

Terms of Reference Group Sustainability Committee

Objectives : To support the Boards in the oversight of setting sustainability strategies, priorities and targets, 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.

Responsibilities :

1. Review and recommend to the Board for approval sustainability strategies, priorities and targets proposed by Management taking into account environmental risks and opportunities including but not limited to risk and opportunities arising from climate change.
2. 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.
3. 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.
4. Oversee management's implementation of training and other programs to enable the Bank to keep abreast with latest developments in areas related to sustainability, climate change and climate risk management.
5. Oversee actions taken by management to engage the workforce and support the development of relevant people-related strategies.
6. Oversee management's implementation of support programs to help communities, families and businesses to thrive within the framework of financial inclusion and responsible business practices.
7. Provide inputs to Group Nomination and Remuneration Committee on the setting and assessment of performance and incentive targets for relevant sustainability areas.
8. Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters pertaining to sustainability highlighted by regulators or consultants.
9. Review and recommend to the Board for approval both the sustainability report for annual report and other public documents related to the Group's reporting on sustainability to ensure that the Group's sustainability story is effectively communicated to investors and other stakeholders.
10. Review and endorse climate risk scenarios to be used for climate risk scenario analysis.
11. Receive quarterly update from Management on the progress towards achieving the Group's sustainability targets.
12. Review periodic reports on sustainability and climate-related risk.
13. Identify a designated person within Management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Banks.
14. Perform any other functions and exercise such other powers as may be delegated to it from time to time by the Boards.

Accountability : Directly accountable to the Boards of the respective licensed entities.

For avoidance of doubt, the Group Risk Management Committee shall continue to be responsible for the assessment and management of sustainability risks.

Members : To comprise at least three Directors with a majority of Independent Directors.

Chairman : The Chairman shall be an Independent Director.

Quorum : The quorum shall be a minimum of two (2) members present.

Decision : Questions arising at any meeting shall be decided by a majority of votes. In case of equality of votes, the Chairman shall have a second or casting vote.

**Frequency of :
Meeting** At least four (4) times a year.

Secretary : The Company Secretary.

**Frequency & :
Reporting Process** A copy of the confirmed minutes shall be circulated by email to the Boards (where relevant) or tabled at the next Board meeting for notation.

Note :

“Group” shall mean Alliance Bank Malaysia Berhad (ABMB) and its subsidiary.