporate Bribery and Corruption Risk Assessment Factors, providing a comprehensive framework for managing risks arising from key activities.

To enhance awareness, AB&C-related topics are embedded into employee induction programmes, and policy updates are regularly communicated through various engagement initiatives, including training sessions. Directors and employees are required to complete AB&C training tailored to their roles, operational context and legal jurisdictions. This includes an annual AB&C e-learning module, where a minimum passing score of 70% is required.

### 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

### FY2025 Performance

**25%**

of our operations underwent assessment for corruption-related risks

**0**

reported incidents of corruption

**0**

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

**3,710**

employees received anti-bribery and corruption training, totaling

**7,420**

training hours

Suppliers and vendors are informed of

**AB&C Policy**

during the contract signing stage

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

### Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing

Money laundering, terrorism financing and proliferation financing continue to pose significant threats to the global financial services industry, driven by technological advancements and globalisation. The Bank remains vigilant in addressing these risks by continuously enhancing its control measures and staying abreast of the latest regulatory developments.

The Bank's Anti-Money Laundering, Counter Financing Terrorism and Counter Proliferation Financing ("AML/CFT/CPF") framework is designed to align with regulatory requirements and international best practices, including the Financial Action Task Force ("FATF") recommendations. The framework ensures that the staff:

- Carry out effective customer due diligence during establishment of business relationships with the customers
- Screen customers and transactions against relevant international and local sanctions and watchlists
- Monitor and report suspicious activity in accordance with the local regulatory requirements
- Conduct ongoing staff training to promote awareness and to keep abreast with the latest AML/CFT/CPF developments

All employees, including Directors and Senior Management, receive regular training on the Bank's AML/CFT/CPF requirements to ensure they are well-equipped to fulfil their roles effectively. This includes completing a mandatory annual AML/CFT/CPF e-learning module, with a minimum passing score of 70%. To date, no employees have been disciplined or dismissed for non-compliance with AML/CFT/CPF policy.

Throughout FY2025, the Bank has continued to invest in technology and training to strengthen its capability to detect and prevent the Bank from being used as a conduit for money laundering, terrorism financing and proliferation financing ("ML/TF/PF"). The Bank's institutional ML/TF/PF risk assessment (IRA) has been revised and completed to identify and manage ML/TF/PF risks at the enterprise level. The IRA aims to:

- Identify and assess inherent risks across customers, geographies, products and services, delivery channels and considering the outcome of National Risk Assessment
- Evaluate the effectiveness of the Bank's existing AML/CFT/CPF controls
- Develop risk mitigation plans to address the ML/TF/PF risks identified

### FY2025 Performance

**3,717**

employees underwent training on AML/CFT,

totaling **9,293** training hours

## 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, Business Continuity and Risk Management

Recognising the urgency of climate change actions, we actively work to mitigate its impact by embedding management of climate-related risks and opportunities into our strategy. This includes expanding green financing solutions, such as solar panel financing and green mortgages, while exploring emerging sustainable financing opportunities.

Over the past year, we have strengthened our climate risk management and disclosures, aligning with TCFD, IFRS S2, SASB industry-specific standards and BNM's Climate Risk Management and Scenario Analysis ("CRMSA") policy document. We have conducted scenario analyses for both physical and transition risks, leveraging scenarios from the Network for Greening the Financial System ("NGFS") to enhance our assessment of forward-looking climate-related financial risks and opportunities.

## Identify, Assess and Prioritise Climate-Related Risks and Opportunities

Climate change presents a significant risk to long-term value creation. To address this, we have refined our risk evaluation to better understand climate risk drivers and their transmission through macroeconomic and microeconomic channels. The identification, assessment and management of climate-related risk including physical, transition and liability risks are integral to ensuring resilience and facilitating a just and orderly transition to a low-carbon economy. Relevant risk management techniques and tools are also applied to keep exposures within our defined risk appetite.

Identifying and managing these risks is crucial for ensuring resilience and facilitating a just transition to a low-carbon economy. Climate-related risks—spanning physical and transition risks—could impact our operations, reputation and asset values.



## Sustainable Workplace

	Climate Related Risks	Potential impact to our Business Strategy	Management Actions	Time Horizon <sup>1</sup>
Physical Risk	<b>Acute</b> e.g. Storms, floods, fires, landslides	<ul style="list-style-type: none"> <li>The Bank's operations may be affected by damage to physical infrastructure resulting from the increasing frequency and severity of extreme weather events</li> <li>Impacts credit quality and increases default risk due to customers' property damage and business interruptions from extreme weather events such as flood</li> <li>Potential damage to properties used as collateral may result in a higher Loss Given Default ("LGD")</li> </ul>	<ul style="list-style-type: none"> <li>Provide insurance coverage for customers operating in high flood-risk areas</li> <li>Engage customers in high flood risk area to develop flood adaptation plans and offer financing to support resilience efforts</li> <li>Enhance risk acceptance criteria by applying more stringent assessment on financing or investments in areas where physical climate risks cannot be adequately mitigated</li> </ul>	Short-term
	<b>Chronic</b> e.g. Rising temperatures, rising sea levels	<ul style="list-style-type: none"> <li>Abrupt climate events may lead to sudden deposit withdrawals, impacting the Bank's liquidity position</li> <li>Impacts investment income and may lead to potential write-downs of affected securities within the Bank's portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Use geo-coding and postcode-level profiling to assess damage rates of customers with flood-risk exposure</li> </ul>	Medium to long-term
Transition Risk	<b>Policy and Regulation</b> e.g. Net Zero policy, energy transition	<ul style="list-style-type: none"> <li>Higher costs for compliance with environmental regulations</li> <li>Heightened risk of asset devaluation due to potential for certain assets to become stranded</li> <li>Decreased profitability due to potential impact of carbon tax to client, leading to an increase in probability of default ("PD")</li> </ul>	<ul style="list-style-type: none"> <li>Prohibit lending to financing coal-fired power plants, coal mines and oil extraction using unconventional methods, such as hydraulic fracturing</li> <li>Expand scenario analysis to include impact from Carbon Border Adjustment Mechanism ("CBAM") and Malaysia Carbon tax</li> <li>Continue building capabilities through enhanced training for Relationship Managers, equipping them with sector-specific knowledge of high-emitting industries</li> </ul>	Short to long-term
	<b>Technology Development</b> e.g. Energy efficient technologies	<ul style="list-style-type: none"> <li>Emerging opportunities and technologies for low-carbon solutions in the market leading to potential increase in revenue</li> <li>Rise in risk of old technology that has become obsolete and inefficient</li> </ul>	<ul style="list-style-type: none"> <li>Identify strategic financing opportunities in support of new low-carbon technologies</li> </ul>	Medium to long-term
	<b>Consumer Sentiment and Preference</b> e.g. Solar, Sustainable products	<ul style="list-style-type: none"> <li>Shift in preference towards low-carbon practices, products and services</li> </ul>	<ul style="list-style-type: none"> <li>Expand our green financing solutions, such as solar panel financing and green mortgages, while exploring emerging sustainable opportunities</li> </ul>	Short to long-term

<sup>1</sup> "Short-term" indicates a duration of up to 1 year; "Medium-Term" indicates a duration of 1 year to 3 years; "Long-term" indicates a duration of more than 3 years.



## Sustainable Workplace

We have integrated our transition plan into our broader sustainability strategy, outlining clear timelines and actions to address climate change and environmental concerns. We aim to help our customers adopt more sustainable practices and create meaningful impact on the environment, our people and the community, in support of a just and orderly transition towards a low-carbon economy. Our sustainability programmes are designed to support customers, employees, communities, vendors and business partners across five dimensions: improving ESG profiles, enhancing risk management infrastructure, advancing internal ESG practices, building capability and engagement, and strengthening disclosures and communications. The Transition Plan reflects both regulatory expectations and our own GHG reduction commitments. It also ensures we prioritise supporting affected communities to make necessary adjustments while mitigating short-term impacts. We will regularly review and update this plan to reflect new initiatives and evolving developments.

### Protecting our Portfolio by Managing Our Climate-related Risks

To effectively manage climate-related risks, we have developed a robust Climate Risk Management Framework that embeds climate and sustainability considerations into our governance, policies and business strategies. We have also quantified climate-related risks within our ICAAP Material Risk Assessment, ensuring they are properly accounted for in our overall risk management. This involves recognising and assessing the relative importance of climate-related risks that impact our business by creating an initial risk universe, followed by quantification of inherent risk, mitigation, mitigation effectiveness and residual risk before assigning likelihood and impact scores to each risk across short and medium timeframes.

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 in line with industry practice
2. Climate risk identification and management
3. Implementation of the GHG emissions reduction strategy
4. Developments in the carbon marketplace
5. New and revised regulatory requirements and industry trends

We understand the importance of equipping our board of directors with the necessary skills to navigate climate-related risks and offer various training opportunities on topics such as sustainable financing, carbon markets and ISSB compliance amongst others. The full list of climate-related trainings in FY2025 can be found on page 125.

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

**Credit Risk:** We include the assessment of physical and transition risk in our credit underwriting and periodic review process.

**Operational Risk:** We include physical risk considerations in our business continuity management and vendor management process.

**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.

**Operational 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 assessments and mitigation plans where necessary. These plans are reviewed periodically to ensure mitigating actions are up to date.

We are in the process of conducting climate scenario analysis and climate risk stress testing to identify vulnerabilities in facing physical and transition risks, including flood risk which is increasingly causing economic losses and dislocation of communities. Previously, we have installed floodgates at three branches and mandated flood prevention measures in our record management. We also assessed flood risk during credit underwriting and reviews, minimising loan portfolio exposure. Despite this, we remain vigilant, continuously monitoring flood severity to protect against potential impacts on the well-being of our people, customers and the Bank's portfolio.

Despite minimal current exposure, we closely monitor flood warnings and nation-wide climate events to identify potential risks. Business units are prepared to offer flood-related customer financing moratoria and other assistance needed to assist customers affected by flood. Flood assistance is tracked by our lines-of-businesses ("LOBs") as part of our credit risk management process, with the aggregated position and loan quality reported to Senior Management and the Board.

We have engaged with our insurance partner to offer flood insurance solutions and are regularly updating our policies and protocols to better manage the risks to our customers and the Bank's portfolio.

### Risk Appetite

Sustainability is an integral part of our business and risk management strategy. Recognising this, 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. This includes the risk appetite for environmental, social and governance matters. Regarding the Bank's management of our CCPT profile, Lines of Businesses ("LOBs") are given a reduction target of their C5a portfolio.

### ESG Risk Assessment Tools

To manage climate-related risk, our sustainable lending and investment practices are also guided by our in-house risk assessment tools, namely our CCPT Screener, which is based on the BNM CCPT requirements, ESG Risk Acceptance Criteria ("RAC") and Prohibited Lending List. Furthermore, we have begun utilising scenario analysis and stress testing to assess potential impacts to the Bank's portfolio and operations, and mitigate the exposures accordingly. We also ensure that stakeholders are involved in the portfolio review process of business units, where remedial actions are formulated, and results are monitored.

#### i. Climate Change and Principle-Based Taxonomy ("CCPT") Screener Tool

The ESG Screener Tool helps our relationship managers to identify customers who require help in adopting sustainable practices using our business solutions. This tool is also used to assess our customers' ESG risks and commitments. In doing so, we are able to categorise our customers based on BNM's CCPT guidelines. As part of this assessment, customers may determine time-bound remedial action plans for any identified climate-related risk has not been adequately mitigated. We continue to actively engage with our customers to support them on their journey to transition to a low-carbon economy.

## Sustainable Workplace

### ii. ESG Risk Acceptance Criteria (“RAC”)

The ESG RAC framework assists us in evaluating a company’s inclination to practise sustainability in its business operations, for example, in evaluation of providing financing to customers. The RACs have been developed by referencing the Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIIF”), CCPT and other international standards. In addition to our general RAC, we also apply additional industry-specific RACs to ESG-sensitive sectors in alignment with our seven ESG Principles which may arise from the financing of corporate and commercial customers’ activities.

#### Sectoral RACs

	Agribusiness
	Oil & Gas
	Manufacturing
	Wholesale & Retail Trade
	Mining & Query
	Forestry & Logging

As part of our approach to managing climate-related risk, we aim to ensure that all mandatory criteria outlined under the RACs are met by our customers. In cases where an application does not fully meet these criteria but is supported by a strong justification, this will be escalated to a higher level of approving authority for further consideration.

### iii. 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 credit policy excludes lending to prohibited sectors such as (but not limited to) arms trading, forestry logging and others. Permitted financing are subject to sectoral ESG Risk Acceptance Criteria during onboarding assessment and annual review as part of the Credit Risk Management Framework.

#### Monitoring our Climate-related Risks

We continuously monitor our involvement in ESG-sensitive sectors and our participation in these sectors is informed by the evolution of our exposure. As of 31 March 2025, our exposure to ESG-sensitive sectors remains low at 4.5% (RM1.96 billion) of the Bank’s total non-retail exposure. The breakdown is as follows:

ESG Sensitive Sectors			
Palm Oil	3.5%	Mining and Quarrying	0.3%
<b>RM1,542 million</b>		<b>RM147 million</b>	
Oil and Gas	0.4%	Forestry and Logging	0.3%
<b>RM153 million</b>		<b>RM119 million</b>	

In addition to this, we actively track our CCPT composition, in alignment with our Topline Goal 2 target to reduce C5a <20% by 2030. Moving forward, we will continue to proactively engage with our customers in these sectors to better understand their needs and challenges faced, enabling us to provide more targeted support and solutions to facilitate their transition toward a low-carbon economy. To strengthen this effort, the Bank is developing key enablers to equip our front-liners to effectively engage with customers, such as handbooks and dedicated training programmes.



## Sustainable Workplace

### Climate Scenario Analysis Approach

BNM issued its first Climate Risk Stress Testing (“CRST”) Methodology Paper in 2024, which expects financial institutions in Malaysia to undertake a CRST exercise to assess their potential vulnerabilities to various climate scenarios. The aim of the 2024 BNM CRST Exercise is to:

- Improve understanding and appreciation among board, senior management and staff of financial institutions (“FI”) on how the business and operations could be impacted by climate-related risks
- Explore novel approaches that could lead to better identification and measurement of an FI’s exposures to climate change
- Identify current gaps, specifically those related to data, measurement, methodology, technology and capabilities as well as potential solutions to these challenges

Alliance Bank has commenced our CRST exercise to assess the resilience of our portfolio and identify material climate-related risks and is on track to finalise our assessment and report our CRST results to BNM within the stipulated timeline.

We have leveraged on long term scenarios referenced from the Network for Greening the Financial System (“NGFS”) and short term scenario based on Representative Concentration Pathway (“RCP”), aligned to scenarios outlined by BNM’s CRST. Initial findings from the analysis indicate that the proportion of our portfolio significantly exposed to flood-related impacts remains low.

Risk	Scenarios	Time Horizon	Description	Policy Ambition
Transition and Physical Risk	Net Zero 2050 (“NZ 2050”)	2050 (Long term)	<ul style="list-style-type: none"> <li>• Orderly scenario</li> <li>• Limits global warming to 1.5°C by relying on strong climate policies and significant green technology breakthroughs to rapidly reduce greenhouse gas (GHG) emissions</li> <li>• High transition risk, relatively low physical risk</li> </ul>	1.4°C
	Divergent Net Zero 2050 (“DNZ 2050”)	2050 (Long term)	<ul style="list-style-type: none"> <li>• Disorderly scenario</li> <li>• Reaches net-zero by 2050 but with higher costs, due to divergent policies introduced across sectors and a quicker phase out of fossil fuels</li> <li>• Medium to higher transition risks compared to the NZ 2050 scenario, while the impact from physical risk on the economy will be lower than the NDCs scenario</li> </ul>	1.5°C
	Nationally Determined Contributions (“NDCs”)	2050 (Long term)	<ul style="list-style-type: none"> <li>• Hot house world scenario</li> <li>• The NDCs scenario assumes both implemented and pledged policy measures are fully implemented but remains inadequate to facilitate an orderly transition</li> <li>• Relatively low transition risk, moderate to severe physical risk</li> </ul>	2.3°C
Acute Physical Risks	RCP 8.5 (1-in-200 severity)	2050 (Short term)	<ul style="list-style-type: none"> <li>• Short-term acute physical risk scenario, considering a one-off 1-in-200 years flood event which is significantly more severe than past flood events in Malaysia</li> <li>• Considers a future where no global policy change is adopted, leading to a climate pathway with the highest increase in physical risks</li> </ul>	N/A

Assessing the potential impact of physical and transition risk on the credit risk of our loan portfolio is essential to understanding the overall financial stability of the Bank, identifying vulnerabilities within the portfolio and implementing effective risk management strategies to safeguard against future losses.

## Sustainable Workplace

### Climate-related Opportunities

We recognise the essential role financial institutions play in directing capital toward the net zero transition. Our approach integrates environmental and social considerations with stakeholder expectations, particularly in complex and high-emitting industries. We have established a structured process for assessing and prioritising climate-related opportunities, to identify quick wins within our key sectors and in considering emerging opportunities for the Bank. We plan to continue using this approach to expand sustainable financing and transitioning customers to sustainable operations. By strategically capitalising on these opportunities, we align our business with evolving market trends, ensuring long-term resilience and readiness for a low-carbon future.

#### Sustainable Finance Solutions

- We have launched innovative sustainable financing products, earning recognition and awards that reinforce our commitment to driving sustainability within the industry
- To this end, we have developed financing solutions, that span across customer segments in retail and non-retail. These include, but not limited to:
  - Green Mortgages
  - SME Express Loan ESG Portfolio Guarantee Programme
  - Low Carbon Transition Facility ("LCTF")
  - High Tech and Green Facility ("HTG")
  - Sustainability-linked Loans
  - Sustainable Bonds/Sukuk

#### Driving Decarbonisation

- Through our Sustainability Impact Programme ("SIP"), we collaborate with customers and their supply chain, to improve sustainable practices, addressing challenges and providing targeted solutions. We also provide financing and capital to aid their transition



For more information, please refer to Sustainability Impact Programme (SIP) on our corporate website at <https://www.alliancebank.com.my/AboutUs/Sustainability/Solutions/Sustainability-Impact-Programme>

#### Sustainability / Green Technology Partnerships

- Strategic partnerships form an important part of the Bank's sustainability strategy. Our collaborations with industry leading sustainability organisations allow the Bank to provide comprehensive value-added ESG propositions when engaging existing customers and acquiring new customers. Some impactful initiatives conducted in FY2025 include:
  - Bursa Malaysia, engaging public listed companies and the supply chain to improve ESG ratings and enhance ESG disclosures
  - UN Global Compact Network Malaysia & Brunei ("UNGCMYB"), assisting SMEs nationwide by providing capacity building and climate advisory workshops along with transition financing solutions
  - Invest Sarawak, allocating RM1 billion in preferential financing enabling SMEs in Sarawak to adopt sustainable practices
  - Eco-friendly developers, partnering with UEM Sunrise, Sunway Property, Malton and others in offering preferential green mortgages, driving adoption of green certified properties for sustainable communities
  - Malaysian Photovoltaic Industry Association ("MPIA"), supporting renewable energy and energy efficiency solution providers with green financing; including large scale solar farm developments
  - Malaysian Green Technology and Climate Change Corporation ("MGTC"), providing green financing schemes to support adoption of MYHIAU certified green technology solutions amongst the Bank's customers

#### Facilitating Early Retirement of Coal

- We firmly prohibit financing to coal-fired power plants, coal mines, unconventional oil extraction, arms trading for hostile takeovers and logging activities under our strict credit policy
- We will prioritise financing alternative energy sources to support Malaysia's National Energy Transition Roadmap ("NETR") such as renewable energy, bioenergy, green mobility, energy efficiency solutions and others

#### Providing ESG Advisory

- The PROGRESS tool, launched with UN Global Compact Network Malaysia & Brunei ("UNGCMYB"), helps SMEs by providing a climate assessment and generating a tailored climate transition plan
- In partnership with Bursa Malaysia, we have developed the Sustainability Enhancement Programme ("SEP") to assist PLCs using Bursa Malaysia's CSI Solution enhance their sustainability disclosures

To identify emerging opportunities, we actively engage with customers in key sectors to gain insights into how climate risks affect their businesses. These engagements allow us to explore ways to support their journey towards low carbon by collaboratively developing financing solutions that enable decarbonisation while addressing operational challenges.

## Sustainable Workplace

### Functioning as a Sustainability-Driven Organisation

As a sustainability-driven organisation, we are committed to integrating responsible business practices beyond ethics and compliance. Our Sustainability Framework outlines our approach to sustainability governance, guiding principles, strategy and disclosures, serving as a key reference for managing sustainability-related matters across our operations. As we progress in our sustainability journey, this framework will serve as a foundation for operationalising our sustainability strategy, embedding sustainability across the organisation through policies, processes, products and business practices.

Our strong sustainability performance is reflected in how we have maintained our FTSE4Good ESG Rating, positioning Alliance Bank among the top quartile of public-listed companies within the FTSE Bursa Malaysia EMAS Index. Additionally, we have strengthened our disclosure practices by implementing a comprehensive disclosure adoption plan, identifying gaps against both mandatory and voluntary disclosure standards. These strategic initiatives reinforce our commitment to sustainable practices, ESG integration in our business operations and transparent reporting.

### Minimising Our Own Emissions

To significantly lower our environmental impact, we established our operational GHG emissions baseline in FY2020 and have consistently tracked our progress using the GHG Protocol Corporate Accounting Standard for Scope 1, 2 and 3. For precise tracking and documentation of our Greenhouse Gas (GHG) emissions, the Bank produces a monthly emissions report. This year, we have expanded our Scope 1 GHG emissions to include fugitive emissions and Scope 3 GHG emissions to include emissions from business air travel and employee commuting.

To achieve our target of a 20% reduction in Scope 1 and 2 GHG emissions by FY2027 against our FY2020 baseline, we have developed a GHG Emissions Reduction Strategy. This includes implementing various energy efficiency initiatives across the Bank's premises, such as upgrading to LED lighting and replacing aging air conditioning units with more energy-efficient models.

In FY2025, we have reduced our Scope 1 and 2 greenhouse gas emissions by 17.8% 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.

#### Scope of GHG Inventory

##### SCOPE 1: STATIONARY AND MOBILE COMBUSTIONS

FY2025  
**202.4\*** tCO<sub>2</sub>e



FY2024 - 25.53 tCO<sub>2</sub>e

FY2023 - 32.05 tCO<sub>2</sub>e

##### SCOPE 2: PURCHASED ELECTRICITY (location-based)

FY2025  
**9,830.5** tCO<sub>2</sub>e



FY2024 - 9,766.06 tCO<sub>2</sub>e

FY2023 - 9,822.20 tCO<sub>2</sub>e

##### SCOPE 3: BUSINESS TRAVEL

FY2025  
**632.8\*\*** tCO<sub>2</sub>e



FY2024 - 680.70 tCO<sub>2</sub>e

FY2023 - 686.37 tCO<sub>2</sub>e

##### SCOPE 3: EMPLOYEE COMMUTING

FY2025  
**5,606.1** tCO<sub>2</sub>e



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

\* For FY2025, fugitive emissions were included in the Scope 1 emissions calculations. Fugitive emissions were not part of previous years' Scope 1 emissions.

\*\* For FY2025, an additional parameter has been included in the tracking of business travel emissions which is emissions from business travel by air

## Sustainable Workplace

### Approach to GHG Calculation

We apply the operational control approach to consolidate and report our GHG emissions, where our organisational boundary covers all of the Bank's operations in Malaysia.

Accurate data collection is essential for calculating and monitoring the Bank's GHG emissions. Key data inputs such as fuel usage, refrigerant consumption, electricity purchased and staff mileage claims are collected through a structured process to support calculation. Additionally, employees' surveys were also conducted to assess the total distance travelled by employees commuting to and from work.

Emission factors used for our GHG calculation are sourced from organisations such as the Environmental Protection Agency ("EPA"), Intergovernmental Panel on Climate Change ("IPCC") and Suruhanjaya Tenaga Malaysia ("ST" or "Energy Commission of Malaysia"). We remain committed to enhancing the accuracy and reliability of our emissions reporting and are continuously working to evaluate and improve our data and methodology used.

### Managing Our Financed Emissions

To accelerate our Net Zero 2050 goal, we have established a baseline for our Scope 3 financed emissions in FY2023 and developed a Net Zero Roadmap to guide our customers' transition to lower carbon footprints. This roadmap includes a medium-term plan towards 2030 (Phase 1) that focuses on customer engagement and data collection, as well as a long-term strategy towards 2050 (Phase 2) to refine emissions calculations and target setting.

We strive to capture customers' self-reported emissions performance annually and estimate financed emissions by leveraging proxy data such as physical activity and financial data. We continue to take proactive measures to improve our data quality and ensure the accuracy of the data used to calculate our financed emissions, while acknowledging any limitations in data availability or quality. Furthermore, we are working towards strengthening our internal processes to streamline data collection and improve overall efficiency, driving significant progress towards our Net Zero commitment.

To calculate our Scope 3 Financed Emissions, we utilise the Partnership for Carbon Accounting Financials ("PCAF") Standard, which builds upon the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our Scope 3 Financed Emissions are calculated from our lending and investment portfolios across various asset classes, with a focus on eight high-emitting sectors which are construction, real estate, iron and steel, forestry and logging, palm oil, oil and gas, power generation and coal.



For more information regarding our Scope 3 Financed Emissions, please refer to our corporate website *Our Environment* | Alliance Bank Malaysia.

To reduce our financed emissions, we ensure that our RMs are equipped to effectively engage and provide support to our high-emitting customers in setting their decarbonisation plans and targets. Mobilising sustainable financing is key in our efforts to reduce financed emissions, thus, we offer a variety of green financing, such as utilising BNM's LCTF and our collateral-free solar panel financing, aligning to our target to achieve RM15 billion in new sustainable banking business by FY2027.



Further details on this can be found in the 'Driving Sustainable Financing Propositions' section on page 82.



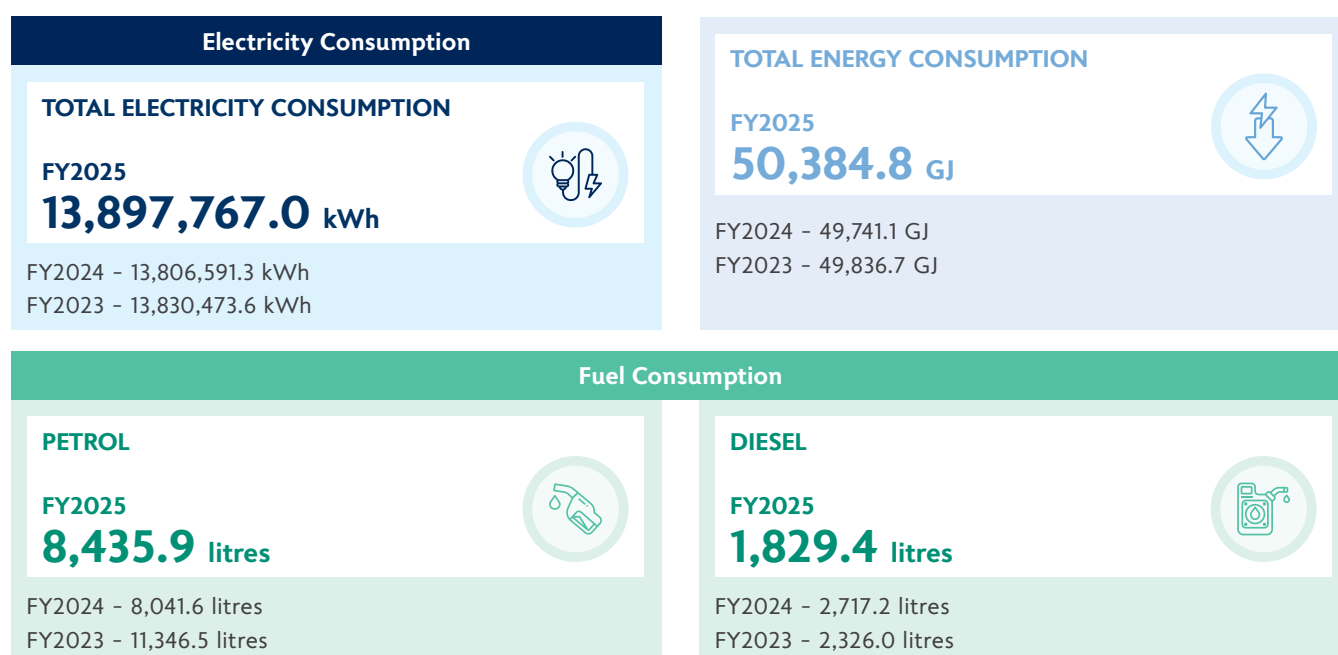
## Sustainable Workplace

### Energy Management

Demonstrating our commitment to environmental responsibility, we are proactively minimising energy consumption across our business through our GHG Emissions Reduction Strategy. Currently, we have completed replacing old air conditioners with energy-efficient units and introducing more efficient LED lights within our buildings across phases. The Bank plans to complete the planned installation of solar panels at 3 Alliance in FY2026.

At Alliance Bank, energy consumption within the organisation is tracked using the emissions factors published by Suruhanjaya Tenaga and our reduction in energy consumption is measured using the International System of Unit (SI Units).

These collective efforts have yielded impressive results, with the Bank achieving a significant 12.9% reduction in overall energy consumption compared to our FY2020 baseline.



kWh = kilowatt hour  
GJ = gigajoule



### 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 Workplace

## Conserving the Environment

Relevant material matters:  
Conserving the Environment

To strengthen our sustainability efforts, we have begun measuring water consumption using water bills from municipal councils to monitor our progress in conserving the environment. We have also improved our recyclable waste management practices, through establishing a FY2025 baseline for recyclable waste. We regularly track the recycled waste from our head office and branches to ensure that bins are placed on designated floors for easy access. Recyclables are collected weekly, and shredded paper waste is collected on a need basis. Furthermore, monthly reports on our recycling efforts have been provided by our vendor to closely monitor the progress of our recycling initiatives. We have partnered with the HP Planet Partners Return and Recycling Programme to collect and recycle a total of 937 kg End of Life ("EOL") IT equipment. We extended these efforts from our headquarters to our branches as well, demonstrating our commitment to continuously expand our recycling initiatives.

The Bank continues to actively improve its water and waste data collection processes to better understand our consumption patterns. This enhanced understanding will better inform our strategic sustainability initiatives, aligning with our broader goals. We also actively promote sustainable practices in daily operations, including water conservation and recycling awareness programmes.

## Incorporating Environmentally Friendly Materials in Operations

As part of our commitment to environmental sustainability, we utilise eco-friendly materials that meet green certification standards where possible. This includes during branch renovations and refurbishments, ensuring that the usage of paint, floor finishes, ceiling boards, partitions, workstations

and office furniture are eco-friendly. Additionally, we have installed air conditioning units with eco-friendly refrigerants and replaced light fittings with energy-efficient LEDs to further align with sustainable practices.

## Recycling Drive

To promote waste reduction and recycling among our employees, we have partnered with IPC for a Recycling Drive at their Recycling and Buy Back Centre ("RBBC"). Through this initiative, we have collected a total of 712 kg of recyclable waste.

## Total Water Consumption

FY2025  
**92,203.9 m<sup>3</sup>**

## Total Waste Diverted from Disposal

FY2025  
**161,075.0\* kg**

\* This number includes our ongoing recycling initiatives, recyclable waste from our one-off recycling drive and recycled EOL IT equipment

## 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 fully complies with all applicable labour and industrial relations laws, ensuring adherence to mandated standards and employee rights. Our employment policies and practices govern both individual and collective employment relations while fostering growth opportunities for our employees.

The Bank remains committed to employee well-being by maintaining competitive total annual wages aligned with the cost of living. All employees receive salaries above Malaysia's minimum wage. Additionally, we are reviewing our Long-Term Incentive Plan framework and may consider incorporating ESG elements in the future, reinforcing our commitment to rewarding employees while promoting ESG principles.

We are actively monitoring and comparing market wage data and cost of living to ensure our employees' total annual compensation remains competitive. We are committed to fostering a conducive work environment that supports work-life balance and flexible work arrangements.

#### Recruitment and Performance Management

At Alliance Bank, we aim to foster a culture of mutual respect for all employees and job applicants. By continuously refining our work processes, we aim to provide growth opportunities and improve the lives of all our employees, including new hires. We champion and value the varied voices within our team. We are committed to this through merit-based hiring and promotions. As for career progression, this is determined based on behavioural and professional criteria, while promotions and compensation are decided by a diverse senior management committee. We uphold Equal Opportunity Employer principles, conducting fair recruitment practices that are irrespective of nationality, race, religion, gender, age, sexual orientation and disability.

#### Developing Our Future Talent

The Bank offers a Structured Internship Programme designed to enhance the learning and development of graduates before and after graduation. Additionally, the Bank actively participates in university campus fairs to expand our outreach and share opportunities with local graduates. In FY2025, the Bank has hired 61 young graduates under our internship programme and participated in a total of 19 local university career fairs.

#### Capability Development

At Alliance Bank, we foster an environment that promotes ongoing learning and development. We are dedicated to empowering our employees by offering them opportunities for growth and career progression to help them achieve their professional aspirations.

We are dedicated to employee empowerment through career advancement opportunities that align with their professional aspirations. We ensure that internal candidates are prioritised for openings and promotions via comprehensive training and personal development programmes. Furthermore, we continuously monitor and track the number of employees trained and the total training hours for the organisation as well as constantly gather feedback through evaluation surveys after completion of training programmes to ensure quality and consistency of delivery of the training programmes.

We also have the Alliance Mentoring Programme which empowers senior leaders to guide emerging talents, fostering professional growth, knowledge sharing, and a supportive work culture.

## Sustainable Workplace

In alignment with our dedication to employee development, promoting a culture of ongoing learning and improving overall job satisfaction, Alliance Bank's annual learning calendar serves as a vital resource for employees to acquire essential knowledge and enhance their skills. The curriculum encompasses compliance, leadership, technical skills and ESG topics, supporting both individual and organisational growth.

Additionally, we are also dedicated to enhancing our employees' professional skills through the attainment of professional certifications. We believe that obtaining certifications enables individuals to showcase their expertise, remain informed about the latest trends, technologies and best practices in their fields, enhance their credibility and reputation within the industry, and create valuable opportunities for collaboration, mentorship and career advancement.

### Sustainability Learning

Alliance Bank's sustainability commitment goes beyond regulatory compliance. We strive to create a purpose-driven organisation and empower employees with ownership of our sustainability goals. To achieve this, we have implemented a tailored sustainability training programmes for different employee groups, ensuring relevance to their roles.

Currently, we offer a variety of sustainability training programmes, covering Climate Change Strategy, ESG Risk Management and Sustainable Finance. We also provided organisation-wide training for Board and Senior Management on sustainability strategies and reporting standard. Additionally, targeted training and certifications were offered to Sustainability Champions, Key Sustainability Employees and Frontliners. All employees, including new hires, are required to complete our mandatory sustainability e-Learning modules.

To ensure effective oversight of sustainability and climate-related issues at the Board level, the GSC continuously widens their knowledge through several sustainability training opportunities.



In line with our Acceler8 strategy, we continue to encourage participation in our Sustainability e-Learning modules, which focuses on driving sustainability competencies within the Bank and are made available to all employees via Connexion.

In addition, the Bank also proactively enhances our digital capabilities to allow our employees to thrive in this technological driven world, we have introduced the Digital and Analytics ("D&A") Academy, designed to upskill and cultivate our digital professionals. The Academy offers a comprehensive learning experience through self-paced modules, technical bootcamps, classroom instruction and professional certifications across a range of topic including:

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



## Sustainable Workplace

To maximise learning, we conduct training through various mediums, including physical classrooms, virtual instructor-led sessions as well as self-paced e-learning modules, supplemented with case studies and group discussions. Furthermore, we partner with leading sustainable organisations such as World Wildlife Fund (“WWF”), to provide learning visits and engagement talks, in an effort to enhance sustainability awareness. We are also focused on developing employee skills to improve our ability to monitor and assess sustainability and climate risks, to ensure that we remain a leader in sustainable banking.

### Caring for our Employee’s Well-being

#### Relevant material matters:

Employee Engagement, Health, Safety and Well-being

### Employee Engagement

We aim to cultivate a holistic work environment rooted in our core AGILE values: Accountability, Growth-Driven, Integrity, Leadership and Excellence. Our efforts prioritise clear communication, employee satisfaction and workplace diversity. We achieve this through employee engagement initiatives and wellness programs designed to foster transparent communication, enhance employee satisfaction and boost workplace productivity.

In FY2025, our main emphasis was on cultivating a Sustainability Culture to increase employee awareness and participation in advancing the Bank’s ESG agenda, strategy, initiatives and objectives. Several initiatives undertaken during the year include:

#### Notable initiatives undertaken during the year include:

Recycling  
Drives

Composting  
and plant  
nursery  
workshops

Mart for  
underprivileged  
communities

### FY2025 Employee Engagement Initiatives

#### Voice of Employee Survey

We actively leverage insights from our annual Voice of Employee survey to understand employees’ needs and strengthen our employee engagement initiatives. This survey plays a key role in shaping strategies that enhance the overall employee experience.

In FY2025, the Bank achieved a Sustainable Engagement Index (“SEI”) score of 90%, reflecting employees’ sentiments, particularly in the following areas:

- » 80% of employees responded favourably to the well-being index, which measures employees’ sentiments regarding mental, emotional and physical support provided by the Bank
- » 83% of employees responded that they were able to balance their work and personal commitments
- » Sustainability Index with a score of 91%, reflecting employee awareness of the Bank’s ESG goal, their roles in contributing towards the Bank’s Sustainability agenda and their interest in participating in the Bank’s initiatives
- » 87% of employees feel the workplace is inclusive, free of discrimination, appreciative of diverse professional backgrounds and that they can advance regardless of personal identity (e.g. race, gender, beliefs)

### ManCo Appreciates You and Alliance Heroes

The Bank cultivates a culture of appreciation and recognition through our “ManCo Appreciates You” page on the inAlliance intranet portal. Our Management Committee uses this platform to recognise employees who embody our core values and behaviours.

Furthermore, Alliance Heroes is a bank-wide peer recognition platform where employees can award appreciation badges to colleagues who best exemplify the Bank’s core values. This initiative cultivates a culture of appreciation and celebrates employees who embody what makes us who we are.

## Sustainable Workplace

### Employment Engagement Committee

We support engagement across all departments through providing an annual budget for divisional activities. These activities are organised by the Employee Engagement Committee, which consists of employees chosen by senior management. The committee also addresses feedback and disparities identified in our employee surveys.

### Alliance DNA

To strengthen our organisational identity, we prioritise internal communication strategies that embed the Alliance DNA (Vision, Mission, Values and Customer Promise) in all employees. These efforts are cascaded and engrained into our daily interactions and engagement as part of the new ways of working, embedding Alliance DNA into our organisational culture. These efforts aimed to deeply root our Alliance DNA into our organisational culture.

### Sustainability Initiatives

At Alliance Bank, we recognise the importance of making a positive impact on our community and the environment. We believe that everyone has a role to play and seek to provide opportunities to do so. In FY2025, the Bank organised several activities to raise employee awareness and engagement in driving the Bank's ESG agenda. Our initiatives included Recycling Drives, a mart featuring underprivileged communities, composting and plant nursery workshop and volunteering opportunities (beach clean-up and mart). Through the Bank's Sports Club, employees also participated in recycling opportunities and community outreach.

These initiatives highlight the crucial role of community participation in environmental conservation and demonstrate our commitment to a sustainable future. We are eager to build our reputation as a preferred employer and advance our sustainability goals.

### 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.

### FY2025 Employee Well-being Initiatives – Fit@Alliance

The well-being of our employees remains a key consideration in our sustainability endeavours. From ensuring a worklife 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 FY2025 includes:

#### Fit@Alliance Initiatives

##### Participation in PERKESO's Activ@Work Challenge ("AWC") 2024 for the sixth consecutive year.

- A total of 350 employees participated and helped the Bank record over 142 million steps.
- Additionally, we designed team and individual challenges including lucky draws with rewards to entice and motivate our employees.

##### The Ironman Challenge 2024

- Featured our employees pushing their endurance and strength through running, cycling and lunge ball passes towards their commitment to stay active and healthy.

##### Wellness Day Event

- Enabled our employees to get their BMI report as well as participate in a mini fitness challenge to motivate our employees to keep fit and healthy.

##### Health & Wellness Day 2024

- Featured a range of health screenings and assessments to help our employees attain a clearer picture of their health. The screenings included blood pressure, glucose, cholesterol, ear, skin, retinal, hair, BMI, physiotherapy and breast examination.

## Sustainable Workplace

### Fit@Alliance Initiatives

#### Blood Malaysia Partnership

- We partnered with Blood Malaysia to give away complimentary eco-friendly sanitary pads to all women employees, in an effort to empower women's health and promote sustainability products.

#### Evolution Wellness Partnership

- We leveraged on our partnership with Evolution Wellness to promote a healthy lifestyle via offering our employees exclusive gym membership rates and complimentary access to various gyms nationwide.

#### Revamping Fit@Alliance Microsite

- Revamped our Fit@Alliance Microsite to include curated wellness articles, information and a wellness community platform to help our employees connect with one another on wellness initiatives of mutual interest.

#### Wellness Webinars

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

- Psychological Safety at the Workplace
- Chronic Diseases
- Sudden Cardiac Arrest
- Adapting to Changes with Optimism
- Urological Cancer
- Colon Cancer
- Self-Care in Managing Stress



## Sustainable Workplace

## Human Rights

Alliance Bank is firmly committed to upholding human rights within our organisation, aligning with the principles of the UN Global Compact and the Association of Banks in Malaysia (“ABM”), as well as established clear positions on key labour-related human rights issues.

## FY2025 Performance

**ZERO**

reported substantiated complaints  
concerning Human Rights

## Our Stance on Human Rights

## Child Labour

We strongly oppose any forms of 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 extended our stances on prohibiting child labour to our supply chain by requiring all our suppliers and vendors to complete the ESG Supplier Self-Assessment Questionnaire (“SAQ”).

## Freedom of Association

We acknowledge and respect the constitutional right of our employees, including their freedom of association and collective bargaining 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 have four trade unions as negotiating bodies representing specific categories of employees, including Clericals, Non-Clericals, Special Grade Clerks (also referred to as Financial Service Enablers 1 - 3 in Peninsular Malaysia) and Officers.

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.

## Forced/Compulsory Labour

We have implemented a strict zero-tolerance policy towards any forms 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.

## 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 FY2025, approximately 14.8% of Alliance Bank employees were represented by trade unions or covered under a collective agreement.

## Workplace Harassment &amp; Discrimination

We have established Workplace Harassment & Discrimination Guidelines to:

- Facilitate and/ or provide a work environment free of any forms of harassment and discrimination.
- Establish mechanisms/ procedures to address and / or resolve instances of workplace harassment and / or discrimination.

The guidelines are in line with Alliance Bank’s commitment to create and uphold a safe, inclusive and positive working environment for all employees, vendors, contractors, customers and visitors in the Bank’s premises/ work related activities.



## Sustainable Workplace

### Health and Safety

We prioritise the health and safety of our employees, customers and communities. Our comprehensive Occupational Safety & Health (“OSH”) Policy, applicable to all employees and sub-contractors, reflects our commitment to a safe and healthy workplace. Recognising the impact of health and safety issues on employee well-being, we maintain strict standards to protect against hazardous risks and ensure the safety of our stakeholders.

To ensure workplace safety, we maintain an Occupational Safety & Health Statement and Procedures which is based on Malaysia’s Occupational Safety & Health Act 1994. Branch-level OSH Committee manage local safety issues and a Central OSH Committee ensures comprehensive oversight on all OSH-related issues and policy implementation across our operations as well as responsible to investigate all reportable accidents. Regular meetings are held at both branch-level OSH Committees and Central OSH Committee to manage risk factors relevant to their respective workplaces.

At Alliance Bank, we ensure the safety of our premises by providing and maintaining necessary safety measure. Furthermore, we also prioritise regular reporting to the Department of Occupational Safety & Health (“DOSH”) to ensure prompt communication and resolution of any workplace safety issues.

The OSHA training covered essential health and safety protocol, ensuring that all employees are equipped with the knowledge and skills to identify potential hazards and respond appropriately in emergency. In addition, the workplace harassment workshops emphasised the importance of fostering a respectful and inclusive atmosphere, highlighting the need to prevent and address all forms of harassment while empowering employees to report any issues with confidence.

We aim to uphold the highest standards of safety and well-being, creating an environment where all employees can thrive without fear of injury, harassment or discrimination. These initiatives demonstrate our steadfast commitment to sustaining a safe, respectful and productive workplace.

#### FY2025 Performance

**ZERO**

incidents of work-related fatalities

**0.00**

lost time injury rate

**81**

dedicated employees trained in health and safety standards

**11**

employees certified in first aider training

### 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 compassionate leave for those who need to care for their family members.

#### Total number of employees that were eligible for parental leave

  
**56%**

  
**54%**

#### Percentage of eligible employees that took parental leave

  
**5%**

  
**4%**

#### Retention rate of employees that took parental leave

  
**88%**

  
**97%**

## Sustainable Workplace

## Creating a Fair and Inclusive Work Culture













## Relevant material matters:

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.

In FY2025, women comprised of 62% of our employees. This sentiment is also echoed in leadership positions within the firm, with female representation accounting for 19% in Senior Management and 30% on the Board of Directors.

## Composition of Our Workforce

	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%	 81%  19%	 61%  39%	 43%  57%	 34%  66%	 37%  63%
Nationality	<b>Local</b> 70% <b>Foreign</b> 30%	<b>Local</b> 100% <b>Foreign</b> 0%	<b>Local</b> 100% <b>Foreign</b> 0%	<b>Local</b> 100% <b>Foreign</b> 0%	<b>Local</b> 100% <b>Foreign</b> 0%	<b>Local</b> 100% <b>Foreign</b> 0%
Age	<b>30-50</b> - <b>&gt;50</b> 100%	<b>30-50</b> 38% <b>&gt;50</b> 62%	<b>30-50</b> 55% <b>&gt;50</b> 45%	<b>&lt;30</b> 2% <b>30-50</b> 78% <b>&gt;50</b> 20%	<b>&lt;30</b> 27% <b>30-50</b> 61% <b>&gt;50</b> 12%	<b>30-50</b> 45% <b>&gt;50</b> 55%
Ethnicity	Bumiputera: 20% Chinese: 80%	Bumiputera: 6% Chinese: 75% Indian: 13% Others: 6%	Bumiputera: 6% Chinese: 87% Indian: 7%	Bumiputera: 13% Chinese: 80% Indian: 5% Others: 2%	Bumiputera: 35% Chinese: 55% Indian: 9% Others: 1%	Bumiputera: 72% Chinese: 18% Indian: 9% Others: 1%
Employment Type		Permanent: 63% Contract: 37%	Permanent: 95% Contract: 5%	Permanent: 98% Contract: 2%	Permanent: 99% Contract: 1%	Permanent: 100% Contract: 0%

## Sustainable Workplace

### Zero tolerance for Discrimination and Harassment

To reinforce our commitment to eliminating discrimination and harassment, we have introduced the Guidelines on Workplace Harassment & Discrimination ("Guidelines"). These Guidelines outline the Bank's stances on prohibiting any form of discrimination through establishing protocols to effectively address complaints and incidents.

We maintain a safe and secure workplace by requiring all employees to comply with the Guidelines, which are easily accessible through staff communications and our inAlliance intranet portal. Furthermore, all new hires receive training on addressing harassment and discrimination at the workplace during their onboarding.



#### Feature Story: Building an Inclusive Workforce

The introduction of the Acceler8 transformation strategy in January 2023 has fundamentally redefined Alliance Bank's workplace culture, talent strategy and employee experience. To ensure a successful execution of this strategy, the focus on inclusivity, creating a robust foundation for a diverse and thriving workforce to deliver superior performance is imperative.

At the core of this transformation is a steadfast commitment to policies and principles that ensure an inclusive workplace for all. The bank upholds its status as an equal opportunity employer and maintains a strict non-discrimination policy. This approach not only ensures that talent from all walks of life are given equal opportunity to succeed, but it also deeply enriches the Bank culture by embracing diverse backgrounds and experiences.

To cultivate a culture of inclusivity, the Bank has implemented several strategic initiatives. These include timely communications that highlight major festivals, along with activities designed to encourage participation. Additionally, festival advances are provided to support employees to prepare for major festivals. The respective Divisional Employee Engagement Committee are empowered to bolster efforts to promote inclusivity at the ground level.

The Bank's commitment to championing a diverse and inclusive workforce has received external validation through multiple accolades. These include Best Employer Branding in the Employer Experience Award 2024, as well as Excellence in Employer Branding and Excellence in Workplace Culture at the HR Excellence Award 2024. This recognition is further validated by the Bank annual employee engagement survey, known as the Voice of Employee, where the Bank achieved a favourable score of 87 in the area of Diversity, Equity, and Inclusion.

Tan Mui Sim, our Group Chief Human Resource Officer emphasises the importance of investing in talent and cultivating an inclusive and supportive work environment. A strong workplace culture is key to attracting top talent and enhancing employee satisfaction. Employees are the most valuable assets of a company and placing them at the core of the organisation is essential for its success. Ultimately, the success of the Bank is a testament to its dedication to attracting, engaging and retaining top talent, which aligns with its brand promise of being "The Bank for Life".

## GRI Content Index

<b>Statement of use</b>	Bank has reported the information cited in this GRI Content Index for the period 1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	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: Corporate Information	-
	2-2	Entities included in the organisation’s sustainability reporting			Page 62: Scope and Boundary	-
	2-3	Reporting period, frequency and contact point			Page 62: Scope and Boundary	-
	2-4	Restatements of information			Page 62: Scope and Boundary	-
	2-5	External assurance			Page 62: Scope and Boundary Page 157-159: Statement of Assurance	-
	Activities and Workers					
	2-6	Activities, value chain and other business relationships	-	-	Page 6: Corporate Structure Page 7: Products and Services	-
	2-7	Employees	Labour Practices and Standards	Labour Standards	Page 131: Creating a Fair and Inclusive Work Culture	-
	2-8	Workers who are not employees				
	Governance					
	2-9	Governance structure and composition	-	Corporate Governance	Page 6: Corporate Structure Page 74-76: Sustainability Governance	-
	2-10	Nomination and selection of the highest governance body			Page 160-198: Corporate Governance Overview Statement	-
	2-11	Chair of the highest governance body			Page 4: Corporate Information	-
	2-12	Role of the highest governance body in overseeing the management of impacts			Page 74-76: 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 74-76: Sustainability Governance	-
	2-14	Role of the highest governance body in sustainability reporting			Page 74-76: Sustainability Governance	-
	2-15	Conflicts of interest			Page 160-198: Corporate Governance Overview Statement	-
	2-16	Communication of critical concerns			Page 199-200: Statement on Risk Management and Internal Control, Risk Management	-
	2-17	Collective knowledge of the highest governance body			Page 125: Sustainability Learning	-
	2-18	Evaluation of the performance of the highest governance body			Page 182-188: Board Effectiveness	-
	2-19	Remuneration policies			Page 78: Sustainability Governance	-
	2-20	Process to determine remuneration			Page 78: Corporate Governance Report	-
	2-21	Annual total compensation ratio			Page 188: Corporate Governance Report	-
	Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	-	Risk management	Page 26-43: Statement by Chairman of Alliance Bank Malaysia Berhad & Group Chief Executive Officer	-
	2-23	Policy Commitments			Page 70-71: Executing our Sustainability Strategy Page 129: Human Rights	-
	2-24	Embedding policy commitments			Page 70-71: Executing our Sustainability Strategy	-
	2-25	Processes to remediate negative impacts			Page 109-112: Ethical Business Practices	-

## GRI Content Index

GRI STANDARD	GRI DISCLOSURE		BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption	Anti-Corruption, Risk Management	Page 110-112: Ethical Business Practices	-
	2-27	Compliance with laws and regulations			Page 110-112: Ethical Business Practices Page 124: Labour Standards	-
	2-28	Membership associations	-	-	Page 95-96: Participating in Associations	-
	Stakeholder engagement					
	2-29	Approach to stakeholder engagement	-	Human Rights and Community	Page 95-96: Participating in Associations	-
	2-30	Collective bargaining agreements			Page 129: Human Rights	-
GRI 3: Material Topics 2021	3-1	Process to determine material topics	-	-	Page 55: Material Matters Page 56-61: Material Matters	-
	3-2	List of material topics				
Economic/Governance						
GRI 201: Economic Performance 2016	3-3	Management of material topics	-	Social Supply Chain	Page 91: Delivering Strong Economic Value	-
	201-1	Direct economic value generated and distributed			Page 91: Delivering Strong Economic Value	-
	201-3	Defined benefit plan obligations and other retirement plans			Page 126-128: Caring for our Employee's Well-being	-
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	-	-	Page 131: Creating a Fair and Inclusive Work Culture	-

## GRI Content Index

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
<b>Economic/Governance</b>					
<b>GRI 203: Indirect Economic Impacts 2016</b>	3-3 Management of material topics	-	-	Page 81-83: Integrating Sustainable and Responsible Financing Page 100: Corporate Social Responsibility Page 104: Fostering Financial Well-being Among Communities	-
	203-1 Infrastructure investments and services supported	-	-	Page 83: Integrating Sustainable and Responsible Financing Page 100-103: Corporate Social Responsibility Page 104-106: Fostering Financial Well-being Among Communities	-
	203-2 Significant indirect economic impacts	-	-	Page 81-83: Integrating Sustainable and Responsible Financing Page 100-103: Corporate Social Responsibility Page 104-106: Fostering Financial Well-being Among Communities	-
<b>GRI 204: Procurement Practices 2016</b>	3-3 Management of material topics	Supply Chain Management	-	Page 99: Embedding a Sustainable Supply Chain	-
	204-1 Proportion of spending on local suppliers			Page 99: Embedding a Sustainable Supply Chain	-
<b>GRI 205: Anti-Corruption 2016</b>	3-3 Management of material topics	Anti-Corruption	Anti-Corruption, Risk Management	Page 109-112: Ethical Business Practices	-
	205-1 Operations assessed for risks related to corruption			Page 110-112: Anti-Bribery and Corruption	-
	205-2 Communication and training about anti-corruption policies and procedures			Page 112: Anti-Bribery and Corruption	-
	205-3 Confirmed incidents of corruption and actions taken			Page 112: Anti-Bribery and Corruption	-

## GRI Content Index

GRI STANDARD	GRI DISCLOSURE		BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Economic/Governance						
GRI 206: Anti-competitive Behaviour 2016	3-3	Management of material topics	-	-	Page 148: Performance Data	-
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			Page 148: Performance Data	-
Environmental						
GRI 302: Energy 2016	3-3	Management of material topics	Energy Management	Climate Change	Page 122: Energy Management	-
	302-1	Energy consumption within the organisation			Page 122: Energy Management	-
	302-4	Reduction of energy consumption			Page 122: Energy Management	-
GRI 303: Water and Effluents 2018	3-3	Management of material topics	Water	Climate Change	Page 123: Conserving the Environment	-
	303-3	Water withdrawal			Page 149: Performance Data	-
	303-5	Water consumption			Page 123: Conserving the Environment	-
GRI 305: Emissions 2016	3-3	Management of material topics	Emissions Management	Climate Change	Page 113-114: Addressing the Challenge of Climate Change	-
	305-1	Direct (Scope 1) GHG emissions			Page 120: Minimising Our Own Emissions	-
	305-2	Energy indirect (Scope 2) GHG emissions			Page 120: Minimising Our Own Emissions	-
	305-3	Other indirect (Scope 3) GHG emissions			Page 120: Minimising Our Own Emissions Page 121: Managing Our Financed Emissions	-
	305-5	Reduction of GHG emissions			Page 120: Minimising Our Own Emissions	-



## GRI Content Index

GRI STANDARD	GRI DISCLOSURE		BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Environmental						
GRI 306: Waste 2020	3-3	Management of material topics	-	-	Page 123: Conserving the Environment	-
	306-3	Waste generated			Page 123: Conserving the Environment	-
	306-4	Waste diverted from disposal			Page 149: Performance Data	-
GRI 308: Supplier Environment Assessment	3-3	Management of material topics	-	-	Page 99: Embedding a Sustainable Supply Chain	-
	308-1	New suppliers that were screened using environmental criteria			Page 99: Embedding a Sustainable Supply Chain	-
	308-2	Negative environmental impacts in the supply chain and actions taken			Page 99: Embedding a Sustainable Supply Chain	-
Social						
GRI 401: Employment 2016	3-3	Management of material topics	Labour Practices and Standards	Labour Standards	Page 124: Labour Standards Page 124; Recruitment and Performance Management Page 126-128: Employee Well-being	-
	401-1	New employee hires and employee turnover			Page 154: Performance Data	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee			Page 127: Employee Well-being	-
	401-3	Parental leave			Page 130: Health & Safety	-

## GRI Content Index

GRI STANDARD	GRI DISCLOSURE	BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
<b>Social</b>					
<b>GRI 403: Occupational Healthy and Safety 2018</b>	3-3	Management of material topics	-	Page 130: Health and Safety	-
	403-1	Occupational health and safety management system		Page 130: Health and Safety	-
	403-2	Hazard identification, risk assessment, and incident investigation		Page 130: Health and Safety	-
	403-3	Occupational health services		Page 130: Health and Safety	-
	403-4	Worker participation, consultation, and communication on occupational health and safety		Page 130: Health and Safety	-
	403-5	Worker training on occupational health and safety		Page 130: Health and Safety	-
	403-6	Promotion of worker health		Page 130: Health and Safety	-
	403-8	Workers covered by an occupational health and safety management system		Page 130: Health and Safety	
	403-9	Work-related injuries		Page 130: Health and Safety	-
	403-10	Work-related ill health		Page 130: Health and Safety	-
<b>GRI 404: Training and Education 2016</b>	3-3	Management of material topics	Labour Standards	Page 124: Capability Development	-
	404-1	Average hours of training per year per employee		Page 154: Performance Data	-
	404-2	Programmes for upgrading employee skills and transition assistance programmes		Page 124: Capability Development	-
	404-3	Percentage of employees receiving regular performance and career development reviews		Page 124: Capability Development	-

## GRI Content Index

GRI STANDARD			GRI DISCLOSURE		BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Social								
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Diversity			Page 131: Creating a Fair and Inclusive Work Culture	-	
	405-1	Diversity of governance bodies and employees				Page 131: Creating a Fair and Inclusive Work Culture	-	
GRI 406: Non- Discrimination 2016	3-3	Management of material topics	-		-	Page 132: Zero tolerance for Discrimination and Harassment	-	
	406-1	Incidents of discrimination and corrective actions taken				Page 132: Zero tolerance for Discrimination and Harassment	-	
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	-		-	Page 129: Human Rights	-	
GRI 408: Child Labor 2016	3-3	Management of material topics	-		-	Page 129: Human Rights	-	
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	-		-	Page 129: Human Rights	-	
GRI 413: Local Communities 2016	3-3	Management of material topics	Community/ Society		Human Rights and Community	Page 100: Corporate Social Responsibility Page 104-106: Fostering Financial Well-being Among Communities	-	
	413-1	Operations with local community engagement, impact assessments, and development programmes				Page 100: Corporate Social Responsibility Page 104-106: Fostering Financial Well-being Among Communities	-	

## GRI Content Index

GRI STANDARD	GRI DISCLOSURE		BURSA MALAYSIA COMMON INDICATOR	FTSE4GBM ESG THEMES	LOCATION	REMARKS/ OMISSION
Social						
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Supply Chain Management	Social Supply Chain	Page 99: Embedding a Sustainable Supply Chain	-
	414-1	New suppliers that were screened using social criteria			Page 99: Embedding a Sustainable Supply Chain	-
	414-2	Negative social impacts in the supply chain and actions taken			Page 99: Embedding a Sustainable Supply Chain	-
GRI 417: Marketing and Labeling 2016	3-3	Management of material topics	-	-	Page 88: Enhancing Customer Satisfaction through Trust and Fair Treatment	-
	417-1	Requirements for product and service information and labeling			Page 88: Enhancing Customer Satisfaction through Trust and Fair Treatment	-
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Data Privacy and Security	-	Page 90-91: Safeguarding Customer Data	-
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Page 147: Performance Data	-



## TCFD Content Index

GOVERNANCE		
Recommendation	Description	Location
G1: Board Oversight of Sustainability and Climate-related Matters	Disclose nature of Board oversight and accountability with respect to sustainability and climate-related matters, risks and opportunities.	Page 75: Sustainability Governance
G2: Sustainability Governance Structure Including Climate-Related Matters at the Management Level	Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decision-making.	Page 76: Sustainability Governance
G3: Sustainability and Climate-related Board Credentials	Disclose sustainability and climate-related credentials, experience and individual biographies for Board members.	Page 160: Corporate Governance
G4: Sustainability and Climate-Related Training	Disclose the initiatives undertaken and training programmes conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters.	Page 160: Corporate Governance
G5: Sustainability and Climate-related Discussions in Board Meetings	Disclose the frequency of Board meetings per year in which sustainability and climate-related issues have been a substantive agenda item, and a summary of key climate-related issues and initiatives deliberated.	Page 113: Addressing the Challenge of Climate Change
G6: Sustainability/Climate-linked Remuneration	Link Board of Director (excluding independent directors) and top management remuneration to performance against specified sustainability and climate-related targets.	Page 78: Sustainability Governance
G7: Separate Committee on Sustainability and Climate-related Matters	Set up a separate committee to oversee sustainability-related matters, reporting to the Board of Directors for all sustainability and climate-related matters.	Page 77: Sustainability Governance
STRATEGY		
S1: Identification of Climate-related Risks and Opportunities	Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium-, and long- term.	Page 113-114: Addressing the Challenge of Climate Change
S2: Impact of Climate-related Risks and Opportunities	Assess and disclose how climate-associated risks and opportunities could affect the financial institution's existing businesses, strategy, and financial planning.	Page 113-117: Addressing the Challenge of Climate Change
S3: Strategy and Risk Appetite on Climate Change Related Risks and Sustainability Measures	Disclose strategy and appetite with regard to climate-related risks and opportunities, and the measures towards sustainability in the financial institution's business activities.	Page 113-117: Addressing the Challenge of Climate Change
S4: Scenario Analysis as an Opportunity to Improve Strategic Resilience and Explore Climate Vulnerabilities	Perform climate-related scenario analysis to assess potential business implications of climate-related risks and opportunities over time and under different conditions as well as related strategies to manage these.	Page 118: Addressing the Challenge of Climate Change

## TCFD Content Index

RISK MANAGEMENT		
Recommendation	Description	Location
R1: Process for Identifying and Assessing Climate-related Risks	<p>Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors.</p> <p>Disclose the risk classification framework(s) used.</p> <p>Disclose the risk terminology definitions used or existing risk classification framework(s) used.</p>	Page 113-117: Addressing the Challenge of Climate Change
R2: Process for Managing Climate related Risks	<p>Disclose the financial institution's risk management processes and controls.</p> <p>Disclose the identities of individual(s)/function(s) responsible for oversight of climate-related risks and its relationship with the business operations.</p>	Page 113-117: Addressing the Challenge of Climate Change
R3: Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management.	<p>Disclose the integration of processes for identifying, assessing, and managing climate-related risks into overall risk management.</p> <p>Disclose processes for prioritising climate-related risks, including how materiality determinations are made within the financial institution.</p>	Page 113-117: Addressing the Challenge of Climate Change
R4: Process for Identifying and Assessing Climate-related Risks	<p>Disclose the financial institution's risk management processes used to identify and assess climate-related risks.</p> <p>Disclose the financial institution's climate-related risks and their significance within existing risk categories such as credit, market, operational, liquidity risk.</p> <p>Disclose the financial institution's processes for assessing the potential size and scope of identified climate-related risks.</p> <p>Disclose key sectors in the financial institution's portfolio that are identified as being highly exposed to climate risk.</p> <p>Set out the financial institution's risk management controls or actions in managing impacts from direct climate-related risks (i.e. through own operations).</p>	<p>Page 116: Risk Appetite</p> <p>Page 116: ESG Risk Assessment Tools</p> <p>Page 116: Climate Change and Principle-based Taxonomy ("CCPT") Screener Tool</p> <p>Page 117: ESG Risk Acceptance Criteria ("RAC")</p> <p>Page 117: Prohibited Lending</p> <p>Page 117: Exposure to ESG-Sensitive Sectors</p> <p>Page 113-117: Addressing the Challenge of Climate Change</p>

## TCFD Content Index

RISK MANAGEMENT		
Recommendation	Description	Location
R5: Process for Managing Climate-related Risks	<p>Disclose the financial institution's processes for managing climate-related risks including decisions to mitigate, transfer, accept, or control those risks.</p> <p>Disclose improvements planned/completed by the financial institution to enhance capabilities and incorporate climate-related risks into existing risk management framework.</p> <p>Conduct training and employee readiness planning as well as programmes.</p> <p>Disclose how the financial institution's customers are engaged and helped in mitigating climate-related risks.</p> <p>Use metrics and targets to monitor progress in managing climate-related risks (i.e. exposure to, and quantification of, risk types by business segment and jurisdiction).</p> <p>Set out the financial institution's risk management controls or actions in managing impacts from indirect climate-related risks (i.e. through activities of its customers).</p> <p>Disclose the financial institution's exposure to, and quantification of, sustainable financing.</p>	<p>Page 116: Risk Appetite</p> <p>Page 116: ESG Risk Assessment Tools</p> <p>Page 116: Climate Change and Principle-based Taxonomy ("CCPT") Screener Tool</p> <p>Page 117: ESG Risk Acceptance Criteria ("RAC")</p> <p>Page 117: Prohibited Lending</p> <p>Page 117: Exposure to ESG- Sensitive Sectors</p> <p>Page 113-117: Addressing the Challenge of Climate Change</p>
R6: Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management.	<p>Disclose how the financial institution has integrated climate-related risks into existing risk categories such as credit, market, operational, insurance and liquidity risks.</p> <p>Disclose how the financial institution has integrated climate-related risks into existing risk framework(s) and/or directly into credit and investment decision-making (e.g. lending policies, underwriting standards, risk ratings, pricing models).</p> <p>Disclose the financial institution's efforts in supporting customers through mitigating climate-related risks via sustainable finance solutions.</p> <p>Implement policies that restrict/divest from high-risk exposures and in line with international commitments/frameworks.</p> <p>Enhance the financial institution's climate risk management framework to be more predictive.</p>	<p>Page 116: Risk Appetite</p> <p>Page 116: ESG Risk Assessment Tools</p> <p>Page 116: Climate Change and Principle-based Taxonomy ("CCPT") Screener Tool</p> <p>Page 117: ESG Risk Acceptance Criteria ("RAC")</p> <p>Page 117: Prohibited Lending</p> <p>Page 117: Exposure to ESG- Sensitive Sectors</p> <p>Page 113-117: Addressing the Challenge of Climate Change</p>

## TCFD Content Index

METRICS & TARGETS		
Recommendation	Description	Location
M1: Key Climate-related Metrics	<p>Disclose Absolute Scope 1, Scope 2 and Scope 3 (at minimum on business travel and employee commuting) GHG Emissions.</p> <p>Proportion of portfolio with exposure to assets or business activities vulnerable to transition risks.</p> <p>Proportion of portfolio with exposure to assets or business activities vulnerable to physical risks.</p> <p>Proportion of portfolio with exposure to low carbon assets or business activities.</p> <p>Proportion/share of the portfolio for which engagement on climate-related risk/opportunities has been a key topic.</p> <p>Share of financial assets (e.g. loans/financing, investment assets) based on classification by green taxonomy for example BNM's Climate Change and Principles-based Taxonomy ("CCPT").</p> <p>Portion/weightage of directors and/or senior management's remuneration linked to sustainability-related KPIs.</p>	<p>Page 120: Minimising Our Own Emissions</p> <p>Page 121: Managing Our Financed Emissions</p>
M2: Key Climate-related Targets	Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector-specific metrics and/or institution-specific metrics).	<p>Page 69: Alliance Bank's Net Zero Roadmap</p> <p>Page 70: Executing Our Sustainability Strategy</p>
M3: Key Climate-related Metrics	<p>Historical, current and future GHG Emissions (Example unit of measure - MT of CO<sub>2</sub>e).</p> <p>Impact of climate-related risks or opportunities on financial performance (Example unit of measure - Percentage, weighting, description, or amount in reporting currency).</p>	<p>Page 120: Minimising Our Own Emissions</p> <p>Page 121: Managing Our Financed Emissions</p>



## SASB Content Index

ACCOUNTING METRIC	CATEGORY	CODE	LOCATION
<b>Data Security</b>			
(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	Quantitative	FN-CB-230a.1	Page 90: Customer Data Privacy
Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	Page 90: Safeguarding Customer Data
<b>Financial Inclusion &amp; Capacity Building</b>			
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	Page 104-106: Fostering Financial Well-being Among Communities
<b>Incorporation of Environmental, Social, and Governance Factors in Credit Analysis</b>			
Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	Page 81: Integrating Sustainable and Responsible Financing
<b>Financed Emissions</b>			
Description of the methodology used to calculate financed emissions	Discussion and Analysis	FN-CB-410b.4	Page 121: Managing Our Financed Emissions
<b>Business Ethics</b>			
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	FN-CB-510a.1	Page 148: Performance Data
Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB-510a.2	Page 109: Ethical Business Practices
<b>Systemic Risk Management</b>			
Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	Page 113: Addressing the Challenge of Climate Change

## Performance Data

INDICATOR	UNIT	FY2023	FY2024	FY2025
<b>Economic/Governance</b>				
<b>Customer Data Privacy</b>				
Total number of substantiated complaints concerning breaches of customer privacy	No.	N/A	2	0
Total number of/account holders affected from identified leaks, thefts, or losses of customer data	No.	0	2	0
<b>Customer Experience</b>				
Average Net Promoter Score ("NPS")	No.	33	33	39
<b>Digitalisation</b>				
Total Number of Digital Users (Online & Mobile)	No.	594,334	693,446	769,345
<b>Economic Performance</b>				
Total economic value generated	RM million	1,919.8	2,020.4	2,270.0
Total economic value distributed	RM million	1,491.9	1,555.0	1,742.5
Total economic value retained	RM million	428.0	465.4	527.5
New sustainable banking business (cumulative)	RM million	8,100.0	12,600.0	14,412.0
C5a% of portfolio	%	35%	31%	21%
<b>Ethics and Compliance</b>				
Percentage of operations assessed for corruption-related risks	%	29%	24%	25%
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

## Performance Data

INDICATOR	UNIT	FY2023	FY2024	FY2025
<b>Economic/Governance</b>				
Total employee training hours on anti-corruption and bribery	Hours	7,074	7,576	7,420
Employees who have received training on anti-corruption by employees category	Senior Management	%	94%	100%
		Hours	30	32
	Senior Vice President	%	95%	100%
		Hours	146	162
	Vice President and Assistant Vice President	%	96%	98%
		Hours	2,036	2,454
	Manager, Senior Executive and below	%	92%	98%
		Hours	4,414	4,524
	Clerical and Non-Clerical Employees	%	82%	52%
		Hours	448	280
Total employee training hours on AML/CFT	Hours	8,807	9,477	9,293
Employees who have received training on AML/CFT by employee category	Senior Management	%	94%	100%
		Hours	38	40
	Senior Vice President	%	95%	100%
		Hours	183	210
	Vice President and Assistant Vice President	%	96%	98%
		Hours	2,533	2,948
	Manager, Senior Executive and below	%	92%	98%
		Hours	5,490	5,943
	Clerical and Non-Clerical Employees	%	82%	52%
		Hours	563	348
Number of legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	No.	0	0	0
<b>Sustainable and Responsible Financing</b>				
BNM Low Carbon Transition Facility ("LCTF")	RM million	0.3	17.0	10.3
<b>Sustainable Procurement</b>				
Percentage spent on local suppliers	%	92%	94%	96%
Proportion of new suppliers that were screened using environmental criteria	%	N/A	100%	100%
Total suppliers assessed for environmental impacts	No.	N/A	545	654
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	0%	0%

All numerical values presented have been rounded to one decimal place for clarity and consistency.

## Performance Data

INDICATOR	UNIT	FY2023	FY2024	FY2025
<b>Economic/Governance</b>				
Proportion of suppliers having negative environmental impact with relationships terminated upon	%	N/A	0%	0%
Proportion of new suppliers that were screened using social criteria	%	N/A	100%	100%
Total suppliers assessed for social impacts	No.	N/A	545	654
Total suppliers with negative social impacts	No.	N/A	0%	0%
Proportion of suppliers having negative social impact with improvements agreed upon	%	N/A	0%	0%
Proportion of suppliers having negative social impact with relationships terminated upon	%	N/A	0%	0%
<b>Environmental</b>				
<b>Climate Change</b>				
Total energy consumption	Giga Joules	49,836.7	49,741.1	50,384.8
Total energy consumption within the organisation by category - Electricity consumption	kWh	13,830,473.6	13,806,591.3	13,897,767.0
Direct GHG emissions (Scope 1) - Stationary and Mobile Combustion	tCO <sub>2</sub> e	32.1	25.5	202.4 <sup>*</sup>
Indirect GHG emissions (Scope 2) - Purchased Electricity (location-based)	tCO <sub>2</sub> e	9,822.2	9,766.1	9,830.5
Other Indirect GHG emissions (Scope 3) - Business Travel	tCO <sub>2</sub> e	686.4	680.7	632.8 <sup>**</sup>
Other Indirect GHG emissions (Scope 3) - Employee Commuting	tCO <sub>2</sub> e	N/A	N/A	5,606.1
Reduction of GHG emissions	%	17.8%	18.3%	17.8%
<b>Conserving the Environment</b>				
Printing Volume	Print copy	30,952,606	34,085,034	30,962,846
Total Waste Diverted from Disposal (only Recycled Waste)	kg	N/A	N/A	161,075.0
Total non-hazardous waste diverted from disposal by category	kg	N/A	N/A	161,075.0
Total Water Consumption	m <sup>3</sup>	N/A	25,199.5	92,203.9 <sup>***</sup>

<sup>\*</sup> For FY2025, fugitive emissions were included in the Scope 1 emissions calculations. Fugitive emissions were not part of previous years' Scope 1 emissions

<sup>\*\*</sup> For FY2025, an additional parameter has been included in the tracking of business travel emissions which is emissions from business travel by air

<sup>\*\*\*</sup> In FY2025, the increase in total water consumption is due to data collection covering a larger number of locations

All numerical values presented have been rounded to one decimal place for clarity and consistency.

## Performance Data

INDICATOR			UNIT	FY2023	FY2024	FY2025
Social						
Corporate Social Responsibility						
Total amount invested in the community where the target beneficiaries are external to the listed issuer			RM million	1.2	1.3	2.8
Total no. of beneficiaries of the investment in communities			No.	3,520	2,919	44,500
Diversity, Equity, and Inclusion						
Total number of Directors			No.	9	10	10
Directors by gender	Male		%	78%	70%	70%
	Female		%	22%	30%	30%
Directors by age group	<30		%	0%	0%	0%
	30-50		%	11%	10%	0%
	>50		%	89%	90%	100%
Directors by ethnicity	Bumiputera		%	22%	30%	20%
	Chinese		%	78%	70%	80%
	Indian		%	0%	0%	0%
	Other		%	0%	0%	0%
Directors by nationality	Local		%	56%	60%	70%
	Foreign		%	44%	40%	30%
Total number of employees			No.	3,815	3,999	3,916
Percentage of employees by gender for each employee category	Senior Management	Male	%	81%	79%	81%
		Female	%	19%	21%	19%
	Senior Vice President	Male	%	68%	64%	61%
		Female	%	32%	36%	39%
	Vice President and Assistant Vice President	Male	%	44%	43%	43%
		Female	%	56%	57%	57%
	Manager, Senior Executive and below	Male	%	35%	35%	34%
		Female	%	65%	65%	66%
	Clerical and Non-Clerical Employees	Male	%	37%	36%	37%
		Female	%	63%	64%	63%
Percentage of women in the global workforce			%	61%	62%	62%

\* The increase in FY2025 for the number of beneficiaries is largely attributed to the seventh edition of our AEIOU initiative



## Performance Data

INDICATOR			UNIT	FY2023	FY2024	FY2025
Social						
Percentage of employees by age group for each employee category	Senior Management	<30	%	0%	0%	0%
		30-50	%	31%	43%	38%
		>50	%	69%	57%	62%
	Senior Vice President	<30	%	0%	0%	0%
		30-50	%	66%	62%	55%
		>50	%	34%	38%	45%
	Vice President and Assistant Vice President	<30	%	2%	2%	2%
		30-50	%	82%	81%	78%
		>50	%	16%	17%	20%
	Manager, Senior Executive and below	<30	%	33%	31%	27%
		30-50	%	59%	60%	61%
		>50	%	8%	9%	12%
	Clerical and Non-Clerical Employees	<30	%	0%	0%	0%
		30-50	%	68%	62%	45%
		>50	%	32%	38%	55%
Percentage of employees by employment type for each employee category	Senior Management	Contract	%	19%	21%	37%
		Permanent	%	81%	79%	63%
	Senior Vice President	Contract	%	3%	2%	5%
		Permanent	%	97%	98%	95%
	Vice President and Assistant Vice President	Contract	%	0%	1%	2%
		Permanent	%	100%	99%	98%
	Manager, Senior Executive and below	Contract	%	2%	1%	1%
		Permanent	%	98%	99%	99%
	Clerical and Non-Clerical Employees	Contract	%	0%	0%	0%
		Permanent	%	100%	100%	100%

## Performance Data

INDICATOR			UNIT	FY2023	FY2024	FY2025
Social						
Percentage of employees by ethnicity for each employee category	Senior Management	Bumiputera	%	6%	7%	6%
		Chinese	%	75%	79%	75%
		Indian	%	13%	7%	13%
		Other	%	6%	7%	6%
	Senior Vice President	Bumiputera	%	5%	6%	6%
		Chinese	%	86%	88%	87%
		Indian	%	8%	6%	7%
		Other	%	1%	0%	0%
	Vice President and Assistant Vice President	Bumiputera	%	13%	13%	13%
		Chinese	%	80%	80%	80%
		Indian	%	5%	6%	5%
		Other	%	2%	1%	2%
	Manager, Senior Executive and below	Bumiputera	%	34%	34%	35%
		Chinese	%	56%	56%	55%
		Indian	%	9%	9%	9%
		Other	%	1%	1%	1%
	Clerical and Non-Clerical Employees	Bumiputera	%	72%	72%	72%
		Chinese	%	18%	18%	18%
		Indian	%	9%	9%	9%
		Other	%	1%	1%	1%
Percentage of employees by nationality for each employee category	Senior Management	Local	%	100%	100%	100%
		Foreign	%	0%	0%	0%
	Senior Vice President	Local	%	99%	100%	100%
		Foreign	%	1%	0%	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%
Permanent employees by gender	Clerical and Non-Clerical Employees	Local	%	100%	100%	100%
		Foreign	%	0%	0%	0%
Permanent employees by gender		Male	%	39%	38%	38%
		Female	%	61%	62%	62%
Permanent employees by nationality		Local	%	99%	100%	100%
		Foreign	%	1%	0%	0%
Contract employees by gender		Male	%	37%	47%	48%
		Female	%	63%	53%	52%

## Performance Data

INDICATOR		UNIT	FY2023	FY2024	FY2025
<b>Social</b>					
Contract employees by nationality	Local	%	100%	100%	100%
	Foreign	%	0%	0%	0%
% of employees that are contractors or temporary staff		%	1%	1%	1%
Total employees with a disability		%	0%	0.05%	0%
<b>Employee Engagement, Health, Safety and Well-being</b>					
No of work related fatalities		No.	0	0	0
Lost time injury rate (own staff)		Rate	0.27	0.31	0.00
Lost time injury rate (contractors)		Rate	0	0	0
No. of dedicated employees trained on health and safety standards		No.	26	118	81
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.	961	952	860
	Female	No.	1,523	1,541	1,449
Total number of employees that took parental leave by gender	Male	No.	14	50	38
	Female	No.	58	52	74
Total number of employees that returned to work in the reporting period after parental leave ended by gender	Male	No.	14	43	38
	Female	No.	54	45	74
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.	13	43	37
	Female	No.	54	45	65
Return to work rate of employees that took parental leave by gender	Male	%	100%	86%	100%
	Female	%	93%	87%	100%
Retention rates of employees that took parental leave by gender	Male	%	93%	86%	97%
	Female	%	93%	87%	88%
<b>Financial Inclusion</b>					
Amount raised through SocioBiz platform		RM	0	235,062.00	783,519.25
Number of individuals assisted through SocioBiz platform		No.	0	537	1,914
<b>Talent Management</b>					
Total training hours		Hours	128,107	147,377	169,186
Average training per employee		Hours	33.6	36.9	43.2
		Days	4.2	4.6	5.4
Average training hours by gender	Male	Hours	33.2	41.8	45.1
	Female	Hours	33.9	33.8	42.1

## Performance Data

Indicator			Unit	FY2023	FY2024	FY2025
Social						
Training hours by employee category	Senior Management	Total	Hours	365.0	711.0	713.0
		Average	Hours	22.8	50.8	44.6
	Senior Vice President	Total	Hours	8,977.0	4,046.0	4,062.0
		Average	Hours	116.6	50.0	48.4
	Vice President and Assistant Vice President	Total	Hours	32,552.0	47,724.0	61,188.0
		Average	Hours	30.7	39.8	48.8
	Manager, Senior Executive and below	Total	Hours	71,907.0	91,695.0	101,053.0
		Average	Hours	30.1	37.7	44.0
	Clerical and Non-Clerical Employees	Total	Hours	14,306.0	3,201.0	2,171.0
		Average	Hours	52.4	11.9	8.3
New hires by gender	Male		%	42%	43%	41%
	Female		%	58%	57%	59%
New hires by age group	<30		%	53%	45%	41%
	30-50		%	46%	53%	55%
	>50		%	1%	2%	4%
New hires by nationality	Local		%	100%	100%	100%
	Foreign		%	0%	0%	0%
% of senior management that are hired from the local community			%	100%	100%	100%
Employee turnover rate			Rate	0.21	0.15	0.15
Employee turnover by gender	Male		%	44%	47%	45%
	Female		%	56%	53%	55%
Employee turnover by age group	<30		%	36%	42%	35%
	30-50		%	52%	49%	56%
	>50		%	12%	9%	9%
Employee turnover by nationality	Local		%	100%	100%	100%
	Foreign		%	0%	0%	0%
Employee turnover by employee category	Senior Management		%	0%	1%	0%
	Senior Vice President		%	2%	1%	1%
	Vice President and Assistant Vice President		%	23%	21%	26%
	Manager, Senior Executive and below		%	74%	76%	72%
	Clerical and Non-Clerical Employees		%	1%	1%	1%

## Performance Data Table from Bursa ESG Reporting Platform

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Anti-corruption)</b>				
<b>Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category</b>				
Senior Management	Percentage	94.00	100.00	100.00
Senior Vice President	Percentage	95.00	100.00	100.00
Vice President and Assistant Vice President	Percentage	96.00	98.00	98.00
Manager, Senior Executive and below	Percentage	92.00	98.00	98.00
Clerical and Non-Clerical Employees	Percentage	82.00	52.00	46.00
<b>Bursa C1(b) Percentage of operations assessed for corruption-related risks</b>	Percentage	29.00	24.00	25.00
<b>Bursa C1(c) Confirmed incidents of corruption and action taken</b>	Number	0	0	0
<b>Bursa (Community/Society)</b>				
<b>Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer</b>	MYR	1,200,000.00	1,300,000.00	2,800,000.00
<b>Bursa C2(b) Total number of beneficiaries of the investment in communities</b>	Number	3,520	2,919	44,500
<b>Bursa (Diversity)</b>				
<b>Bursa C3(a) Percentage of employees by gender and age group, for each employee category</b>				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	31.00	43.00	38.00
Senior Management Above 50	Percentage	69.00	57.00	62.00
Senior Vice President Under 30	Percentage	0.00	0.00	0.00
Senior Vice President Between 30-50	Percentage	66.00	62.00	55.00
Senior Vice President Above 50	Percentage	34.00	38.00	45.00
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	81.00	78.00
Vice President and Assistant Vice President Above 50	Percentage	16.00	17.00	20.00
Manager, Senior Executive and below Under 30	Percentage	33.00	31.00	27.00
Manager, Senior Executive and below Between 30-50	Percentage	59.00	60.00	61.00
Manager, Senior Executive and below Above 50	Percentage	8.00	9.00	12.00
Clerical and Non-Clerical Employees Under 30	Percentage	0.00	0.00	0.00
Clerical and Non-Clerical Employees Between 30-50	Percentage	68.00	62.00	45.00
Clerical and Non-Clerical Employees Above 50	Percentage	32.00	38.00	55.00
Gender Group by Employee Category				
Senior Management Male	Percentage	81.00	79.00	81.00
Senior Management Female	Percentage	19.00	21.00	19.00
Senior Vice President Male	Percentage	68.00	64.00	61.00
Senior Vice President Female	Percentage	32.00	36.00	39.00
Vice President and Assistant Vice President Male	Percentage	44.00	43.00	43.00
Vice President and Assistant Vice President Female	Percentage	56.00	57.00	57.00
Manager, Senior Executive and below Male	Percentage	35.00	35.00	34.00
Manager, Senior Executive and below Female	Percentage	65.00	65.00	66.00
Clerical and Non-Clerical Employees Male	Percentage	37.00	36.00	37.00
Clerical and Non-Clerical Employees Female	Percentage	63.00	64.00	63.00

All numerical values presented have been rounded to one decimal place for clarity and consistency.



## Performance Data Table from Bursa ESG Reporting Platform

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa C3(b) Percentage of directors by gender and age group</b>				
Male	Percentage	78.00	70.00	70.00
Female	Percentage	22.00	30.00	30.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	11.00	10.00	0.00
Above 50	Percentage	89.00	90.00	100.00
<b>Bursa (Energy management)</b>				
<b>Bursa C4(a) Total energy consumption<sup>*</sup></b>	Megawatt	49,836,650.00	49,741,090.00	50,384,830.00
<b>Bursa (Health and safety)</b>				
<b>Bursa C5(a) Number of work-related fatalities</b>	Number	0	0	0
<b>Bursa C5(b) Lost time incident rate ("LTIR")</b>	Rate	0.27	0.31	0.00
<b>Bursa C5(c) Number of employees trained on health and safety standards</b>	Number	26	118	81
<b>Bursa (Labour practices and standards)</b>				
<b>Bursa C6(a) Total hours of training by employee category</b>				
Senior Management	Hours	365	711	713
Senior Vice President	Hours	8,977	4,046	4,062
Vice President and Assistant Vice President	Hours	32,552	47,724 *	61,188
Manager, Senior Executive and below	Hours	71,907	91,695	101,053
Clerical and Non-Clerical Employees	Hours	14,306	3,201	2,171
<b>Bursa C6(b) Percentage of employees that are contractors or temporary staff</b>	Percentage	1.00	1.00	1.00
<b>Bursa C6(c) Total number of employee turnover by employee category</b>				
Senior Management	Number	3	5	0
Senior Vice President	Number	15	7	8
Vice President and Assistant Vice President	Number	178	127	157
Manager, Senior Executive and below	Number	577	454	443
Clerical and Non-Clerical Employees	Number	10	4	5
<b>Bursa C6(d) Number of substantiated complaints concerning human rights violations</b>	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
<b>Bursa C7(a) Proportion of spending on local suppliers</b>	Percentage	92.00	94.00	96.00
<b>Bursa (Data privacy and security)</b>				
<b>Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	Number	-	2	0
<b>Bursa (Water)</b>				
<b>Bursa C9(a) Total volume of water used</b>	Megalitres	-	25.199500	92.203900
<b>Bursa (Waste management)</b>				
<b>Bursa C10(a) Total waste generated</b>	Metric tonnes	-	-	161.07
<b>Bursa C10(a)(i) Total waste diverted from disposal</b>	Metric tonnes	-	-	161.07
<b>Bursa C10(a)(ii) Total waste directed to disposal</b>	Metric tonnes	-	-	0.00
<b>Bursa (Emissions management)</b>				
<b>Bursa C11(a) Scope 1 emissions in tonnes of CO2e</b>	Metric tonnes	-	-	202.40
<b>Bursa C11(b) Scope 2 emissions in tonnes of CO2e</b>	Metric tonnes	-	-	9,830.50
<b>Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)</b>	Metric tonnes	-	-	6,238.90

Internal assurance

External assurance

No assurance

(\*)Restated

All numerical values presented have been rounded to one decimal place for clarity and consistency.

<sup>\*</sup> The data presented is reported in the unit of Megajoules (MJ)

## 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 2025. 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 pertains to selected sustainable performance information (subject matter) within the assurance scope which is included in Alliance Bank Sustainability Statement 2025.

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 2025.

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. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1 and the Report to Management, with further details provided therein.

Subject matter	Page no. (as in the Sustainability Statement)
Sustainable Banking Business	64, 70
C5a% portfolio	64, 70
GHG Emissions Footprint – Scope 1, Scope 2 and Scope 3	120
Energy Management – Electricity and Fuel Consumption	122

The verification was carried out by SIRIM QAS International in May 2025, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verifying the data presented in the Sustainability Statement, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections 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 the Alliance Bank's Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.
- As part of this assurance engagement, the verification team visited Alliance Bank's corporate office at Menara Multi-Purpose, Capital Square, Jalan Munshi Abdullah. However, the verification process did not include physical inspections of any of Alliance Bank's offices, buildings and branches.
- The verification team did not assess or verify any data related to contractors or third parties.

### 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 findings, the Sustainability Statement was subsequently reviewed and revised by the Alliance Bank. It is confirmed that the 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 2025 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. Aine Jamaliah Mohamad Zain	:	Team Member

Statement Prepared by:

Statement Approved by:

  
**AERNIDA BINTI ABDUL KADIR**  
Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

  
**AMINUDIN BIN ABD AZIZ**  
Acting Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date: 14 May 2025

Date: 19 May 2025

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 guarantee 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 (13 May 2025).

## Statement of Assurance

## Appendix 1

Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	FY2025
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Giga Joules	50,384.80
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric Tonnes	202.36
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric Tonnes	9,830.51
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e	Metric Tonnes	6,238.83

The topics and subject matters covered in this assessment are tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Sustainable Banking Business				
C5a% Portfolio				
Energy Management – Electricity and Fuel Consumption				
GHG Emissions Footprint				
↳ Scope 1 emissions – Petrol & diesel consumption and refrigerant loss				
↳ Scope 2 emissions – Electricity consumption				
↳ Scope 3 emissions – Business travel by land				

## Note 1:

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## 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 the Management Report.

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.