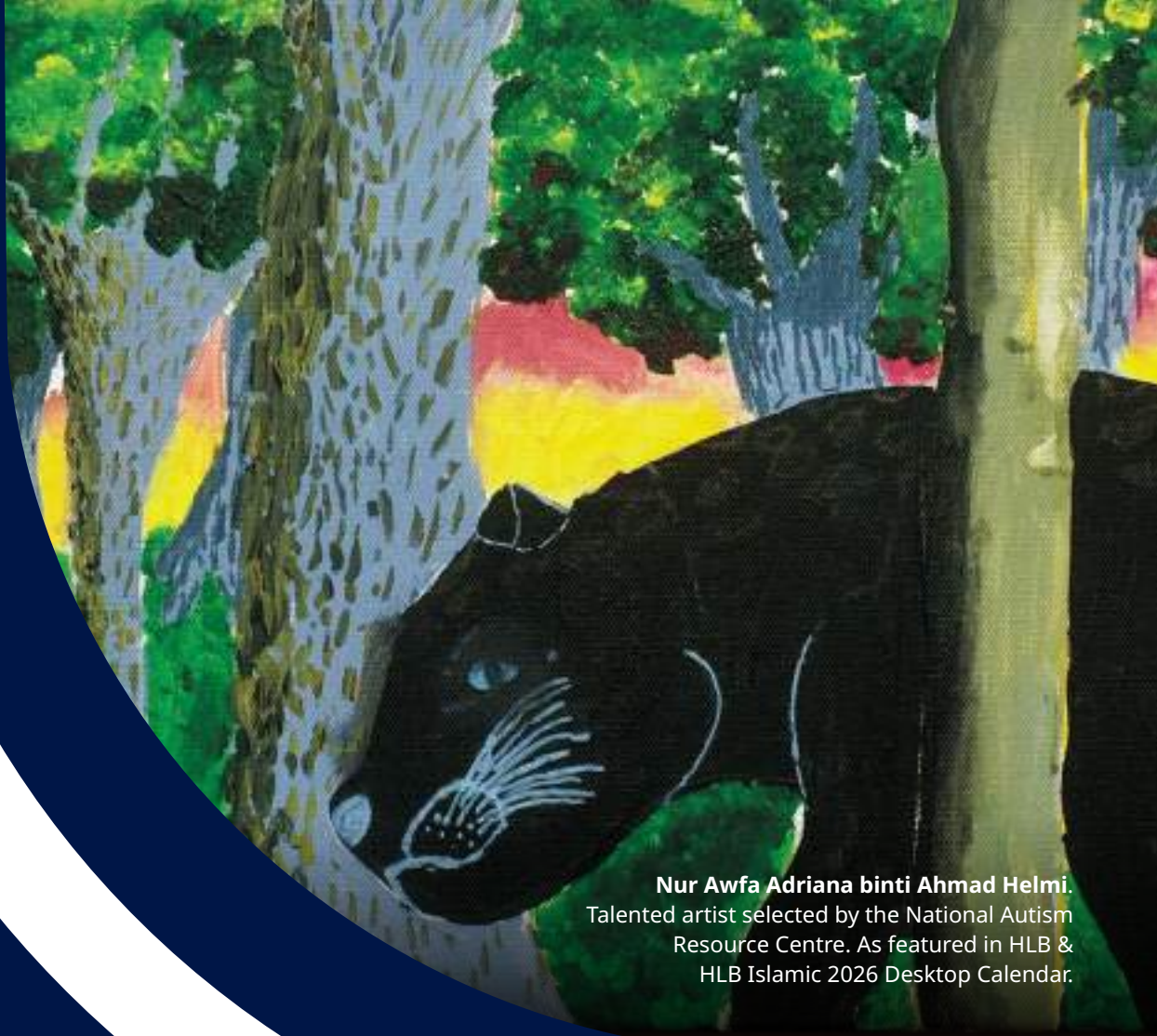




Nur Awfa Adriana binti Ahmad Helmi.
Talented artist selected by the National Autism
Resource Centre. As featured in HLB &
HLB Islamic 2026 Desktop Calendar.

TABLE OF CONTENTS



Scan the QR Code to read our **AGM reports** by following these simple steps:

► Get it

Download the “QR Code Reader” app from Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Store

► Run it

Run the QR Code Reader app and point your camera at the QR code

► Access it

Get access to Hong Leong Bank Berhad’s website

OVERVIEW

About This Report	02
FY2026 Sustainability Highlights	03
Global ESG Indices and Assessments	04
Organisations and Associations	05
About Hong Leong Bank	06
Group Managing Director/Chief Executive Officer's Statement	08
Chairman of the Sustainability Committee and Chief Financial Officer's Statement	10
Our Approach to Sustainability	12
Our Sustainability Governance	19
Integrating Sustainability Into Sound Risk Management	25

ENVIRONMENTAL MANAGEMENT

Climate Resilience	35
--------------------	----

SOCIALLY RESPONSIBLE BUSINESS

Good Governance and Ethical Business Conduct	53
Sustainable Products and Services	59
Sustainable Supply Chain	74
Human and Labour Rights	79

COMMUNITY INVESTMENT

Social Enterprises and Communities	103
------------------------------------	-----

DIGITAL INTELLIGENCE

AI-Enhanced Customer and Client Experience	122
Privacy, Data Protection and Cybersecurity	134

WORKFORCE TRANSFORMATION

Talent Development and AI-Readiness	139
Sustainability-Driven Culture	155

APPENDIX: CONTENT INDEX

Appendix I: Bursa Malaysia Prescribed Table	160
Appendix II: Sustainability Performance Data Table	163
Appendix III: HLB Policies with Integration of Environment and Social (“E&S”) Elements	181
Appendix IV: Stakeholder Engagement	198
Appendix V: GRI Content Index with Alignment to Key Standards	202
Appendix VI: SASB Content Index	205
Appendix VII: IFRS S2 Content Index	206
Appendix VIII: PwC Limited Assurance Report	207
Appendix IX: Bureau Veritas Independent Assurance Statement	216



Connect Digital Onboarding

Individuals aged 12 & above and sole proprietorships self-served full digital onboarding

Connect Mobile App

Day-to-day banking beyond payments & transfers, at any time and from anywhere

Connect Internet Banking

Full-fledged digital banking services for individuals & sole proprietors

Connect Pocket

Build stickiness since young, junior mobile banking with parental control

Connect InBranch

Staff serve, bringing banking to your doorstep

Connect Merchant

3 languages cashless payment solution for small business (up to 5 cashiers)

**To Be a Highly Digital and Innovative
Financial Services Company**

ABOUT THIS REPORT

Ten years ago, the Bank began setting out, in writing, how sustainability was shaping its business. This publication marks that milestone — a decade of tracking our progress in weaving environmental, social and governance thinking into the products, services and everyday decisions that define the Bank. It tells the story of the value created for those who rely on us, and of our ambition to grow into a truly digital, innovation-led financial services provider across ASEAN. Alongside this, we set out how we're thinking about sustainability and climate-related risks and opportunities across our operations, as we prepare to align more closely with the National Sustainability Reporting Framework ("NSRF") and International Financial Reporting Standards ("IFRS") S1 and S2.

REPORTING SCOPE AND BOUNDARY

The account that follows spans Hong Leong Bank ("HLB" or "the Bank") and its subsidiaries (collectively, "the Group"). It covers the financial year running from 1 July 2025 to 30 June 2026 ("FY2026"), during which we pursued a number of ESG strategies and initiatives worth reflecting on. The content of this report was determined by a materiality assessment to reflect our primary stakeholder priorities. For a comprehensive financial overview, this document should be read in conjunction with our 2026 Annual Report.

REPORTING FRAMEWORK

The Bank's policy is to provide sustainability and climate-related disclosures in accordance with the following standards:

- Bursa Malaysia Securities Berhad's Main Market Listing Requirements and its Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative's ("GRI") Universal Standards 2021 (see page 202 for the GRI Content Index)
- Sustainability Accounting Standards Board's ("SASB") Standards (page 205 for the SASB Content Index)
- IFRS S1 and S2 (page 206 for the IFRS S2 Content Index)
- United Nations' Sustainable Development Goals ("UN SDGs")
- Partnership for Carbon Accounting Financials ("PCAF")
- Task Force on Climate-related Financial Disclosures ("TCFD")
- GHG Protocol Corporate Protocol Accounting and Reporting Standard ("GHG Protocol")

As we progress our journey towards the NSRF, we have started to make early-stage alignment with IFRS S1's general disclosure requirements and IFRS S2's climate-specific requirements — particularly around how we're

identifying and weighing sustainability and climate risks and opportunities. This is very much a starting point; we expect these disclosures to mature and deepen in the reports that follow.

BOARD APPROVAL AND EXTERNAL ASSURANCE

Senior Management and the Board of Directors reviewed and signed off on the report in full. Before it reached them, our management-level Sustainability Committee guided its development and content, with the Board Risk Management Committee providing endorsement along the way. Selected indicators within these pages were independently assured by PricewaterhouseCoopers PLT ("PwC") and Bureau Veritas (M) Sdn. Bhd., lending external rigour to what we've disclosed.

This is a yearly undertaking, and we treat it as a living one — each edition reviewed and refreshed to keep pace with sustainability and climate developments, both in Malaysia and further afield.

FEEDBACK & CONTACT POINT

We would genuinely like to hear from you. Thoughts, questions or suggestions can be sent to:

 sustainability@hlbb.hongleong.com.my

 03-2081-8888



The report is accessible at
<https://www.hlb.com.my/en/personal-banking/about-us/investor-relations/sustainability-report.html>

FY2026 SUSTAINABILITY HIGHLIGHTS



HongLeongBank

31.7%

decrease in operational (Scope 1 and 2) location-based emissions in Malaysia from FY2019, exceeding our targeted reduction of 15% to 25% by FY2026.

FY2025: 27.1% for location-based emissions

2.3%

decrease in energy consumption in Malaysia from FY2025.

FY2025: 7.6%

31,390 kg

of waste diverted from disposal,

29.2%

increase from FY2025.

FY2025: 24,300 kg

Water consumption of

138,377 m³,

4.9% decrease in water consumption from FY2025.

FY2025: 145,450 m³

The Bank's Sustainable Finance Framework ("SFF") has a five-year, **RM20 billion** commitment. We've already exceeded our second-year target by **42.8%**, mobilising

RM5.3 billion in sustainable financing.

FY2025: RM4.7 billion (Restated)¹

Achieved total outstanding sustainable financing portfolio of

RM23.1 billion, increased by nearly

17.8%

from FY2025.

FY2025: RM19.6 billion (Restated)²

87.9%

of total procurement spent on local suppliers, amounting to

RM658.7 million.

FY2025: 92.8%; RM483.1 million

7,399

volunteer hours contributed under the HLB Employee CSR Programme.

FY2025: 10,804 volunteering hours³

2,229

employees engaged as volunteers under the HLB Employee CSR Programme, an increase by

23.5%

from FY2025.

FY2025: 1,805 employees

RM1,049,163

invested in local communities, impacting

16,270

direct beneficiaries and

11,750 indirect beneficiaries.

FY2025: RM817,410; 14,097 direct beneficiaries and 15,977 indirect beneficiaries

677,882

hours⁴ of training completed, equating to

77.9

training hours per employee.

FY2025: 660,697 hours of training completed, equating to 82 training hours per employee

Cumulatively, more than

8,000

total employees (including 238 contract and 95 part-time employees) received and completed training on ethical standards (anti-corruption, bribery and code of conduct).

FY2025: Cumulatively, more than 8,000 employees and 256 contract staff

100

financial literacy workshops conducted, reaching

16,155 participants.

FY2025: 133 financial literacy workshops conducted, reaching 19,121 participants

Notes:

¹ The FY2025 figures for Green, Affordable, and Green & Affordable Property Financing were restated to include material omitted eligible sustainable assets. This resulted in the increase in SFF mobilised financing for this category of RM0.2 billion from RM3.1 billion to RM3.3 billion in FY2025 and brought total SFF mobilised financing from RM4.5 billion to RM4.7 billion.

² The FY2025 figures for Green, Affordable, and Green & Affordable Property Financing were restated to include material omitted eligible sustainable assets. This resulted in the increase in outstanding financing for this category of RM0.7 billion from RM17.0 billion to RM17.7 billion for FY2025 and brought total outstanding financing from RM18.9 billion to RM19.6 billion.

³ The significant increase in volunteering hours in FY2025 is attributed to an additional 4,946.5 hours to the National Day parade preparations.

⁴ FY2026 data includes regional operations.

GLOBAL ESG INDICES AND ASSESSMENTS

Ratings agencies and index providers form part of how the Bank measures its own sustainability progress, offering a check against internal assessment that carries external weight. Inclusion in prominent ESG indices and ratings gives investors and stakeholders an independent read on how environmental, social and governance practices are being embedded across operations. The aim is to build the kind of trust that comes from consistent, well-evidenced performance, and use that foundation to deliver long-term value while playing a genuine part in shaping a more sustainable future.

FTSE4Good Bursa Malaysia Index



- Recognised as a constituent of the FTSE4Good Bursa Malaysia Index for nine consecutive years.
- Maintained a 4-star rating, placed in the top 40% of public listed companies on the FBM EMAS Index.

Morgan Stanley Capital International ("MSCI") ESG Rating



- MSCI ESG rating upgraded from A to AA.

S&P Global Corporate Sustainability Assessment



- Achieved a score of 47 as of 31 December 2025, surpassing the banking sector average of 35.
- Placed in the 75th percentile within the banking sector.

Sustainalytics



- Maintained a low-risk ESG rating, with a score of 19.5.

Note: For Sustainalytics, the lower the score, the better the performance.

ORGANISATIONS AND ASSOCIATIONS

The Bank participates in a diverse range of organisations and associations through which we aim to influence discourse and drive collaboration on vital sustainability issues affecting our industry and the local and regional landscape at large.

Bank Negara Malaysia's Joint Committee on Climate Change ("JC3")

The Association of Banks in Malaysia ("ABM")

Asian Institute of Chartered Bankers ("AICB")

Islamic Banking and Finance Institute Malaysia ("IBFIM")

The Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM")

Financial Industry Collective Outreach ("FINCO")

Partnership for Carbon Accounting Financials ("PCAF")

VBI Community of Practitioners ("VBI CoP")

Perbadanan Insurans Deposit Malaysia ("PIDM")

Federation of Investment Managers Malaysia ("FIMM")

Financial Markets Ombudsman Service ("FMOS")

The Association of Banks in Cambodia ("ABC")

The Association of Banks in Singapore ("ABS")

The Hong Kong Association of Banks ("HKAB")

ABOUT HONG LEONG BANK

Kuala Lumpur has been home to Hong Leong Bank Berhad's headquarters since its establishment as one of Malaysia's leading financial institutions — today ranked fifth-largest by assets and fourth by market capitalisation. Together with its subsidiaries, the Bank sits within the wider Hong Leong Financial Group.

Five core pillars carry the business forward: Personal Financial Services ("PFS"), Business & Corporate Banking ("BCB"), Regional Wealth Management ("RWM"), Global Markets ("GM"), and Islamic Financial Services ("HLB Islamic"). Across these, the Bank delivers a broad and evolving suite of financial solutions — loans, credit cards, online and mobile banking, insurance, investment, wealth management and share financing — through both digital and traditional channels alike. Every one of these solutions is shaped by two guiding ideas: Digital Intelligence as an operating ethos, and Built Around You as a brand promise, together aiming for a customer experience that feels efficient, seamless and genuinely technology-enabled.

OUR CORE VALUES

Balancing growth with long-term ESG value creation starts with a clear set of core values, which sits at the foundation of how the Bank approaches its business. Woven into that same values framework is a drive to contribute positively to the environment, economy and society — all in service of a corporate purpose centred on building a more sustainable future.

HONOUR

Conduct business with honour to build TRUST.

HERE FOR THE LONG TERM

Embedding strong ESG values in our operations, strengthening our commitment to: Customers, Employees, Communities we work in & CSR activities.

INNOVATION

- Embrace change.
- Challenge the status quo or prevailing assumptions when warranted and suggest better approaches.
- Don't be afraid to do things differently, taking smart risks.

COLLABORATE TO WIN

- Consistently demonstrate performance that others can rely on.
- Treat people with respect independent of their status or rank.
- Seek win-win relationships.

ENTREPRENEURSHIP

- Think like an entrepreneur to seek opportunities.
- Be resourceful and decisive to make things happen and drive sustainable growth.

OUR CORE BUSINESS PILLARS



Personal Financial Services ("PFS")

PFS offers a range of banking products and services that cater to the needs of individual customers. These include property and auto loans/financing, personal loans/financing for periodic household needs, card and payment products for everyday transactions, investment and insurance solutions for wealth management and protection, deposit and remittance products for liquidity, savings and payments, and digital banking solutions, which include HLB Connect, the Bank's internet and mobile banking platform.



Business & Corporate Banking ("BCB")

BCB offers banking solutions tailored to the needs of small and medium-sized enterprises ("SMEs") as well as commercial and corporate customers. These include deposit services (such as business current account, liquidity management, and fixed deposits) and financing options (including asset acquisition, working capital, business expansion and business automation). In addition, BCB specialises in transaction banking solutions, encompassing cash management, corporate internet banking platforms, trade financing and services, and merchant payment solutions.

ABOUT HONG LEONG BANK

OUR REGIONAL FOOTPRINT

MALAYSIA

209 branches

(including 6 Limited Service Branches.)

CAMBODIA

7 branches

SINGAPORE

1 branch

SELF SERVICE TERMINALS

1,039

(including 16 Talking ATMs for the visually impaired community.)

HONG KONG

1 branch

VIETNAM

2 branches

LABUAN INTERNATIONAL

1 branch
 For more details on all our local and overseas branches, refer to page 3 of our Annual Report 2026.
**Regional Wealth Management ("RWM")**

RWM provides comprehensive wealth management services including Priority and Private Bank services across Malaysia and Singapore, tailored to meet its clients' individual and business needs. These services are delivered by certified Wealth Advisors and an experienced network of Relationship Managers, with the aim of achieving sustainable, multigenerational, multifaceted wealth progression through investments, insurance, deposits and asset financing.

**Global Markets ("GM")**

GM assists our institutional and corporate clients on their investment and hedging needs across asset classes, including Foreign Exchange, Fixed Income, Derivatives and Structured Products. On top of managing clients' treasury requirements, Global Markets also manages the Bank's excess liquidity and risks arising from the Bank's transaction and payment flow.

**Islamic Financial Services ("HLB Islamic")**

Hong Leong Islamic Bank Berhad ("HLB Islamic") is a wholly-owned subsidiary of HLB focused on providing Shariah-compliant Personal Financial Services, Wealth Management, Business and Corporate Banking and Global Markets products and services.

 For more details on our core businesses, refer to page 2 of our Annual Report 2026.

GROUP MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

Behind every meaningful step we take towards a sustainable future is a simple truth: real progress requires both genuine purpose and unwavering discipline. That conviction runs through “Built Around You”, our core brand value of being “Here for the Long Term”. Driven by this mindset, sustainability has become the engine for long-term value creation across the entire Bank. Today, I am immensely proud to share that our commitment is delivering tangible results, enhancing our visibility among investors, strengthening our ESG ratings, and reinforcing how we show up for our customers, colleagues, and communities.



KEVIN LAM

Group Managing Director/Chief Executive Officer

We set out our 3-5 year transformation plan back in 2023, with sustainability standing as one of five key drivers of change across every business pillar. As we enter the third year of our journey towards becoming Malaysia’s “Best-Run” bank, we are moving from foundational groundwork into scaled execution, and the results are starting to show. Operational emissions targets that we had set for 2026 have already been surpassed, with meaningful reductions achieved across the business.

Under the Sustainable Finance Framework (“SFF”) launched in October 2024, we set aside RM20 billion over five years to finance eligible green and social projects, spanning renewable energy, energy efficiency schemes, green buildings and low-carbon transport. Since setting our goal, we have achieved RM10.0 billion as of FY2026, exceeding our annual targets for two consecutive years. In addition, the Sustainability Funding Structured Investment (“SFSI”) launched this year, has raised RM245 million, putting us on a strong path to scale this portfolio further in the years ahead.

Our strategic alliance with Lombard Odier, launched last year, adds further depth to this work, bringing together our regional footprint and their globally recognised sustainability expertise to accelerate bespoke, forward-thinking investment solutions. Working closely with Hong Leong Asset Management Berhad, we introduced the Hong Leong Asia Value Bond Fund, feeding directly into the underlying LO Funds – Asia Value Bond. This underlying strategy is designated an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (“SFDR”), confirming that it integrates sustainability risks and promotes environmental and social characteristics alongside sound corporate governance.

Sustainability has also found its way directly into our core wealth management propositions, through two major rebranding initiatives: HLB Priority Banking became HLB Priority, and Hong Leong Islamic Bank became HLB Islamic. This signals a shift towards financial longevity, recognising that wealth is never static and has to adapt to our clients’ evolving, purpose-driven aspirations. Through HLB Islamic, we introduced our Wealth Stewardship philosophy to bridge theoretical Shariah principles with practical, sustainable financial management. Wealth, in this framing, is a shared stewardship tied to life’s whole journey and to the wellbeing of the wider community.

DRIVING STRATEGIC ALIGNMENT AND DEFINING OUR FUTURE DIRECTION

Understanding how commercial activity intersects with environment and society is where genuine leadership starts. To sharpen our sustainability strategy for the next three years, and prepare for our first ISSB-aligned statement under the National Sustainability Reporting Framework, we conducted our first-ever Double Materiality Assessment this year, a significant milestone, drawing on peer benchmarking and deep stakeholder engagement to refresh our material topics comprehensively. By evaluating both our external impact and the financial effects of evolving ESG factors on our business, we streamlined our priorities from 16 to 10 Material Matters, refining key definitions to match our strategic direction. Having fully realised our vision of being ‘Digital at the Core,’ we are now advancing to Digital Intelligence—a transition that seamlessly integrates AI across the enterprise, beginning with an AI-Enhanced Customer and Client Experience.

GROUP MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

To sharpen our climate and social focus, we embedded low-carbon goals directly into Climate Resilience, aligned our human rights commitment with Malaysia's National Action Plan on Business and Human Rights ("NAPBHR") under Socially Responsible Business, and unified our human capital strategy around Talent Development and AI-Readiness.

DRIVING HIGH-IMPACT CLIMATE ACTION AND VALUE CHAIN RESILIENCE

Taking real action on climate is about taking an active role in shaping Malaysia's financial ESG landscape. We are proud to represent the Bank on the National Sustainability Reporting Framework ("NSRF") Financial Institutions ("FIs") Guidance Document Taskforce ("Taskforce"), set up under the JC3-SC2, contributing directly to developing two guidance documents that will pave the way for how NSRF reporting is carried out across the entire financial sector.

By helping set these national benchmarks, we position the Bank as a highly stable, forward-thinking institution while ensuring our own practices align with global ESG rating standards and elevate our global ESG standing. This year, we made remarkable strides in deepening value chain transparency. We completed financed emissions baselines under the Partnership for Carbon Accounting Financials ("PCAF") across all initial seven asset classes, including Sovereign Debt and Business Loans & Unlisted Equity. These milestones demonstrate that setting high national standards and maintaining disciplined execution go hand in hand.

Beyond our own operations, we look at climate action through a lens that connects ecosystem restoration with community empowerment. Phase 2 of the HLB Impact For Nature mangrove project, run alongside the Malaysian Nature Society, expands our carbon offset capacity by a further 50,000 trees, bringing our total commitment to 100,000 and bridging environmental and economic resilience. Local coastal communities gain job opportunities and a stake in environmental stewardship through seed collection, nursery management and planting, building lasting forestry skills and lifting local livelihoods in the process. Alongside this, we're supporting the wider market transition through an MoU with Pantas, backing Bank Negara Malaysia's Greening Halal Businesses ("GHB") programme by giving Malaysian Halal SMEs digital carbon tracking tools and transition capital to stay internationally competitive.

TRANSFORMING CAPACITY AND CUSTOMER JOURNEYS

Artificial intelligence ("AI") is fundamentally revolutionising how we operate, serve, and create value. While we are motivated by its potential to elevate our processes, our primary obligation is ensuring technology serves our customers, our people, and humanity responsibly. Banks and communities are part of an interconnected ecosystem, and we must ensure shared prosperity for all. With this in mind, we approach AI with a focus on sovereignty, security, sustainability, and scalability. This means safeguarding data

integrity while building robust governance defences to protect our customers from digital risk. Having said that, our AI strategy operates on two parallel tracks: internal capability and external execution.

Internally, future-proofing our organisation requires accelerating AI literacy across our workforce, which forms the cornerstone of our transformation this year. Through structured training on approved tools such as Google Gemini and NotebookLM, we are equipping our team to seamlessly weave digital intelligence into their daily workflows.

Externally, advanced AI and intelligent automation have rapidly moved from pilot to practice, driving continuous operational gains and elevating customer service. Our expanding portfolio includes Sophia VoiceBot, which modernises retail call handling as our frontline voice channel, and Marina Chatbot (Phase 2), which automates customer query responses to expand digital capacity. To further enhance customer experience, we are now developing Phase 1 of our AI Contact Centre ("AICC") for an early 2027 rollout. By consolidating legacy infrastructure, this platform will unify customer journeys across digital channels, including WhatsApp for Business, to deliver a truly seamless service.

CHARTING THE PATH FORWARD THROUGH SUSTAINABLE INNOVATION AND EXECUTION

Looking ahead, our focus turns to deepening the commercial integration of sustainability goals across the entire value chain, supporting corporate and SME customers through their own transition pathways whilst strengthening our upstream supply chain. As we write the next chapter, our promise holds steady: to build a financial ecosystem that is robust and forward-looking, yet rooted deeply in purpose. By remaining true to our core values, we will continue to ensure that every innovation we pursue is guided by a Thoughtful and Responsible ethos. This is woven directly into how we operate to create lasting value for our customers, care for our people and planet, and secure sustainable prosperity for generations to come.

Our success is a direct reflection of the dedication and hard work of our entire team. I extend my sincere gratitude to our Board and Management Committees for their steadfast leadership in championing this transformation. Most importantly, thank you to our customers, partners, investors, and shareholders for your unwavering trust. On behalf of the Bank, we remain committed to honouring that trust as we build sustainable, long-term value for the communities we serve.

KEVIN LAM

Group Managing Director/Chief Executive Officer

CHAIRMAN OF THE SUSTAINABILITY COMMITTEE AND CHIEF FINANCIAL OFFICER'S STATEMENT

At Hong Leong Bank, financial stewardship and sustainable development are not competing priorities: they are two sides of a single, powerful discipline. Serving as Chief Financial Officer and Chairman of the Sustainability Committee, my mandate is clear: to direct capital to optimise sustainable, risk-adjusted returns while accelerating a fair and equitable transition to a low-carbon economy for our nation. FY2026 demonstrated that sustainability actively drives high-quality balance sheet growth, rather than acting as a secondary compliance cost.



MALKIT SINGH MAAN

Chief Financial Officer & Chairman of the Sustainability Committee

Balancing ambitious decarbonisation milestones with sharp financial discipline across the Bank's footprint is a complex undertaking. However, our sustained performance across global benchmarks this year offers clear validation that our model works. Every ringgit deployed and every megawatt saved proves a fundamental truth: a sustainable balance sheet is the ultimate foundation for resilient growth, long-term profitability and lasting value creation for our shareholders and communities alike.

CAPITAL ALLOCATION AND SUSTAINABLE FINANCE PERFORMANCE

Building directly on the strategic momentum of our Sustainable Finance Framework ("SFF"), our financial execution proves that purposeful capital allocation is one of the most powerful drivers of balance sheet strength and long-term value creation. As the SFF continues to guide our capital allocation, we have directed funding toward key transitional areas, including renewable energy, energy efficiency, green infrastructure and sustainable transportation. This deliberate focus has significantly accelerated our progress toward our long-term target of mobilising RM20 billion in sustainable finance by FY2029. At the end of the first two years of this journey, our cumulative mobilisation stood at RM10.0 billion, surpassing our interim cumulative targets by 40.4%.

This cumulative mobilisation of RM10.0 billion in sustainable finance has directly driven higher outstanding balances across our key portfolios. Specifically, outstanding sustainable financing for Business & Corporate Banking ("BCB") and

green vehicle loans reached RM0.5 billion and RM2.7 billion respectively as of June 2026, while combined financing for green and affordable properties stood at RM19.8 billion. Translating this cumulative progress into sustained traction, these financing figures reflect our steady, disciplined expansion across key growth sectors. This validates the commercial integration of ESG considerations into our broader balance sheet management and proves that sustainable financing supports resilient growth while maintaining a robust risk profile.

Our commitment to powering the low-carbon transition is firmly backed by our Green Bond Framework, which channels capital exclusively into high-impact, eligible green projects while strictly excluding fossil fuel-based power generation projects. Underpinned by a total outstanding green bond issuance of RM1.4 billion in nominal value, our Green Bond Portfolio achieved outstanding growth in FY2026, expanding to RM5.0 billion. By concentrating our financing in pivotal sectors such as Renewable Energy, Green Buildings and Sustainable Transportation, we demonstrate how disciplined funding mechanisms can directly accelerate decarbonisation, reinforcing the Bank's position as a forward-thinking industry leader in sustainable finance.

RESOURCE EFFICIENCY AND OPERATIONAL COST OPTIMISATION

Achieving climate resilience is not possible without managing our operational carbon footprint. Through dedicated operational discipline and energy transition measures, FY2026 delivered an absolute 31.7% reduction in Scope 1 and

CHAIRMAN OF THE SUSTAINABILITY COMMITTEE AND CHIEF FINANCIAL OFFICER'S STATEMENT

Scope 2 location-based Greenhouse Gas ("GHG") emissions for our Malaysia operations against our FY2019 baseline. This achievement successfully exceeded our short-term target of a 15% to 25% reduction.

Building on this positive drive, we have established a firm, actionable roadmap to achieve Net Zero Scope 1 and Scope 2 emissions across our Malaysia operations by FY2030, laying a clear path toward our broader ambition of Net Zero across all scopes by FY2050. Proactive climate stewardship on this scale proves that driving long-term environmental sustainability is deeply complementary to maintaining a resilient, efficient and forward-looking bank.

At the Bank, resource efficiency is where sound environmental stewardship meets sharp financial discipline. Since setting our GHG emissions targets in 2022, our ongoing bank-wide energy efficiency initiatives have maintained a steady year-on-year reduction of 782 megawatt-hours for the Malaysia operations, achieving a 2.3% drop over last year alone. Across our full transformation journey against our 2019 baseline, FY2026 consumption fell by 13,834 megawatt-hours. This is a powerful testament to how small, deliberate operational shifts compound into permanent structural efficiency over time, proving that environmental stewardship directly strengthens our long-term cost structure.

EMPOWERING COMMUNITIES AND BUILDING VALUE CHAIN RESILIENCE

Socioeconomic development and value chain integrity carry equal weight in the wider sustainability strategy, standing side-by-side with our environmental commitments. This is largely driven via our Value-based Intermediation ("VBI") initiatives, including our Central Kitchen programme, where we equipped 40 selected B40 Food and Beverage ("F&B") entrepreneurs across food packaging and preservation, bakery, frozen and dry product businesses with training and access to a shared, halal-certified production facility to scale their businesses.

In parallel, we strengthened our value chain resilience by building ESG capabilities across our supply network. Through our strategic partnership with the United Nations Global Compact Network Malaysia, Brunei & Cambodia ("UNGCMBC"), we launched the inaugural HLB Impact For Suppliers training programme, equipping 39 vendors with practical ESG tools and risk frameworks to transition towards sustainable operations and reinforce our collective supply chain resilience. Moving forward, we will maintain active annual engagement with our suppliers, empowering and guiding them through their own sustainability transitions.

GLOBAL ESG BENCHMARK RECOGNITIONS

This holistic focus across capital deployment, decarbonisation and social impact has earned meaningful external validation, strengthening the Bank's ESG credentials and resilience. Our MSCI ESG rating upgrade from 'A' to 'AA' marks an outstanding

milestone this year, reflecting continuous improvement efforts over time.

Performance held strong across other globally recognised benchmarks as well: maintaining our inclusion in the FTSE4Good Bursa Malaysia Index for a ninth consecutive year, securing a 75th percentile ranking in the S&P Global Corporate Sustainability Assessment, and achieving a 19.5 Low Risk score from Sustainalytics. Elevating our disclosures, securing strong ratings and directly addressing investor priorities has built a powerful foundation that enhances market trust and ensures full regulatory compliance, expanding our appeal to a broader, deeper pool of institutional capital, particularly from ESG-mandated funds.

ADVANCING TRANSPARENCY AND LONG-TERM VALUE CREATION

Building on this external recognition, we continue to elevate our disclosure standards with precision, strengthening our reporting architecture to achieve full alignment with International Financial Reporting Standards ("IFRS") sustainability disclosure standards by FY2028. This commitment goes beyond compliance as it cements our standing as a trusted, world-class leader in ethical financial stewardship.

Reflecting on our efforts over the past year, we are honoured to have received widespread industry recognition. Highlights include celebrating our biodiversity and renewable energy milestones at the ESGBusiness Awards, earning dual Silver honours at the 11th Asia Sustainability Reporting Awards, and being named Best Managed Bank in Malaysia at The Asian Banker Global Leadership Achievement Awards 2026. This last distinction underscores a core belief of ours: the best-run banks are those that manage risk and sustainability as a single, integrated discipline. These accolades reinforce our ESG commitment and reassure us that we remain on the right path.

With the growing focus on the financial materiality of ESG, sustainability must, more than ever, make clear business sense. By uniting financial prudence with sustainability leadership, we move forward with confidence, navigating an evolving global landscape with agility while delivering enduring, high-quality and sustainable value for our shareholders, customers and communities.

MALKIT SINGH MAAN

Chief Financial Officer & Chairman of the Sustainability Committee

OUR APPROACH TO SUSTAINABILITY

The Bank approaches sustainability as a core operational imperative, integrating Environmental, Social, and Governance (“ESG”) principles and Value-based Intermediation (“VBI”) into our long-term growth strategy.

Guided by five strategic themes—Environmental Management, Socially Responsible Business, Community Investment, Digital Intelligence, and Workforce Transformation—the Bank actively manages environmental risks, advances climate action, and champions sustainable financing across its value chain. By aligning domestic regulatory requirements with global standards, the Bank delivers financial solutions while building economic resilience, mitigating systemic risk, and creating long-term value for stakeholders and the communities we serve.



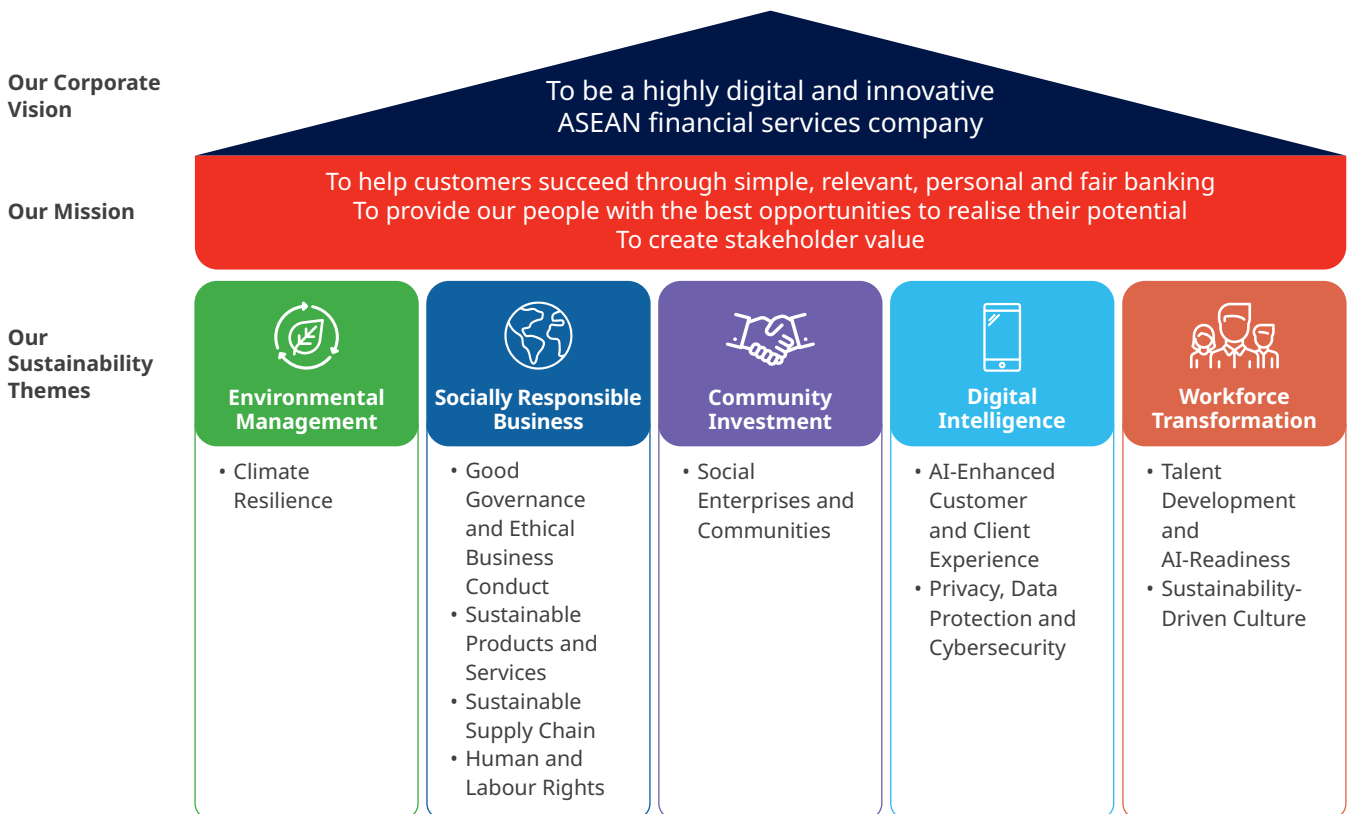
OUR APPROACH TO SUSTAINABILITY

Sustainability at Hong Leong Bank

Sustainability, climate action, and Value-based Intermediation (“VBI”) form an integrated strategic framework for the Bank, shaped by national regulatory expectations and internationally recognised standards in equal measure. Together, they give the Bank’s wider strategy and framework something to build on — a way of working that aims to create lasting value for both stakeholders and the environment.

Our Sustainability Framework

The Bank’s mission and vision give the sustainability framework its shape, translating corporate ambition into a common purpose and clear direction across the ESG spectrum. Five Sustainability Themes sit at its centre, each capturing a different facet of what sustainability means in practice for the Bank, with digital innovation running through all five as a way of unlocking fresh opportunity for growth.



OUR APPROACH TO SUSTAINABILITY

Risk management follows the same logic of integration: sustainability and climate-related risks and opportunities are identified and assessed through a well-defined process built into the Bank's broader Risk Management Framework, with sustainability and climate considerations now embedded across the relevant Board and Management policies that govern how exposures are spotted and handled.

Board Policy on Credit Risk Governance	Board Policy on BCB Credit	PFS Credit Management Policy (Secured Products)
Board Policy on Liquidity Management	Board Policy on Internal Capital Adequacy Assessment Process	Board Policy on Stress Testing
Board Policy on Shariah Governance	Management Policy on Shariah Compliance	Board Policy on Code of Conduct & Ethics
Management Policy on Environment (Energy, Water and Waste Management)		Management Policy on Counterparty Credit and Issuer Risk ("CCIR")
Management Policy on Reputational Risk	Board Policy on Outsourcing	Board Policy on Product Risk Approval
Board Policy on Procure To Pay, Fixed Assets & General Ledger Controls	Board Policy on Purification Fund	Board Policy on Group Compliance
Board Policy Anti-Bribery & Corruption Policy	Remuneration Board Policy	Board Policy on Data Protection & Customer Secrecy
Board Policy on Whistleblowing	Board Policy on Anti-Money Laundering, Counter Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions	
Board Policy on Technology Risk Management	Board Policy on Cyber Resilience	Board Policy on Data Management
Board Policy on Zakat	Management Policy on Social Finance	Management Policy on Sustainable Financing

Materiality

The Bank conducts a comprehensive materiality assessment triennially, complemented by annual reviews to account for emerging regulatory changes and evolving sector priorities.

During the reporting period, this framework was enhanced through the execution of a Double Materiality Assessment, evaluating sustainability topics across two distinct dimensions:

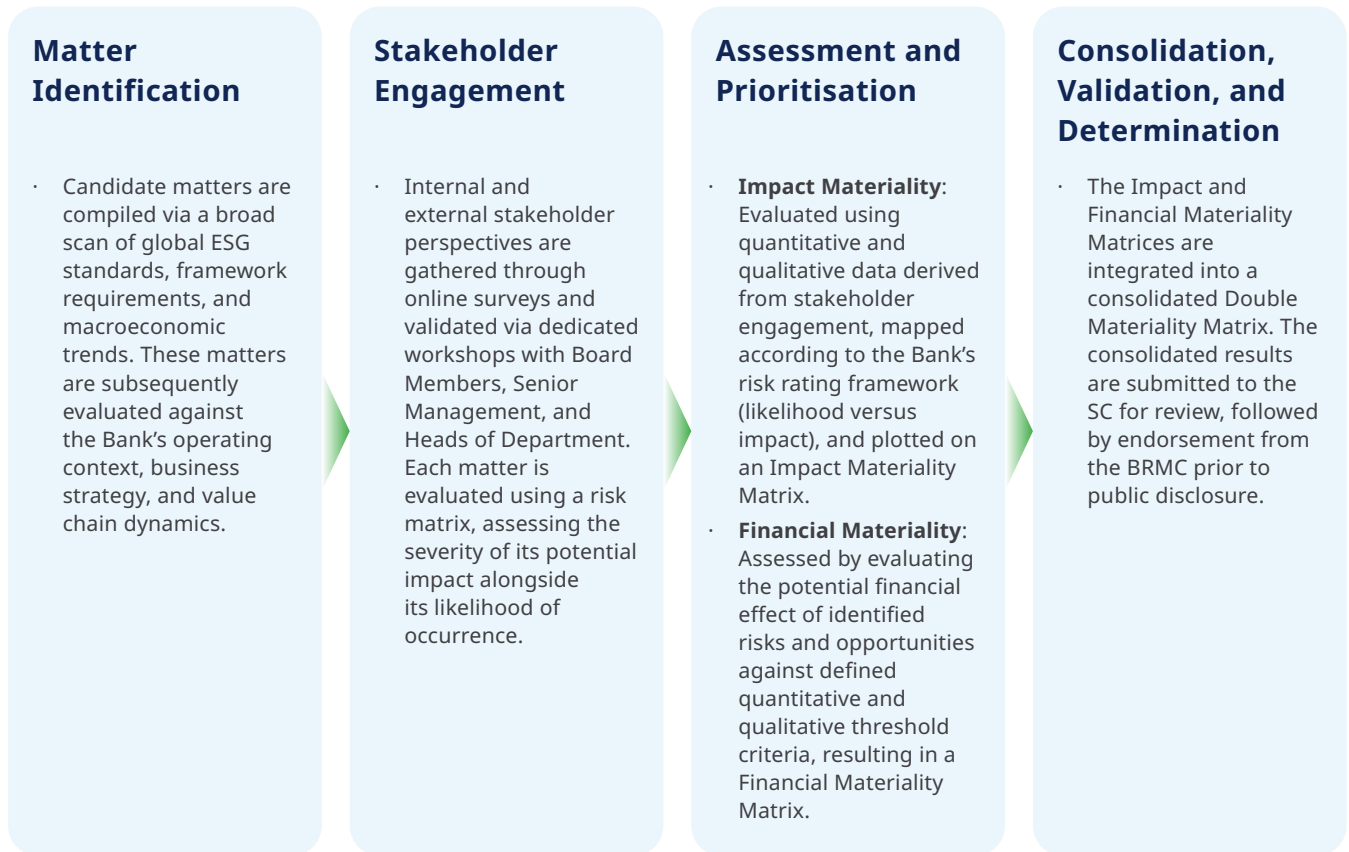
Financial Materiality (Outside-In)	Impact Materiality (Inside-Out)
Assessing the current and potential impacts of sustainability-related risks and opportunities on the Bank's financial performance, financial position, cash flows, access to capital, and enterprise value over time.	Assessing the positive and negative impacts of the Bank's operations, products, services, and business relationships on the economy, the environment, and society.

This dual perspective identifies the topics most critical to both the Bank and its stakeholders. Anchored by GRI and SASB Standards, the assessment incorporated extensive primary input gathered via structured online surveys and targeted focus group discussions with the Board of Directors, Senior Management, and Heads of Department.

OUR APPROACH TO SUSTAINABILITY

Sustainability-Related Risks and Opportunities (“SROs”) Identification Process

Underpinning the double materiality assessment is a continuous, four-stage governance process designed to identify, assess, and prioritise SROs that could reasonably be expected to affect the Bank’s prospects:



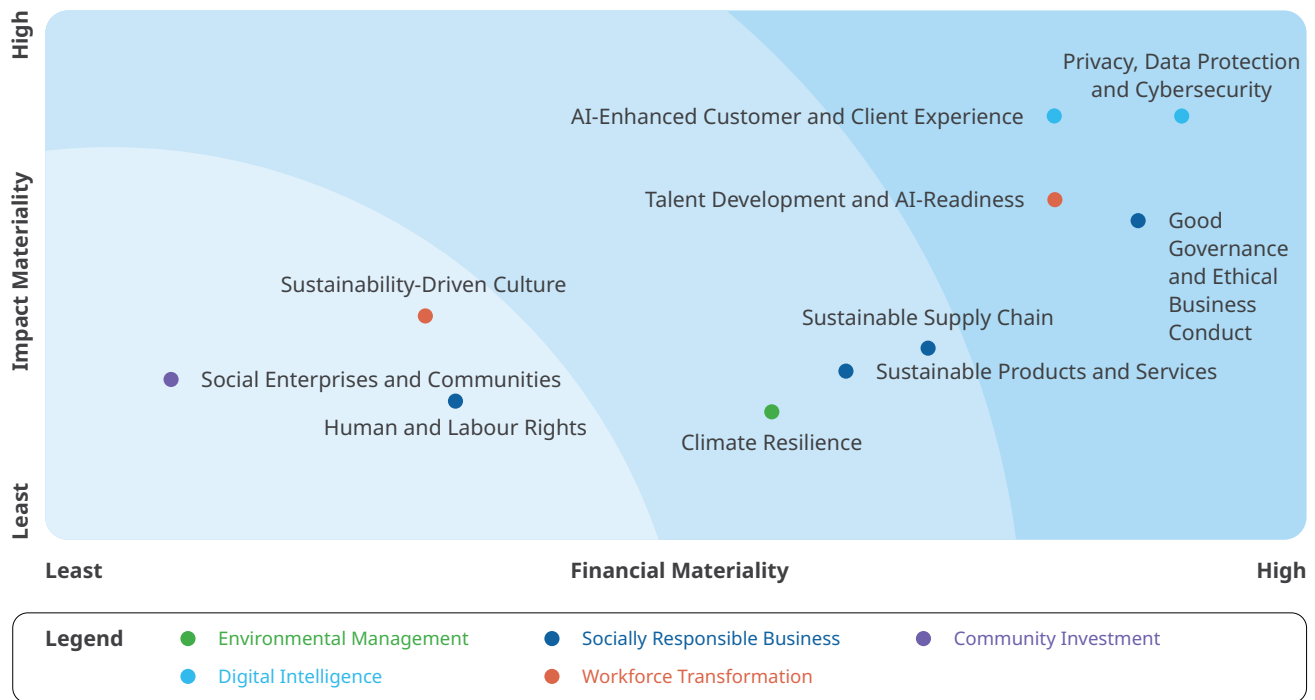
The SROs will be periodically re-evaluated to maintain alignment with shifts in the Bank’s operating environment, strategy, risk appetite, and stakeholder expectations.

OUR APPROACH TO SUSTAINABILITY

Materiality Matrix and Strategic Alignment

The resulting Double Materiality Matrix prioritises 10 Material Matters along the X-axis (Financial Impact on the Bank) and the Y-axis (The Bank's Impact on the Economy, Environment, and Society).

To ensure strategic integration, these 10 Material Matters are aligned under 5 overarching Sustainability Themes that mirror the Bank's core business strategy: Environmental Management, Socially Responsible Business, Community Investment, Digital Intelligence, and Workforce Transformation.



To reflect shifting priorities and emerging trends, the Bank has consolidated our list of Material Matters. The table below illustrates how former reporting topics map to our updated material issues.

Former Material Matters	Current Treatment	Rationale
Managing Our Operational Environmental Footprint	Merged into Climate Resilience	Low-carbon transition sits more naturally as one part of a broader climate resilience story.
Fair Treatment of Financial Consumers	Folded into Good Governance and Ethical Business Conduct	Ensuring fair, transparent, and ethical outcomes for customers is a fundamental pillar of corporate governance, conduct, and regulatory compliance.
Sound Risk Management	Now a section within 'Our Approach to Sustainability'	Its role in driving the Bank's wider sustainability agenda justified a more prominent placement.

OUR APPROACH TO SUSTAINABILITY

Former Material Matters	Current Treatment	Rationale
Financial Inclusion and Literacy	Merged into Social Enterprises and Communities	Both share the same underlying goal: wider access to finance and stronger capability for underserved segments.
Digitalisation and Innovation	Folded into AI-Enhanced Customer and Client Experience	Digitalisation and innovation exist, in practice, to serve client experience — not as ends in themselves.
Talent Attraction, Development and Retention	Renamed to Talent Development and AI-Readiness	Capability-building, workforce sustainability and culture are now treated as one interconnected story rather than three.
Creating a Fair and Nurturing Workplace; Diverse and Inclusive Workforce	Merged into Human and Labour Rights	Both sit naturally within a wider human rights lens covering equality, inclusion and non-discrimination.
Digital at the Core; Workforce Readiness	Renamed Digital Intelligence and Workforce Transformation	The renaming reflects how quickly digitalisation and workforce needs are themselves evolving.

Set against the 5 Sustainability Themes, the 10 Material Matters are defined as follows:

Material Matters	Description
Climate Resilience	Managing our environmental footprint whilst integrating climate-related risks and opportunities into our strategies, business operations and value chain to facilitate a just and seamless transition towards a low-carbon economy.
Good Governance and Ethical Business Conduct	Committed to conducting our business and operations professionally, whilst upholding the highest standards of ethics, integrity, transparency and accountability, in order to maintain stakeholders' trust in the organisation.
Sustainable Products and Services	Providing sustainable and responsible financing by integrating ESG factors into the design, evaluation and management, supporting customers' adoption of green, social and sustainability-linked solutions, whilst enabling customers' transition towards lower-carbon and more responsible practices.
Sustainable Supply Chain	Upholding sustainability procurement principles across the supply chain via robust supplier policies, assessment and engagement practices, whilst also encouraging supplier diversity to include local businesses.

OUR APPROACH TO SUSTAINABILITY

Material Matters	Rationale
Human and Labour Rights	Upholding human and labour rights across our value chain, promoting fair labour practices including employee wellbeing, health and safety, and fostering a diverse and inclusive workplace where all employees are treated equally and without discrimination through effective policies, processes and labour standards.
Social Enterprises and Communities	Developing strategic partnerships with social enterprises and communities by implementing empowerment programmes to create long-term environmental and social impact for underserved communities within the regions where we operate, as well as enabling the accessibility of affordable financial services to all segments of society, promoting financial literacy.
AI-Enhanced Customer and Client Experience	Embedding a customer and client-centric culture within the organisation by utilising advanced data analytics and digital systems to create innovative products that meet customer needs, whilst leveraging Artificial Intelligence ("AI") to improve end-to-end customer and client experience and satisfaction, and enhance accessibility, leading to increased customer and client retention.
Privacy, Data Protection and Cybersecurity	Protecting employees' and customers' data from unauthorised access, cyber-attacks and threats via responsible collection, handling, storage and protection of personal and proprietary data.
Talent Development and AI-Readiness	Investing in talent attraction, development and retention to cultivate a pool of high-quality talent, whilst fostering a growth mindset, advancing upskilling in AI and emerging technologies to ensure adaptability in an evolving business and technological landscape.
Sustainability-Driven Culture	Establishing a corporate culture that embraces and promotes sustainable practices, values, and behaviours throughout the organisation (e.g. encouraging employee volunteerism and implementing ESG capacity-building programmes).

Contributions to United Nations' Sustainable Development Goals ("UN SDGs")

Hong Leong Bank actively integrates the United Nations Sustainable Development Goals (UN SDGs) into our core strategy, driving sustainable progress across both our internal operations and broader business activities. To demonstrate our targeted impact, we have mapped our key sustainability initiatives, operational practices, and financing frameworks directly against the relevant UN SDGs throughout this report.

OUR SUSTAINABILITY GOVERNANCE

Good Governance

Accountability for sustainability at the Bank runs through a clear governance structure that reaches every level and business division, rather than sitting with any single function. The Board carries responsibility for strategic oversight, ensuring ESG considerations are woven into decision-making from the top down. That governance structure gives Senior Management the mandate to turn strategic direction into policies and practices embedded across core business strategy and day-to-day operations — the mechanism by which responsible corporate behaviour translates into long-term stakeholder trust and sustainable value creation.

Senior Management, in turn, takes the lead on critical compliance areas: Anti-Bribery and Corruption (“ABC”), Anti-Money Laundering (“AML”), whistleblowing mechanisms, and wider ethical conduct — the areas where transparency and accountability are most visibly put into practice.



OUR SUSTAINABILITY GOVERNANCE

Sustainability and Climate Governance

Sitting at the top of this structure is the Board, the Bank's highest decision-making authority, which oversees the committees and departments tasked with setting strategy and managing risk across key matters — climate-related initiatives among them, along with the trade-offs and competing priorities that climate-related risks and opportunities inevitably bring.



Role of the Board Risk Management Committee

Within the sustainability governance structure, the Board Risk Management Committee ("BRMC") carries particular weight — its responsibilities, as set out in BRMC's Terms of Reference, support the Board across the following areas:

Overseeing the management's implementation of the governance framework, internal controls, and related policies.

Ensuring that the management meets expectations outlined in the risk governance policy.

Supervising the management's execution of compliance risk management practices.

Promoting sound corporate governance principles throughout the Bank.

Integrating sustainability considerations when reviewing risk management policies.

Monitoring progress against climate-related goals and targets.



Scan the QR code for more details on BRMC's Terms of Reference.

OUR SUSTAINABILITY GOVERNANCE

Regular updates keep the BRMC current on sustainability and climate-related developments, giving the Committee a running view of performance against established targets and oversight of how the wider sustainability strategy is being carried out. Dedicated risk management teams support this work, weaving sustainability and climate criteria into the Bank's existing Risk Management Framework — an integration that allows sustainability and climate risks and opportunities to be identified, assessed, monitored and managed alongside traditional enterprise risks, rather than as a separate exercise.

The Committee meets at least eight times a year. Within these meetings, the Chief Risk Officer ("CRO") briefs members regularly on sustainability and climate-related risks and opportunities, whilst the Chief Sustainability Officer ("CSO") delivers dedicated updates on sustainability matters at least four times annually.

FY2026's scheduled meetings saw the BRMC engage in climate-related discussion spanning several topics for the Bank, including:

Exposure to climate change (i.e. flood risk, GHG emissions)

Development towards our climate commitments (i.e. Sustainable Finance Framework)

Progress on climate regulatory requirements (i.e. CRMSA, CRST, NSRF)

Alignment of climate disclosures with international standards (i.e. TCFD, IFRS S1 and IFRS S2)

Role of the Sustainability Committee

Supporting the Board in a role of its own is the Sustainability Committee ("SC"), tasked with oversight of the Bank's sustainability approach, including climate and Value-based Intermediation ("VBI") strategies. Sustainability and climate disclosure efforts sit under its leadership, as does the day-to-day management of sustainability and climate-related risks and opportunities across the organisation. Its roles and responsibilities are set out in the SC Terms of Reference ("TOR"), and it reports directly to the Board Risk Management Committee ("BRMC").

Twelve permanent members make up the SC, chaired by the Chief Financial Officer ("CFO") and includes the Group Managing Director ("GMD") alongside Senior Management representatives from across the Bank's key functions: Group Sustainability, Business & Corporate Banking, Personal Financial Services, Regional Wealth Management, Group Risk Management, Group Finance, Group Operations, Marketing & Communications, Human Resources, Group Compliance, and Islamic Financial Services. This breadth gives the SC the standing to set direction directly, and to manage and monitor progress of the Sustainability Working Committee ("SWC") tasked with the diverse yet interconnected strands of sustainability and climate strategy. Each SC member, in turn, carries specific sustainability and climate goals within their own performance scorecard.

The key roles and responsibilities of the SC includes:

- To review and make recommendations to the Board on the Bank's sustainability and VBI policies and enhancement programmes.
- To provide regular progress updates to the Board on the Bank's sustainability achievements and implementation initiatives.
- To establish SWC groups which report to the SWC Chairperson who will be responsible for evaluating, assessing and recommending sustainability projects to the SC, and if approved, to oversee the implementation of the sustainability/VBI projects/strategies at the working level.
- To review the sustainability and VBI initiatives in managing sustainability risks such as environmental, climate, reputational risk in the banking book, operational, compliance, and the risk management process.
- To review the adequacy of sustainability, VBI and ESG-related policies and frameworks in identifying, implementing, measuring, monitoring and controlling the impact of the Bank's economic activities and operations and the extent to which these are operating effectively.
- To review and set short, medium and long-term targets and set sustainability Key Performance Indicators ("KPI") for each sustainability and VBI initiative.
- To review SWC periodic reports on sustainability and VBI initiatives progress, risk appetite, portfolio composition, stress testing and sustainability management activities.
- To review the Sustainability Report of the Bank and recommend for BRMC endorsement and Board approval before publication.
- To ensure the Bank complies with all regulatory requirements by Bank Negara Malaysia, Securities Commission Malaysia and Bursa Malaysia on ESG and climate-related impacts, risks and opportunities.
- Other sustainability functions as may be agreed by the Board.

OUR SUSTAINABILITY GOVERNANCE

In FY2026, the SC conducted 4 meetings with the following agenda items:



Linking Performance to Sustainability

Performance indicators across the Bank carry an ESG dimension, extending the reach of sustainable practice into how every employee's contribution is measured. For Senior Management members with direct responsibility for embedding sustainability into divisional initiatives, this takes a more specific form: scorecard objectives tied explicitly to sustainability and climate-related non-financial performance targets.

[↔](#) For more details on Sustainability-linked remuneration, refer to page 148 of our Sustainability Report 2026.

Board Selection

The identification and selection of suitably qualified board candidates is the responsibility of the Nomination and Remuneration Committee ("NRC"), guided by the desired composition and the mix of expertise and experience required by the Board. This process is further reinforced by the Bank's Board Diversity Policy, which evaluates the ratio of independent and female directors alongside diversity in ethnicity, age, and the broader range of knowledge, skills, and specialisations outlined in the Board Skills Matrix.

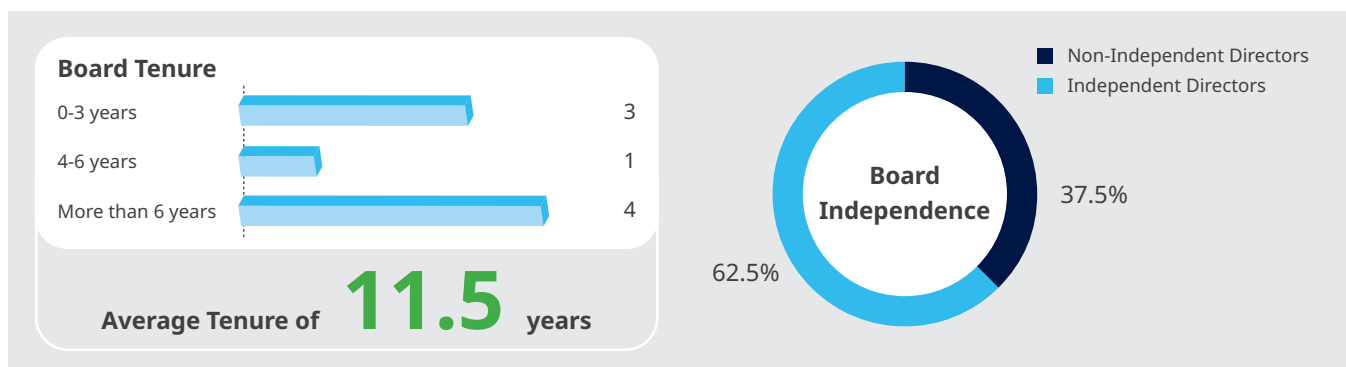
Consequently, the Board maintains a diverse and well-balanced composition, free from discrimination on the basis of gender, ethnicity, nationality, race, or religion. This inclusive framework ensures the Board is optimally positioned to support the Bank's business objectives, both now and in the future.

Candidates proposed through this process are presented to the Board for consideration and approval. This systematic and transparent nomination process is consistent with the Bank's established criteria and the Fit and Proper Policy for Directors and Chief Executive Officer. Further details regarding the procedures for nomination, assessment, and approval, including appointments to Board Committees, are set out in the Bank's Annual Report 2026.

[↔](#) For more details on Board Nomination, refer to page 129 of the Annual Report 2026.

Board Composition

Eight Directors currently make up the Board: one Executive Director and seven Non-Executive Directors, five of whom are independent.



OUR SUSTAINABILITY GOVERNANCE

BOARD SKILLS DEVELOPMENT AND BOARD EVALUATION

The Board of Directors attend regular training sessions on sustainability and climate-related matters to remain informed of current ESG developments.

The following Board Skills Matrix outlines the competencies of the current directors:

Board Skill Matrix

	Banking/Financial Services	7 Directors		Corporate Governance, Risk Management/Compliance and/or Sustainability	8 Directors
	Technology	6 Directors		Financial Acumen	7 Directors
	Leadership	8 Directors		International Business Experience	6 Directors

Evaluating Board Performance

Sound oversight of the Bank's economic, environmental and social impacts necessitates regular evaluation of the highest governance body itself. This evaluation process serves to reinforce good governance practice, sharpening the quality of strategic decision-making, and keeping the Board's work aligned with the Bank's long-term sustainability objectives.

The evaluation framework comprises two core components. First, the Individual Director Assessment evaluates each Director's specific roles, responsibilities, skillsets, and competencies, alongside their experience and contributions across the financial, functional, operational, and ESG domains critical to the Bank's success. Second, the Board Collective Assessment evaluates the broader framework: the Board's overall size and structure, its collective competencies, integrity, adherence to fit and proper requirements, and overarching performance. For FY2026, the assessment scored an overall rating of 'Highly Effective.'

 Further detail on the Board's Performance Assessment appears on page 130 of the Annual Report 2026.

Sustainability-related Training and Learning

Building capability in sustainability starts at the top, and FY2026 saw our Board of Directors attend external training sessions on climate, ESG reporting, ESG risk, and emerging sustainability trends to stay aligned with the evolving landscape. These sessions provided insights into green growth sectors, nature dependencies, risks, and opportunities, as well as human rights risks, climate laws, and Malaysia's National Action Plan on Business and Human Rights ("NAPBHR").

OUR SUSTAINABILITY GOVERNANCE

Alignment with National Policies

The Bank has gone further in support of Malaysia's National Climate Change Policy ("NCCP") 2.0, mapping its own corporate initiatives directly onto the policy's strategic thrusts and key actions. Specific points of alignment are set out below:

Alignment with NCCP 2.0		
The Bank supports NCCP 2.0 commitment to transition to a low-carbon economy and enhancing climate resilience in line with national sustainable development agenda and international climate commitments.		
Aligned NCCP Strategic Thrust	Strategic Thrust 2 To achieve low carbon development that aligns with national sustainable development agenda and international climate change	Strategic Thrust 4 Scale up blended financing and enable a sustainable market to increase involvement of private sectors for a green economy
Key Actions Outlined in NCCP	ST2S1KA3 Enhance efforts to increase renewable energy ("RE") capacity and percentage of generated electricity from renewable energy to meet relevant national targets	ST2S1KA2 Mobilise innovative financing instruments to facilitate financial flow to meet climate action needs
	ST2S1KA4 Reduce dependency on coal power plants to meet targets based on the National Energy Transition Roadmap	ST2S1KA3 Enhance capacities of financial institution to evaluate and approve climate-related project proposals
	ST2S1KA11 Enhance measures to increase energy efficiency to achieve the targets of National Energy Efficiency Action Plan and National Energy Transition Roadmap	ST2S1KA5 Strengthen market enabling instruments such as promoting green procurement and fiscal incentives
The Bank's Strategic Alignment Initiatives	• Sustainable Financing: Mobilise RM20 billion for sustainable financing projects including RE initiatives and green property development amongst others. • Green Bond Allocation: Green Bond Framework supports Renewable Energy projects such as Large Scale Solar Photovoltaic ("LSSPV") projects. • Solar Integration: Accelerated decarbonisation efforts by installing solar panels across our branch network. • Coal Phase-Out: Expanded our climate commitments by transitioning from a 2021 ban on new greenfield coal-fired power plants to a complete cessation of all financing and investments for coal-fired power generation, effective 1 July 2026. • Operational Efficiency: Enhancing operational energy efficiency by upgrading and optimising branch cooling systems.	• Capital Deployment: Mobilise RM20 billion into approved sustainable financing initiatives and projects. • Green Bond Utilisation: Capital raised under the Green Bond Framework supports Renewable Energy projects such as LSSPV, clean transportation, green buildings (gold and above). • Environmental Risk Screening: Applied the Climate Change and Principle-based Taxonomy ("CCPT") Implementation Guide ("IG") Due Diligence Questionnaire ("DDQ") to evaluate environmental risks across our entire customer base. • Supply Chain Governance: Mandated comprehensive ESG due diligence during onboarding for new suppliers, as well as for all existing Tier 1, Tier 2, and Tier 3 vendors. • Sustainable Procurement: Pledged to roll out a sustainable procurement programme under our Management Policy on Environment (Energy, Water and Waste Management), assessing the ecological lifecycle of purchased goods and services while prioritising eco-friendly materials.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Risk Management

A robust risk management process, in the Bank's view, cannot be built without sustainability and climate considerations woven through it. Embedding these into the Risk Management Framework makes it possible to identify, assess and manage emerging sustainability and climate-related risks and opportunities alongside traditional enterprise risks. The result is an approach that supports responsible growth, strengthens organisational resilience, and creates long-term value for customers and other stakeholders.

Risk Management Framework

Leading the implementation of the Bank's enterprise-wide Risk Management Framework are the Group Risk Management ("GRM") and Group Compliance ("GC") divisions, whose work gives the Bank a clear, structured way to anticipate and mitigate risks, both existing and emerging, across the organisation. Strategic guidance from the top meets bottom-up reviews of internal procedures and controls under this approach, producing a rounded view of where the Bank's risk exposure lies.

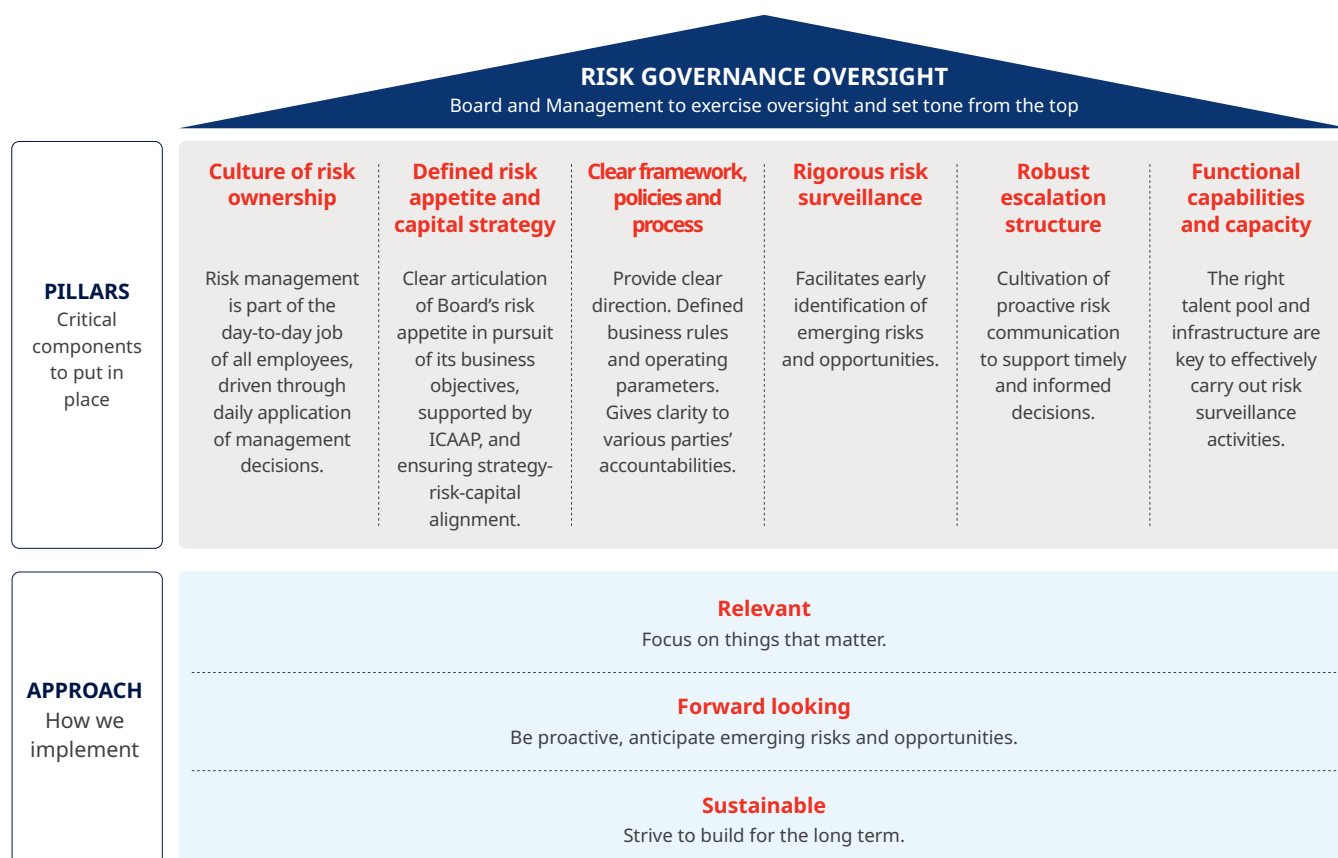
A Three Lines of Defence model sits at the centre of this work, establishing clear ownership and independent assurance across every risk type, sustainability and climate risks included. The model itself is kept under regular review, so that it stays in step with regulatory expectations and evolving best practices.



INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Risk Management Process

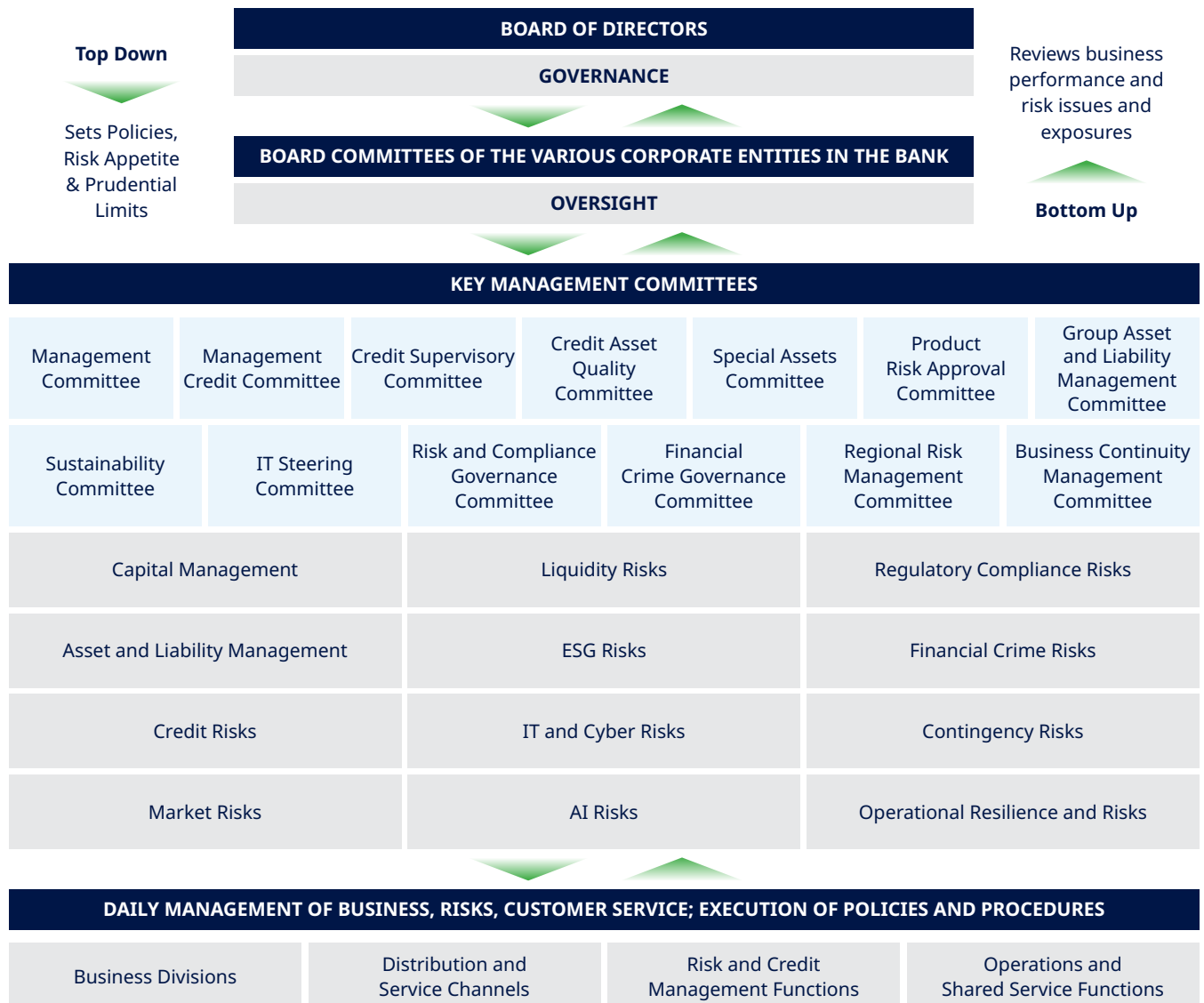
The enterprise-wide Risk Management Framework governs how the Bank identifies, assesses, and manages uncertainties that could impact its strategic objectives. Six pillars anchor risk governance oversight within this framework: risk culture, risk appetite, policies, surveillance, escalation and capacity. Each is reviewed on an ongoing basis, kept relevant, forward-looking and fit for the years ahead.



Integrating Sustainability Holistically

Every business relationship the Bank enters into, whether with organisations or individuals, carries ESG impacts of some kind, direct or indirect. Managing that reality has become a significant focus for the Bank, approached not as a series of isolated checks but as a connected whole, as set out in the Enterprise View and Management of Risks diagram.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT



Key Risks

Operational Resilience and Risk

is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which also include outsourcing and business continuity risks.

- Management oversight on Operational Risk Management ("ORM") matters is effected through the Risk and Compliance Governance Committee ("RCGC") whilst Board oversight is effected through the BRMC.
- The Bank's ORM strategy is based on a framework of continuous improvements, good governance structure, policies and procedures as well as the employment of risk mitigation strategies. The objective is to create a strong risk and internal control culture by ensuring awareness of the significance of operational risk, its methodology of identification, analysis, assessment, control and monitoring.
- The Bank adopts ORM tools such as loss event reporting, risk and control self-assessment and key risk indicators to manage operational risks and are used to assess risk by taking into consideration key business conditions, strategies and internal controls.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Credit Risk

as a result of customers or counterparties not being able to or willing to fulfill their financial and contractual obligations as and when they fall due.

- The Bank has established a Credit Risk Management Framework (via the Board Policy on Credit Risk Governance) to ensure that exposure to credit risk is kept within the Bank's financial capacity to withstand potential future losses. Financing activities are also guided by internal credit policies. The above policies are subject to reviews and enhancements, at least on an annual basis.
- Credit portfolio strategies are developed to achieve a desired portfolio risk tolerance level and sector concentration distribution.
- To assess the credit risk of retail customers, the Bank employs risk scoring models and lending templates that are designed to assess the creditworthiness and the likelihood of the obligors to repay their debts.
- To assess the credit risk of SME, commercial and corporate customers, they are evaluated based on the assessment of relevant factors such as the customer's financial position, industry outlook, types of facilities and collaterals offered; and are assigned with a credit rating.
- The Bank has a comprehensive credit approval process. While the business units are responsible for credit origination, the credit decisioning function rests mainly with the Credit Evaluation Departments, the Management Credit Committee ("MCC") and Credit Supervisory Committee ("CSC"). The Board delegates the approving and discretionary authority to the MCC and various personnel based on job function and designation.
- For any new products/product variation, Risk and Control Assessment Questionnaire ("RCAQ") also forms part of the new product/product variation sign-off process to ensure that the new product complies with the appropriate policies and guidelines, prior to their introduction.
- Credit risk reports are presented to the relevant Management and Board level committees. Such reports identify adverse credit trends and asset quality to enable the Bank to take prompt corrective actions and/or take appropriate risk adjusted decisions.
- GRM conducts independent credit reviews on a portfolio basis, which cover the Personal Financial Services, Business and Corporate Banking, Global Markets, Financial Institution's portfolios and portfolios of overseas subsidiaries and branches, providing an independent and where appropriate, countervailing perspective on credit risk management issues including business performance, credit decisions, overall assets quality and credit operations robustness.
- In addition, the Bank also conducts periodic stress testing of its credit portfolios to ascertain the credit risk impact to capital under the relevant stress scenarios.

Market Risk

is the risk of loss in financial instruments or the balance sheet due to adverse movements in market factors such as interest and exchange rates, prices, spreads, volatilities, and/or correlations.

- Market risk is primarily managed through various risk limits and controls following an in-depth risk assessment and review. The types and level of market risk that the Bank is able and willing to take in pursuit of its business objectives and risk-taking strategies are used as a basis for setting market risk appetite for the Bank.
- Market risk limits, the monitoring and escalation processes, delegation of authority, model validation and valuation methodologies are built into the Bank's market risk policies, which are reviewed and concurred by the Group Asset and Liability Management Committee ("Group ALCO"), endorsed by the BRMC and approved by the Board.
- Regular market risk stress tests are conducted on the trading book to measure the loss vulnerability under stressed market conditions.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Liquidity Risk

is the risk of financial loss arising from the inability to fund increases in assets, inability to liquidate assets in a timely manner and/or inability to meet financial obligations as they fall due.

- The Bank adopts a prudent liquidity management approach that includes establishing comprehensive policies and procedures, implementation of risk controls which are supported by periodic reviews and monitoring. The liquidity risk policies and governance are reviewed by Group ALCO, endorsed by the BRMC and approved by the Board.
- The Bank seeks to manage liquidity to ensure that our obligations will continue to be honoured under normal as well as adverse circumstances. The key elements of liquidity risk management include proactive monitoring and management of cashflow, maintenance of high-quality liquid assets, diversification of funding sources and maintaining a liquidity compliance buffer to meet any unexpected cash outflow.
- The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. The funding strategy is anchored on the strength of our core deposit franchise. The Bank also designs and conducts regular stress test programmes in accordance with the board-approved risk appetite and risk management policies. The appropriate management action plans would be developed and recommended to the Board if there are any potential vulnerabilities identified during the stress test exercise.

IT and Cyber Risk

is the risk of technological failure which may disrupt business operations such as system defects or service outages. This also includes emerging cybersecurity risk, which is the risk of possible threats that might exploit a vulnerability to breach system security and therefore cause possible harm.

- New technology initiatives are subjected to a rigorous evaluation process which assesses the potential risks and readiness of the initiative prior to its implementation.
- The Bank performs continuous monitoring on system performance to ensure minimal system disruption, while ensuring that redundancies in IT infrastructure and Disaster Recovery Plans are regularly tested.
- In addition to continuously improving the Bank's cyber resilience by upgrading technology capabilities to mitigate cyber threats, cyber risks are also managed by closely monitoring key risk metrics and progressively enhancing its cyber threat intelligence gathering capabilities to improve the Bank's situational awareness.
- Management oversight on IT and cyber risk management matters are effected through the IT Steering Committee ("ITSC") and the RCGC, whilst Board oversight is effected through the Board Information Technology Committee ("BITC").

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Data Loss Protection Risk

is the risk of not being able to detect and prevent confidential data from being leaked out of the Bank for unauthorised use.

- The Bank enforces a comprehensive data governance policy and data loss prevention ("DLP") framework to classify, monitor and protect sensitive information across all operational and digital channels.
- Robust technical controls such as strict access management, data encryption, and endpoint security monitoring, are continuously deployed to detect and prevent unauthorised data transmission or internal misuse.
- Employees undergo regular data protection and privacy awareness training to foster a strong risk culture and ensure they understand their role in safeguarding the Bank's information assets.
- Management oversight on data protection matters is effected through the ITSC for technology risks and the RCGC for operational risks, whilst Board oversight is effected through the BITC and the BRMC.

AI Risk

is the management of risks from rapid AI adoption which may compromise ethical standards, reputation, or operational safety. This includes maintaining a framework rooted in fairness and accountability to protect the Bank's data sovereignty and proprietary workflows while actively mitigating emerging technological threats.

- The Bank manages risks associated with AI adoption through a comprehensive AI Risk Management Framework and policies based on principles of fairness, reliability, privacy and security, transparency, explainability, and accountability.
- To navigate the rapid acceleration and inherent risks of AI technologies in the period ahead, the Bank maintains a sustainable and scalable approach to AI adoption, operating strictly within the strategic boundaries of safety, security, and accountability at all times.
- The Bank actively manages its AI deployment to preserve data sovereignty and ensure that the critical workflows, distinct operational processes, and proprietary know-how that drive the Bank's competitive edge are protected and not commoditised by outsourcing them entirely to AI.
- The Bank remains nimble in monitoring emerging threats beyond cybersecurity weaknesses that can be exploited by AI, while rigorously managing the reputational, ethical, and customer fair dealing risks associated with AI use. Recognising AI as an all-of-firm imperative, the Bank emphasises the continuous uplifting of staff capabilities to effectively control, govern, and leverage artificial intelligence through skills future programmes.

Regulatory Compliance Risk

is the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of failure to comply with laws and regulations.

- The Bank undertakes robust monitoring of developments in laws and regulations and assesses its impact to its processes, where applicable. The assessments are undertaken to identify gaps in existing processes so that actions are taken within defined timeframes to ensure that the Bank is in compliance.
- The Bank participates in providing feedback to the regulators and industry through consultation papers and exposure drafts on policy documents and enhancement activities.
- Management oversight on regulatory compliance risk is effected through the Management level RCGC whilst Board oversight is effected through BRMC.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Financial Crime Risk

is the risk of legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to Anti-Money Laundering, Counter Financing of Terrorism, Anti-Restricted Activity Financing and Targeted Financial Sanctions requirement.

- In mitigating the risk of financial crime, the Bank undertakes monitoring of developments of laws and regulations and assesses its impact to internal policies, processes and procedures. The Bank leverages digital automated transactions monitoring and onboarding solutions to strengthen our capabilities in detection, monitoring and reporting of potential suspicious activities.
- The Bank continuously maintains robust controls as a gatekeeper to the financial system against Money Laundering, Terrorist Financing, Restricted Activity Financing and Targeted Financial Sanctions risks.
- Management oversight on financial crime matters is effected through the Management level Financial Crime Governance Committee ("FCGC"), whilst Board oversight is effected through the BRMC.

Bribery and Corruption Risk

is the risk of offering, paying or receiving a bribe through an officer, employee, subsidiary, intermediary or any third party (individual or corporate) acting on the Bank's behalf.

- The Board approves and monitors the implementation of the Bank's Anti-Bribery and Corruption ("ABC") Programme. The objective of the ABC Programme is to manage the bribery and corruption risks within the Bank.
- The Bank ensures that the Management team conducts AntiBribery and Corruption Risk Assessment ("ABC RA") of the overall Bank's operations periodically to identify, analyse, assess and prioritise actions needed to mitigate internal and external bribery and corruption risks.
- The ABC policy is communicated to all our employees, who are required to undergo mandatory training and assessment on completion of training in the subject matter.
- Clauses relating to ABC have also been incorporated in written agreements to ensure that external parties to the Bank understand their obligations and abide by the relevant laws and regulations.
- Management oversight on bribery and corruption risk is effected through Management level RCGC whilst Board oversight of bribery and corruption risk is effected through the BRMC and Board Audit Committee ("BAC"). The Bank has a Whistleblowing Policy and accompanying procedures in place, where whistleblowing reports can be addressed directly to the Chairman of the BAC.

Crisis-Related Risk

is the risk of loss arising from increased volatility and uncertainty, resulting in impact to the Bank's customers, financial markets and interruption on the Bank's operations. Such loss could arise from disruptive, emerging events such as a global pandemic, catastrophic climate change effects, geopolitical tensions and uncertainties surrounding the global economic outlook.

- The Bank has a strategic plan in place to ensure that its operations and services remain fully operational in the event of a crisis.
- The Bank remains cognisant of the need to continuously build and maintain resilience, through close and proactive monitoring of potentially high impact events in the short term and longer term horizon. The Bank continuously simulates and tests preparedness to navigate through crisis conditions, while challenging and refining its Business Continuity Management ("BCM") plans and processes based on various scenarios. Consequently, the Bank continuously enhances its BCM plans and processes to strengthen its resilience to endure future crises.
- In managing credit risk exposures, the Bank regularly conducts stress tests which incorporate consideration for permutations arising from topical and material risk headwinds. This is done to assess potential vulnerabilities and provide a forward-looking view on areas of potential vulnerabilities given the current operating environment.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

ESG Risk

is the adverse impacts of emerging and material “Environmental”, “Social” and “Governance” risks that could subsequently translate to financial risks and potential losses that could affect the business operations and stability of the Bank.

The ‘Environmental’ factor considers organisational safeguards for the environment, including corporate policies addressing climate change. The ‘Social’ factor examines how we manage relationships with employees, suppliers, customers and our communities. The ‘Governance’ factor relates to the stewardship of the organisation by its leadership, discharge of the Board and Management’s accountabilities in accordance with ethical business practices, and implementation of good internal control frameworks.

- The Bank has policies, principles and codes of conduct to ensure the interests of the Bank are aligned with the interests of stakeholders on responsible lending/financing. These include assessments to screen for and review environmental and social risks, financial evaluation of existing and potential customers, and the provision of basic banking products to the underserved segment so that they can participate in the financial system.
- Credit policies are in place which require sales and credit staff to review the borrowers’ compliance with applicable environmental and social laws and review the same at annual reviews of loan/financing facilities to ensure ongoing compliance.
- The Bank manages its environmental footprint through reduction of waste (such as paper and water) and efficient usage of energy.
- The Bank evaluates climate-related risks i.e. physical and transition risks, to understand the vulnerabilities of the Bank’s businesses and operations towards such risks.
- The Bank has an independent Tender Review Committee that assesses diligence reviews of suppliers across a number of risks, not just financial strength and operational performance. We take into account considerations on environment and social track record and policies, business continuity plans and cybersecurity capabilities. Suppliers have to satisfy our zero tolerance for corruption and unfair practices.
- Management oversight on sustainability matters is effected through the Management level SC, whilst Board oversight is effected through the BRMC.

Managing Sustainability/ESG Risk

Sustainability risk management forms part of the Bank’s broader Risk Management Framework, focused on the exposures that could stand between the Bank and its corporate objectives, whilst keeping outcomes aligned with the Bank’s Sustainability Material Matters. The process runs across four stages:

Risk Identification

Sustainability risks are surfaced proactively, evaluated against the Bank’s established framework, policies and procedures.

Risk Assessment and Measurement

Likelihood and severity are analysed through both a financial and an ESG lens for each risk. Climate risks receive further scrutiny still, with short, medium and long-term impacts on the Bank’s portfolio and operations assessed separately.

Risk Management and Control

Sustainability risks are held within a defined risk appetite, with controls and limits reviewed regularly against the latest regulatory developments and stakeholder expectations. Any breach is flagged promptly, prompting swift discussion and remediation.

Monitoring and Reporting

Regular updates on sustainability risks and ESG performance reach the relevant committees, including the SWC, SC and BRMC.

The Bank adopts both a qualitative and a quantitative approach. Qualitatively, this means monitoring how ESG-related frameworks and policies are implemented across the Bank. Quantitatively, ESG risks are brought into financial terms by quantifying expected losses where material, using sustainability metrics as the basis for measurement.

INTEGRATING SUSTAINABILITY INTO SOUND RISK MANAGEMENT

Sustainability Risk Appetite

The Bank's risk appetite statement plays a defining part in its sustainability strategy, aligning operations with Net Zero ambitions through explicit boundaries, both quantitative and qualitative:

Quantitative Boundaries

Clear emissions targets and financing goals for green and sustainable projects.

Qualitative Boundaries

Ongoing monitoring of reputational risk exposure linked to high-risk carbon-intensive industries, as defined by Bank Negara Malaysia.

These measures give the Bank and its customers a workable route towards a meaningful low-carbon transition.

Sustainability Risk Monitoring

Keeping pace with an ever-changing landscape of ESG trends and regulations means tracking progress closely, which is where Sustainability Risk Monitoring Reports come in. These reports follow bank-wide ESG initiatives and are reviewed periodically by the SC and BRMC (or their equivalent), feeding discussions on key impacts and opportunities as they arise. ESG data is still maturing as a discipline, and the Bank continues to refine its systems, data collection and methodologies in step with that maturity. As data granularity improves further, metrics and targets will be sharpened in turn, both to meet regulatory disclosure requirements and to inform future strategy.

Sustainability Risk Assurance

An independent review of the Bank's credit evaluation processes, the Sustainability Risk Assurance exercise checks compliance with internal standards for assessing customers' sustainability profiles. Since 2021, the Independent Credit Review Function has built ESG questionnaires into its post-credit approval reviews for corporate customers, checking whether a company operates in a high-risk environmental sector and whether an ESG Enhanced Due Diligence Assessment has been carried out. Alongside the integration of ESG into policies and the Risk and Control Assessment Questionnaire ("RCAQ"), this work forms part of the Bank's wider strategy for managing environmental and social risks.

Promoting Risk Culture

A strong risk management culture doesn't sustain itself; it takes ongoing effort across the Bank to support stable, sustainable growth. Comprehensive risk management training programmes and targeted implementation initiatives have been developed with that in mind, building employees' knowledge and understanding of risk management principles at every level.

Onboarding learning for new joiners and quarterly mandatory training for employees will cover:

Cybersecurity
and cyber risk

Credit risk

Regulatory
compliance risk

Financial
crime risk

Business
Continuity
Management

Our risk management training programmes are designed to culminate in a meaningful way, with online tests and accreditation that validates our employees' learning and capabilities.



Environmental Management

The Bank actively supports the region's transition toward a low-carbon, climate-resilient economy. We advance toward our net-zero emissions target by 2050 through operational resource efficiency and the integration of environmental stewardship into our organisational culture. We deploy tailored sustainable finance solutions to enable our corporate customers to execute their transition plans. These initiatives are governed by a robust strategic framework that systematically evaluates climate-related risks and opportunities, informing targeted disclosures, goal setting, and long-term capital allocation strategies.

CLIMATE RESILIENCE

35

CLIMATE RESILIENCE

WHY IT MATTERS

Greenhouse gas (“GHG”) emissions, energy efficiency, waste reduction and water consumption rank high on the list of areas the Bank manages proactively, each one a lever for minimising its operational footprint. As a financial institution, addressing climate change is not peripheral to long-term stability; it is fundamental to it. Robust environmental management practices mitigate climate-related risk while enhancing operational resilience and driving cost efficiencies. That systematic reduction of operational impact feeds directly into the strategic goal of reaching Net Zero emissions by FY2050 and playing a part in a lower-carbon future more broadly.

RISK AND OPPORTUNITIES

Risks

- A 1-in-100-year flood event poses a severe risk to customers' operations and financial stability, potentially leading to a significant deterioration in their credit quality.
- Annual floods can result in financial losses for some customers, leading to possible deterioration in credit quality.
- Transition risks from climate-related regulations and technological shifts may increase operational costs and complexity, while driving impairments in high-emitting portfolio exposures, leading to asset devaluation, regulatory penalties, and potential reductions in income and profitability.

Opportunities

- Expand sustainable finance solutions to support customers in renewable energy, energy efficiency, green infrastructure and buildings, low-carbon transportation, enabling them to decarbonise and build climate resilience.

Strategy and Mitigation Plan

Energy consumption drives a significant share of GHG emissions, and the Bank's efforts have been prioritised accordingly, aimed at reducing both energy use and the emissions that follow from it. This work spans several fronts: raising employee awareness of GHG impact, sharpening the quality of emissions data through knowledge-sharing initiatives, and developing policies such as the GHG Standard Operating Procedures (“SOPs”) and the Management Policy on Environment (Energy, Water and Waste Management). Carbon sequestration projects and energy efficiency measures across operations round out the decarbonisation strategy, giving it practical footing alongside the policy work.

Metrics

- Absolute GHG emissions
- Absolute electricity consumption

Progress

- 31.7% reduction of Scope 1 & 2 emissions from baseline FY2019 for the Malaysia Operations
- 6.3% reduction of Scope 1 & 2 emissions from FY2025 for the Malaysia Operations
- 29.9% reduction of electricity consumption from baseline FY2019 for the Malaysia Operations
- 2.3% reduction of electricity consumption from FY2025 for the Malaysia Operations

Targets

- Short-term: 15% to 25% reduction of Scope 1 and Scope 2 operational emissions for the Malaysia operations by FY2026
- Medium-term: Net Zero operational emissions (Scope 1 and 2) for the Malaysia operations by FY2030
- Long-term: Net Zero emissions across Scope 1, 2 and 3 for the Malaysia and regional operations by FY2050

Contributions to UN-SDGs



CLIMATE RESILIENCE

CLIMATE-RELATED RISKS

Climate-Related Risk: Approach and Assessment

Climate risk features on the Bank's radar both as a risk in its own right and as something that cuts across nearly every part of the business and value chain. The process for identifying, assessing and managing it follows BNM's Policy Document on Climate Risk Management and Scenario Analysis ("CRMSA") and the TCFD framework, with disclosures being built out towards full alignment with the IFRS S2 Climate-related Disclosure Standard by FY2028, in line with NSRF requirements. Physical risk and transition risk form the two broad categories the Bank works with, each mapped across short, medium and long-term time horizons.

FY2025 saw a qualitative assessment of both risk types across internal operations and the value chain, run through scenario analysis based on NGFS climate scenarios and consistent with BNM's CRMSA guidance and the 2024 Climate Risk Stress Testing ("CRST") Methodology Paper. Alongside this, since FY2022 the Bank has used the Herfindahl-Hirschman Index to gauge ESG concentration risk among customers rated High Environmental and Social Risk, with capital charges calibrated accordingly, from a 2% addition for very low concentration sectors up to 8% for high concentration ones. This has fed into stress testing, Internal Capital Adequacy Assessment Process ("ICAAP") scenario pathways and an ESG component now built into Internal Capital Threshold settings.

Scenario analysis has also been extended to long-term adverse climate pathways published by the NGFS, tracing how physical and transition risks could unfold in Malaysia through to 2050. The findings point to non-retail portfolios, particularly emissions-intensive sectors with limited routes to decarbonisation, as most exposed to transition risk from carbon pricing and policy change, whilst retail exposures face more indirect, second-order effects. On the physical risk side, sea level rise emerged as potentially more damaging over time than extreme flooding, given its permanence, even though flooding remains the more immediate operational concern and has prompted the Bank's own in-house flood risk mapping, built up in stages from FY2024 to FY2026 using GIS software. As at FY2026, climate scenarios are not expected to carry a material impact on the Bank's Expected Credit Loss ("ECL"), though this position is revisited regularly under MFRS 9 and IFRS S2 requirements.

Board oversight is delegated to the BRMC, while the SC and SWC drive implementation and provide quarterly progress updates. Physical risk management remains at an early stage, with asset and collateral exposure assessed but a formal mitigation plan still to be developed. On the transition risk side, decarbonisation pathways for high-emission sectors are being built following completion of the Business Loans & Unlisted Equity emissions baseline, internal carbon pricing is being explored rather than applied, and the Bank continues to rely on Renewable Energy Certificates ("RECs") and nature-based solutions, including its mangrove rehabilitation project, in place of carbon credits.

 For fuller detail on the Bank's climate risk methodology, scenario analysis findings, and physical and transition risk management approach, please refer to the Sustainability Statement in our Annual Report 2026.

Strengthening our Flood Risk Analytics

Severe flooding is one of the types of physical risk hazard to the Bank's operations and credit exposure. To address this, the Bank established a comprehensive flood risk assessment framework that consists of:

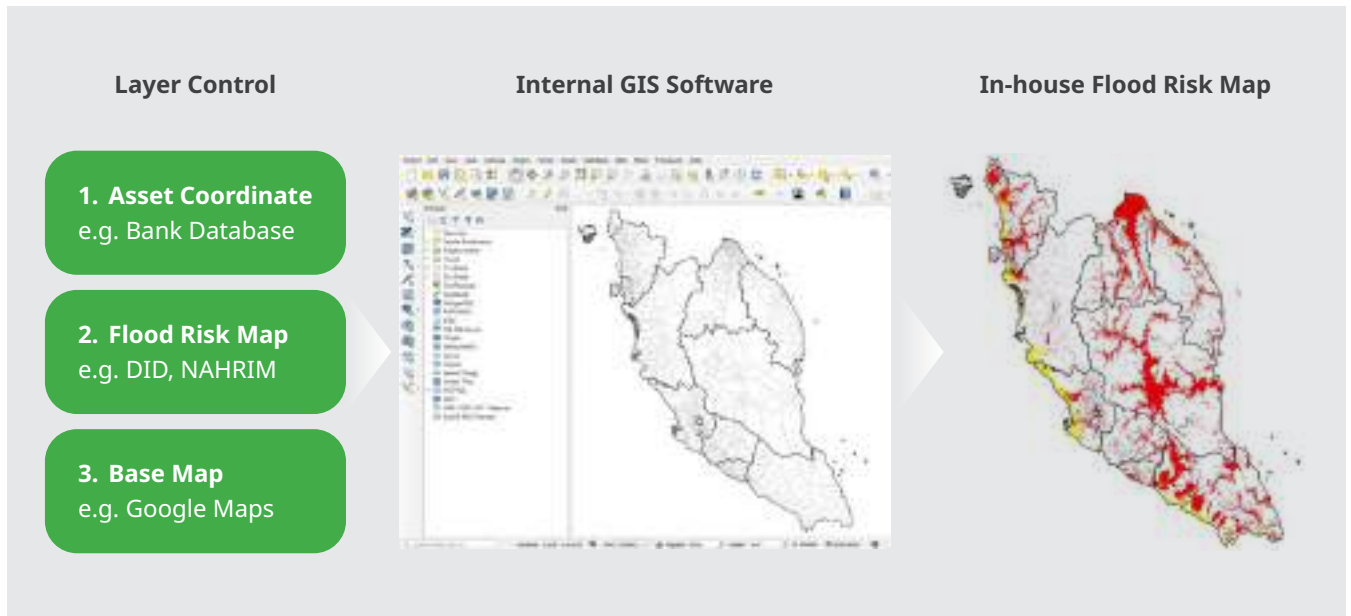
Geo-tagging of the Bank's operational and collateral assets

Flood risk map incorporating government datasets i.e. Department of Irrigation & Drainage ("DID") and National Water Research Institute Malaysia ("NAHRIM")

Climate risk analytics platform, incorporating digital evaluation models ("DEM") and rainfall patterns

CLIMATE RESILIENCE

In FY2026, the Bank successfully migrated its flood risk map and asset geo-coordinates to an internal Geographic Information System (“GIS”) software, improving operational control and flexibility during flood risk assessments.



By integrating its internal flood map with the climate analytic platform, the Bank established a robust methodology to quantify potential impacts from severe flood events while validating its flood risk findings. This enables the Bank to perform flood risk assessment on credit underwriting. For example, when evaluating client project financing, the Bank is able to digitise the project site boundaries onto internal flood maps for granular spatial analysis and assign a flood risk rating via the climate analytics platform.

Table 1: Climate Analytic Platform Output

Example Asset	Hazard Type	Risk Level	Risk Score	Country Benchmark
Indahpura Branch	Floods	Low	4	46

* Time Horizon: 2030-2039; Scenario: RCP 8.5

Figure 1: In-house Flood Risk Assessment

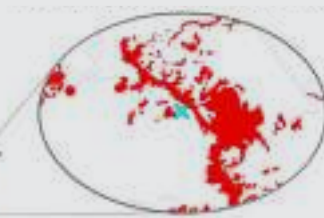


Figure 2: Topographic Evaluation



Source: ESRI Topographic Basemap

The figures above illustrate the Bank’s holistic approach to flood risk assessment and its application for internal validation, using the Indahpura branch as an example. Figure 1 highlights the branch’s coordinates relative to surrounding flood-prone areas, while Figure 2 shows a topographic elevation profile (where yellow-green zones indicate higher ground relative to blue lowlands). These findings align with Table 1, where the climate analytics platform assigns the Branch a low-risk rating.

Moving forward the Bank plans to embed flood risk parameters into the mortgage underwriting process, marking a pivotal step in integrating climate considerations into daily bank operations.

CLIMATE RESILIENCE

The Wider Push Towards Net Zero

As a member of the Association of Banks in Malaysia (“ABM”), the Bank supports the collective transition toward a net-zero economy grounded in the principles of a just transition. Recognising the financial sector’s role as an economic enabler, the Bank’s climate strategy aligns with Malaysia’s Nationally Determined Contributions (“NDCs”) under the United Nations Framework Convention on Climate Change (“UNFCCC”).

This alignment is operationalised through the adoption of the 7 ABM ESG Principles, integrated across core business operations:

We commit to promoting Carbon Net Zero across our entire business and financed customer portfolio.

We commit to incorporating ESG into our governance and risk management approach.

We commit to mitigating risks of modern slavery and upholding human rights across our value chain.

We commit to encouraging sustainable practices within the high impact sectors for ESG.

We commit to promoting social & financial inclusion to ensure a sustainable future.

We commit to promoting transparency by making periodic disclosures on our ESG practices and progress.

We undertake to progressively integrate biodiversity and nature-related considerations into our financing decisions.

These principles reinforce the Bank’s commitment to environmental protection, community resilience, and long-term economic growth in Malaysia. In alignment with national commitments to achieve net-zero GHG emissions by 2050, the Bank established its FY2050 Net Zero target in FY2022, supported by structured interim targets to ensure strategic accountability.

Net Zero Target

Short Term*

FY2026: 15% to 25% reduction in absolute Scope 1 and Scope 2 operational emissions from baseline, for Malaysia operations.

Medium Term*

FY2030: Net Zero absolute operational emissions (Scope 1 and 2) from baseline, for Malaysia operations.

Long Term

FY2050: Net Zero absolute emissions across Scope 1, 2 and 3 from baseline, for Malaysia and regional operations.

Baseline year: FY2019.

* GHG emissions covered represent more than 90.0% of total Scope 1 and 2 emissions across operations.

These targets contribute toward the goals of the Paris Agreement, broader financial sector benchmarks, and national policy frameworks—specifically Malaysia’s National Energy Transition Roadmap (“NETR”) and the National Climate Change Policy 2.0 (“NCCP 2.0”).

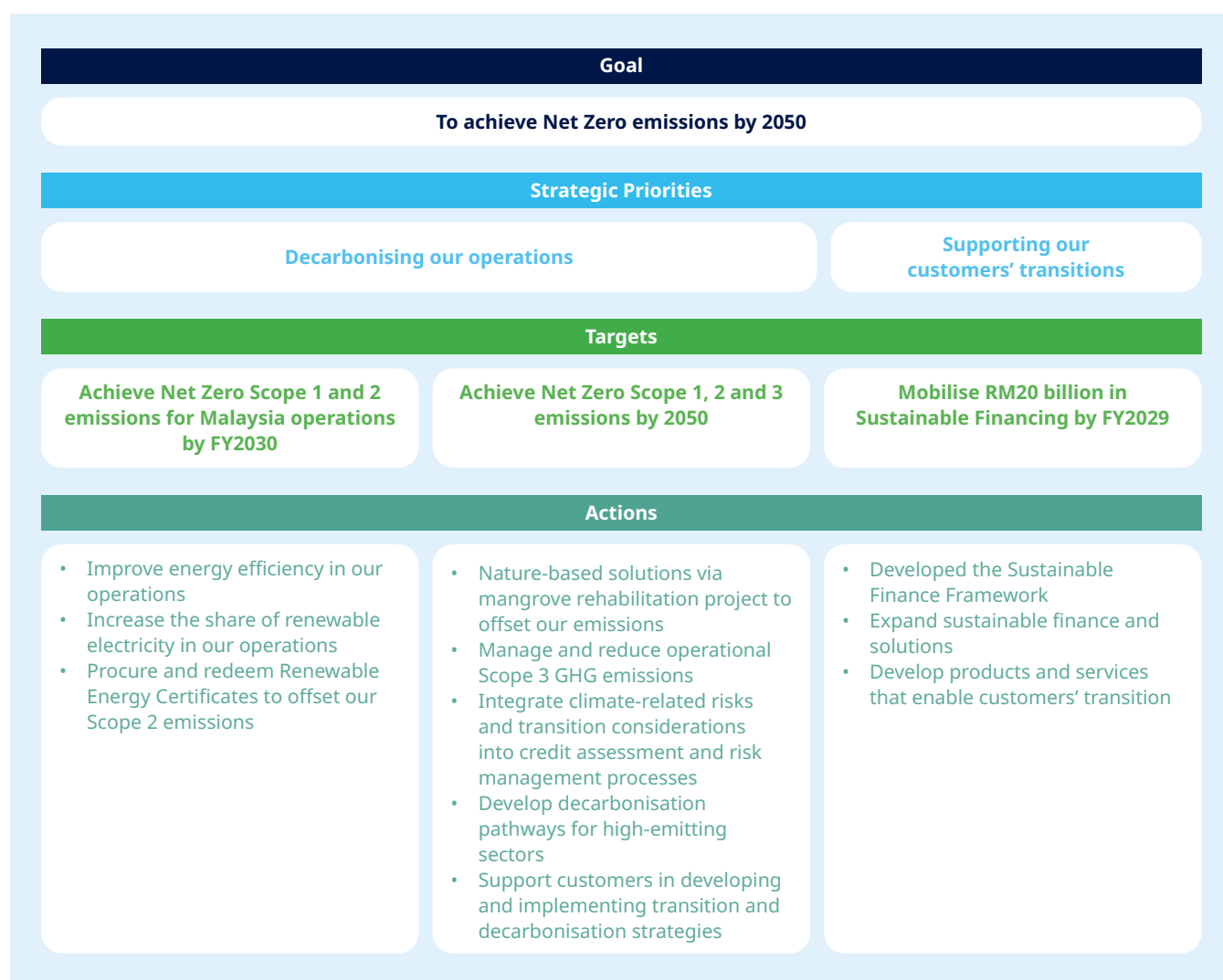
During the reporting period, these climate targets remained unchanged and have not yet undergone independent third-party validation. While a formalised sectoral decarbonisation methodology for the lending portfolio is currently under development, the Bank maintains a clear strategic trajectory toward aligning its portfolio management practices with evolving industry standards.

Decarbonisation principles are increasingly embedded within the Bank’s daily operations, driven by targeted employee upskilling initiatives, continuous awareness programmes, and workforce engagement in advancing the Bank’s Net Zero objectives.

CLIMATE RESILIENCE

To mitigate transition risks, we embed climate initiatives into strategic planning and decision-making across our direct operations and downstream activities. Guided by the Net Zero Transition Plan, we have outlined a roadmap for decarbonisation that incorporates just transition principles. We avoid reliance on carbon credits to achieve our goals, and instead prioritise real-economy emissions reductions by directing capital toward sustainable financing, actively engaging clients, and adopting low-carbon alternatives.

The Net Zero Transition Plan undergoes review periodically, or earlier followed by material events such as revised target-setting methodologies or modified organisational boundaries. All reduction targets apply to the seven greenhouse gases defined under the Kyoto Protocol.



Public Policy Engagement

The Bank actively engages in and supports climate-related public policy, legislative initiatives, and regulatory frameworks. This advocacy encompasses key decarbonisation mechanisms, including carbon pricing structures, emissions trading systems, net-zero implementation frameworks, renewable energy legislation, and standardised energy efficiency and GHG emissions standards.

Beyond policy support, the Bank contributes directly to the regulatory development process through active participation in industry working groups, task forces, and policy consultations shaping Malaysia's climate and sustainability governance landscape.

One key initiative is the National Sustainability Reporting Framework ("NSRF") Financial Institutions ("FI") Guidance Document Taskforce, established under the Joint Committee on Climate Change ("JC3"). The Taskforce provides practical guidance on structuring sustainability reports to align with the International Sustainability Standards Board's ("ISSB") IFRS Sustainability Disclosure Standards. The Bank actively supported this initiative through technical input, taskforce representation, and financial contributions.

CLIMATE RESILIENCE



HLB Impact For Nature: Mangrove rehabilitation and conservation project

Nature-based solutions carry real weight in the Bank's decarbonisation efforts, and nowhere more so than in a large-scale mangrove restoration initiative that has grown into one of its flagship environmental undertakings. Mangroves earn that attention for good reason: few ecosystems match their capacity to absorb and store carbon, and they double as natural flood defences, acting as sponges that soften the impact of heavy rainfall. Beyond this, they recycle nutrients, filter out toxins and trap sediment, work that protects riverbanks from erosion and shields coral reefs and marine life from pollution further downstream.

FY2026 brought a new name for the project, HLB Impact For Nature, reflecting how central it has become to the Bank's environmental agenda. Phase 1 ran from 2022 to 2024; Phase 2, spanning 2025 to 2027, continues the partnership with the Malaysian Nature Society ("MNS") and involves planting a further 50,000 mangrove trees across degraded areas of the Kuala Selangor Nature Park ("KSNP"). Once mature, the 100,000 mangrove trees are expected to sequester an average 2,400 tonnes of CO₂ equivalent ("tCO₂e") annually over the following two decades and will continue to sequester carbon after they reach maturity, offsetting Scope 1, 2 and 3 emissions whilst strengthening natural defences against a changing climate. Recognition has followed too, including second runner-up at the ABM 50th Anniversary Celebration CSR Excellence Awards 2024 and the Biodiversity Conservation Award at the ESGBusiness Awards 2025.

A biodiversity survey conducted during Phase 2 has given the project a proper baseline against which to track its longer-term impact. The coastal wetland area was found to host 79 bird species, 11 mammal species

and 8 herpetofauna species, several of conservation significance: the Endangered Milky Stork, the Near Threatened and locally endemic Selangor Silvery Langur, and three Totally Protected otter species, among them the Endangered Hairy-nosed Otter. Given the modest footprint of the site itself, this concentration of species underlines just how ecologically valuable the area has become. The mangrove ecosystem draws mainly on native species, including Bakau Kurap, Berus Longadai, Api-Api, Nyireh Batu and Bakau Minyak, alongside associated species such as Buta-buta, Pedada, Perepat and Ipil-ipil. Tree species diversity is still relatively narrow, though the site continues to perform vital ecosystem functions: providing habitat, retaining sediment, and supporting pollination and seed dispersal, all pointing to restoration work that is holding its ground, with room to grow further still.

A separate social study looked at the project's effect on the surrounding community and local economy, drawing on focus group discussions, informal interviews, site observations and a review of secondary information across 24 stakeholders, including residents, fishermen, business operators, government agencies and NGOs. What emerged was largely positive: greater environmental awareness, stronger coastal protection, and support for local livelihoods through eco-tourism and fisheries-related activity. A handful of indirect effects surfaced too, including minor friction between wildlife and local communities and a need to deepen engagement in certain areas, though these were judged limited and manageable through continued dialogue with stakeholders. On balance, the study points to a project unlikely to cause significant negative social impact, with environmental outcomes and community wellbeing both expected to benefit over the longer term.

Local participation has grown alongside the project itself, particularly through seed collection and nursery work in Phase 2. Staff drawn from the local community have taken part, earning income through their involvement, whilst locally sourced seeds and community-managed nurseries have supported both site suitability and skills development in nursery management and basic horticulture — building community investment in the project's success as it continues.

In FY2026, the project employed a total of 3 staff from the local community, who earned RM22,926 from participating in this project.

CLIMATE RESILIENCE



Creating Hong Leong Bank Community Forest in Ta Kou Nature Reserve

Environmental sustainability and community engagement come together in Vietnam through a partnership between HLB Vietnam and Gaia Nature Conservation, a non-profit scientific organisation operating under the Vietnam Union of Science and Technology Associations (“VUSTA”). Together, they established the Hong Leong Bank Community Forest within the Ta Kou Nature Reserve in Binh Thuan Province, a reserve spanning 11,886 hectares and recognised internationally as one of the world’s 221 most critical ecological regions. HLB Vietnam has invested more than RM48,000 to plant 50,000 trees across the Community Forest over five years.

The work centres on turning degraded white sand dunes into thriving green forest, restoring natural habitat whilst building climate resilience. Sandy hills, highly vulnerable to drought and wind erosion, form the focus of the reforestation effort; planting native timber and medicinal tree species helps combat desertification, curb sand encroachment, and improve soil stability as the forest matures.

On 14 September 2024, 35 HLB staff volunteers took part in a field trip to plant 500 forest trees. The initiative does more than restore habitat, though — it gives employees a platform to build environmental awareness and strengthen bonds as a team, deepening their connection to nature and shared responsibility for sustainability along the way.

Though challenged by the dry season, these trees achieved a resilient 70% survival rate after 6 months. To secure long-term viability, Gaia Nature Conservation installed a water irrigation system and replanted lost saplings in June 2025 to mitigate drought, achieving an estimated 80% survival rate.

The long-term impact projected for the forest is considerable. Over 50 years, the 500 trees planted are expected to intercept roughly 57,248.9 cubic metres of water, store 404 tonnes of carbon dioxide, sequester a further 1,346 tonnes of CO₂, and remove 326.2 kg of air pollutants — outcomes that contribute meaningfully to climate change mitigation and help preserve one of Vietnam’s most ecologically significant landscape.

CLIMATE RESILIENCE



Earth Hero Programme via HLB Pocket Connect

Reforestation takes on a distinctive form at the Bank through the Earth Hero Programme, run in partnership with APE Malaysia and designed with a dual purpose: cutting the Bank's environmental footprint whilst drawing the next generation into the effort. That second aim plays out through the HLB Pocket Connect app, an exclusive feature of the HLB 3-in-1 Junior Account, where young users grow virtual trees within the app. For every 20 of these, the Bank plants one real tree, turning digital engagement into tangible impact on the ground.

Restoring the Lower Kinabatangan Floodplain

Sabah's Lower Kinabatangan region anchors the programme's efforts, home to Malaysia's largest RAMSAR-designated wetland site and recognised widely as a critical biodiversity hotspot. Decades of forest fragmentation have put this unique ecosystem under real pressure, which is why the Earth Hero Programme is working towards a continuous forest corridor within the Lower Kinabatangan Wildlife Sanctuary, giving endangered species such as Pygmy Elephants, Orangutans, Proboscis Monkeys and Sun Bears safe passage and habitat to call their own.

Since FY2021, the programme has reached several milestones:

Financial Investment

Over RM470,000 spent on the Earth Hero programme.

Ecological Impact

Planting 12,500 trees, with ongoing efforts spanning across 45 indigenous species.

Reforestation is only part of the story, though. Young participants also receive monthly educational materials filled with practical tips for sustainable living, building eco-consciousness that extends well beyond the app itself. Between the planting and the learning, the Bank is working to protect this vital ecosystem for the benefit of wildlife and local communities alike, both now and for years to come.

CLIMATE RESILIENCE

Sustainable Finance

National policies and regulations aimed at mitigating climate impacts find an active supporter in the Bank, which sees alignment with these emerging frameworks as a way to manage transitional climate risk whilst strengthening operational resilience at the same time. There's a commercial dimension to this too: new regulation brings genuine opportunity, and the Bank has taken a proactive role in expanding access to sustainable finance as a result. Several strategic programmes have been launched specifically to align with national frameworks, the NCCP 2.0 among them. Sustainable finance, in this sense, functions as a core strategy in its own right, one that lets the Bank pursue its climate goals and commercial objectives together as the economy moves towards a lower-carbon future.

The diagram below illustrates our sustainable finance offerings:

Green and Sustainable Products, Services & Market	SME, Commercial and Corporate Customers	Retail Customers
Green Financing	RE Financing	Solar Plus Financing
	Green Building and Social/Affordable Properties	Green Mortgage and Affordable Property Financing
	Green Transport	Green Car Financing
	Waste Management	
	Energy Efficiency	
Sustainable Investing	Green Securities, Green Bond/Green Debt Financing	

Green and socially responsible investments, spanning renewable energy, clean technologies, electric vehicles and affordable or green infrastructure, do more than support the Bank's own position in expanding decarbonisation markets. They build internal expertise at the same time as helping customers work towards their own climate action goals, a dual return that makes the case for this kind of investment straightforward.

Accelerating Sustainable Finance

October 2024 marked an update to the Bank's sustainable finance approach, with the launch of the SFF, designed to reduce financed emissions through targeted sustainable financing. Globally and regionally recognised standards and principles give the SFF its structure, including:

Loan Market Association ("LMA")	Green, Social, and Sustainability-Linked Loan Principles
International Capital Market Association ("ICMA")	Green, Social, and Sustainability Bond Principles
Association of Southeast Asian Nations ("ASEAN") Taxonomy	ASEAN Taxonomy for Sustainable Finance (Version 3)
Securities Commission Malaysia	Principles-Based Sustainable and Responsible Investment Taxonomy ("SRI") for the Malaysian Capital Market
Bank Negara Malaysia	- Climate Change and Principle-based Taxonomy ("CCPT") - Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF")

CLIMATE RESILIENCE

Robust financing criteria give the SFF its structure for the low-carbon transition, targeting sectors including renewable energy, energy efficiency, green buildings, affordable housing, waste management and clean transportation. A comprehensive General Exclusion List establishes firm boundaries around prohibited activities, ensuring policy compliance and accountability. Effective 1 July 2021, the Bank ceased financing for new greenfield coal-fired power plants. To enhance this position, the policy was expanded from 1 July 2026 to prohibit all new financing and investment across all coal-fired power plants without exception.

The Bank aims to mobilise RM20 billion by FY2029 to expand its sustainable financing portfolio. This funding will be primarily driven by the green and affordable property portfolio, followed by green vehicle financing and other green financing initiatives. In line with the Sustainable Finance Framework ("SFF") established in October 2024, mobilised amounts are calculated by tracking both disbursed and committed financing. As of FY2026, the Bank has cumulatively mobilised RM10.0 billion, exceeding our annual targets for two consecutive years.



Scan the QR code for more details on the Sustainable Finance Framework.

Empowering Green Developments

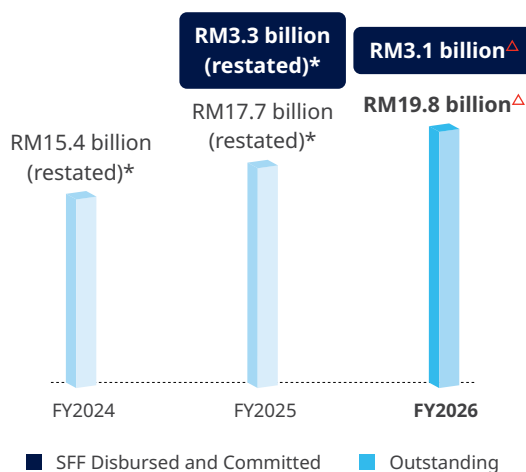
Construction and end-financing solutions for affordable housing, modern townships and green-certified developments make up a substantial part of the Bank's offering, delivered through partnerships with property developers that back projects prioritising environmental sustainability alongside genuine social value.

Green building criteria guide the selection process closely, ensuring every project aligns with recognised sustainability standards, whilst the PFS Credit Management Policy (Secured Products) brings ESG considerations fully into credit risk assessments. Between the two, sustainable transformation extends across the corporate landscape, translating into lasting value for homeowners and local communities alike.

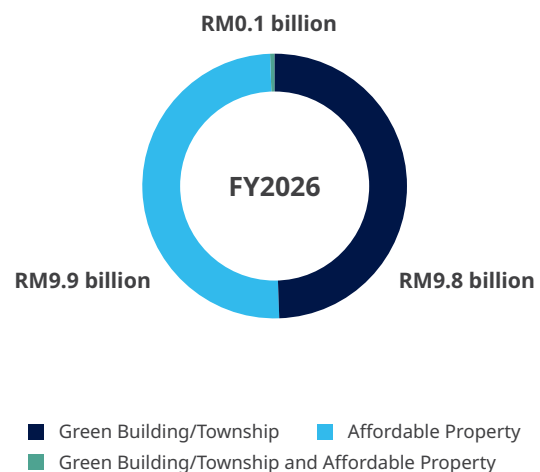
In FY2026, approximately 840 projects were evaluated under the Bank's specialised ESG Assessment Framework for green buildings and townships, reflecting a significant acceleration in market demand for sustainable financing.

By year-end FY2026, financed volume had reached RM19.8 billion[△], representing 17.2% of the Bank's total RM115.2 billion property portfolio, placing it at the forefront of sustainable property financing in the market.

Total Green, Affordable and Green, and Affordable Property Financing, and Total Mobilised Sustainable Financing for Malaysia Operations



Total Outstanding Green, Affordable and Green, and Affordable Property Financing in FY2026, with Breakdown by Type for Malaysia Operations



Note:

* The FY2024 and FY2025 figures for Green, Affordable, and Green & Affordable Property Financing were restated to include material omitted eligible sustainable assets. This resulted in the increase in SFF mobilised financing of RM0.2 billion from RM3.1 billion to RM3.3 billion in FY2025 and the increase in outstanding financing of RM0.8 billion from RM14.6 billion to RM15.4 billion for FY2024 and of RM0.7 billion from RM17.0 billion to RM17.7 billion for FY2025.

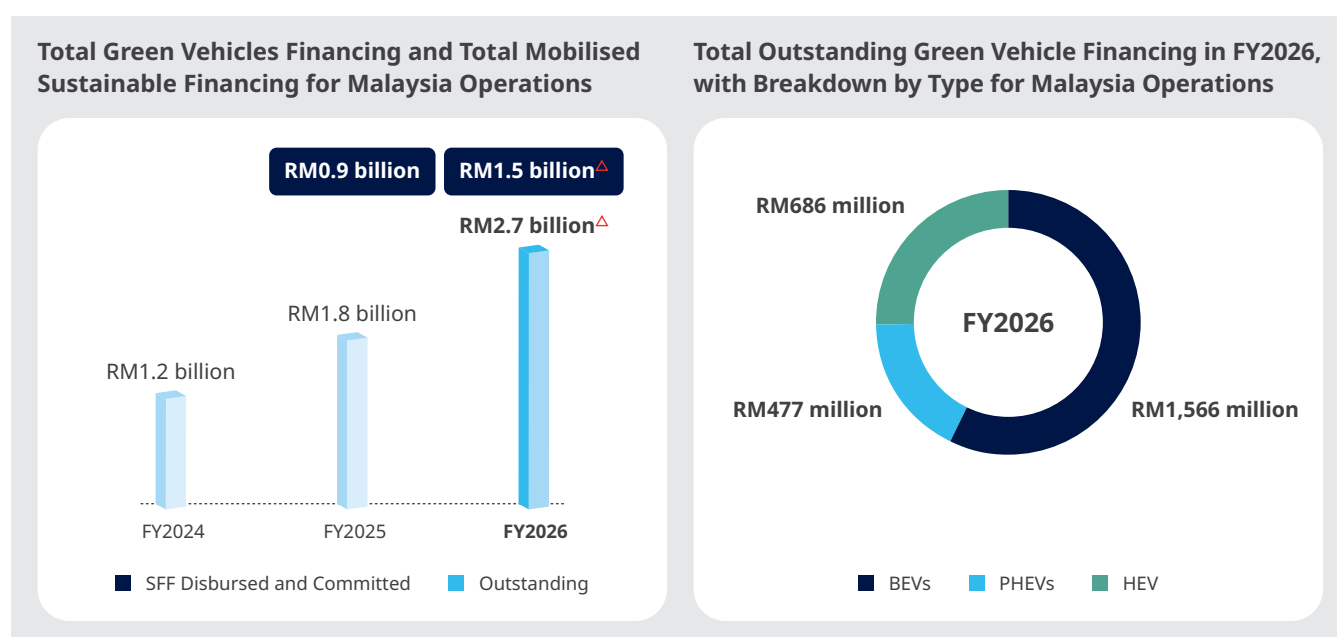
[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

CLIMATE RESILIENCE

Driving Adoption of Electric Vehicles

Green transportation gains momentum through the HLB Green Vehicle Financing initiative, part of the wider push towards a low-carbon economy. A clearly defined classification for “green vehicles” keeps the financing programme structured and transparent, covering Battery Electric Vehicles (“BEVs”), Plug-in Hybrid Electric Vehicles (“PHEVs”) and Hybrid Electric Vehicles (“HEVs”).

Strong portfolio growth followed this year, with outstanding green vehicle financing reaching RM2.7 billion[△] by the end of FY2026, representing 12.2% of the Bank’s total vehicle financing portfolio of RM22.1 billion.



Supporting Sustainable Uptake for BCB Sustainable Financing

Targeted financing solutions define BCB’s approach to a sustainable future, designed to support business banking customers through their environmental and social transitions. Five pillars anchor the sustainable financing portfolio: cleaner energy through renewable projects such as solar, hydro, biogas and biomass; construction or purchase of certified green buildings and affordable properties; low-carbon mobility through support for EV sales in Malaysia; and the circular economy through sustainable waste management financing.

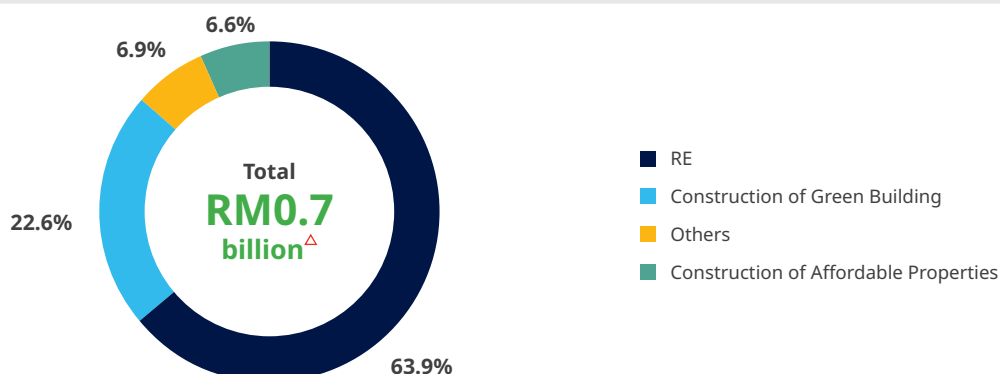
Total BCB Sustainable Financing and Total Mobilised Sustainable Financing for Malaysia Operations	FY2025	FY2026
SFF Disbursed and Committed (RM' bil)	0.5	0.7 [△]
Outstanding* (RM' bil)	0.1	0.5

* Outstanding balances represent financing that has been disbursed since FY2025 only.

[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

CLIMATE RESILIENCE

Total BCB Sustainable Financing in FY2026, for SFF Disbursed and Committed for Malaysia Operations (RM' bil)



[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

Green Bond

The issuance and management of green bonds are governed by the Bank's Green Bond Framework, developed specifically to support the funding of eligible green projects. Built in alignment with the ASEAN Green Bond Standards ("ASEAN GBS") and the International Capital Market Association Green Bond Principles ("ICMA GBP"), the Framework channels proceeds from green bond issuances exclusively towards financing or refinancing industries and activities eligible for green investment. Fossil fuel-based power generation projects are explicitly ruled out under the Framework, with no proceeds permitted to fund them under any circumstance.

Two green bonds remain outstanding as of 30 June 2026: Green Additional Tier 1 Capital Securities issued in April 2022 with a nominal value of RM900 million, and Green Medium Term Notes issued in September 2024 with a nominal value of RM500 million.

Underpinned by a total outstanding green bond issuance of RM1.4 billion in nominal value, our Green Bond Portfolio achieved outstanding growth in FY2026, expanding to RM5.0 billion. Renewable Energy, Green Buildings and Sustainable Transportation account for the majority of financed assets and projects, sectors that reflect where the Bank has chosen to concentrate its efforts in the transition to a low-carbon economy.



Scan the QR code for more details on the Green Bond Framework.

Eligible Assets	Renewable Energy	Green Building	Sustainable Transportation
Description	Proceeds may be allocated towards the financing of Large Scale Solar Photovoltaic ("LSSPV") projects	Purchase of highly rated green properties by consumers (Gold and above)	Purchase of Electric Vehicle or Hybrid Vehicles by consumers (tailpipe CO ₂ emissions of less than 75g per km per passenger car)
Outstanding Balance	RM302 million ^④	RM2,767 million ^④	RM1,908 million ^④
FY2026 Impact	- Capacity: 161 MW - Annual Generation: 225,597 MWh - Annual Carbon Avoidance: 166,942 tonnes of CO₂ <i>Note: The figures on Solar PV assets/projects are based on the assumption that the plants commence operations and perform at the declared capacity.</i>	- Enabled 4,943 retail customers to purchase homes with green building certifications with ratings of Gold and above awarded by recognised certification bodies - Platinum Green Building Certified Properties: 1,476 - Gold Green Building Certified Properties: 3,467	- Financed 16,194 electric and hybrid vehicles with CO₂ emissions of less than 75g per km per passenger car - Battery Electric Vehicles: 12,829 - Plug-in Hybrid Electric Vehicles: 3,365

^④ This data has been independently assured. Refer to independent limited assurance report on page 207.

CLIMATE RESILIENCE

Energy Efficiency and Conservation



We actively manage the environmental footprint of our direct operations through our Management Policy on Environment (Energy, Water, and Waste Management). This policy provides operational guidelines designed to ensure compliance with relevant Malaysian regulations.

Scope 2 accounts for the majority of the Bank's operational emissions, which is why solar energy has become a key decarbonisation lever, installed progressively across the branch network to ease reliance on the grid. FY2026 saw solar panels completed at seven branches within the Klang Valley, expected to generate up to 210,000kWh annually once fully operational. Funding for this came from the Business Channels division, with Group Sustainability driving the initiative forward, an arrangement that reflects how directly sustainable practice has become woven into core business operations.

Building on the momentum of our completed solar project, the Bank is planning to expand our renewable energy footprint to more branches beyond the Klang Valley in FY2027. Energy efficiency measures continue to be identified across operations more broadly too, with particular attention on improving air conditioner performance at branches. A Proof of Concept is currently underway with potential vendors, exploring heat-reducing films for air conditioning compressors and the use of AI in air conditioning operations and temperature control. Senior Management and Branch Managers receive regular insights into energy consumption, giving leadership the visibility needed to monitor usage, benchmark performance across locations, and make data-driven decisions on efficiency.

Hong Leong Tower's Green Building Index ("GBI") certification has been successfully renewed, standing as evidence of ongoing efforts to optimise energy and water efficiency, maintain high indoor environmental quality, and manage the site sustainably. Valid until March 2029, the renewed certification keeps Hong Leong Tower aligned with national green building benchmarks, operating as a high-performing, low-carbon workplace for employees and tenants alike.

Recycling Initiatives

Recycling forms another strand of the Bank's environmental efforts, brought into sharper focus in FY2026 through a partnership with Recircle Sdn Bhd ("Recircle") to run a structured programme at Hong Leong Tower ("HLT"), PJ City Tower A ("PJCA"), and 10 branches across the Klang Valley. Recircle collects recyclable waste from designated locations at least once a fortnight under this arrangement, tracking materials such as paper, aluminium, plastics and electronic waste systematically as they move through the system.

Electronic waste ("e-waste") receives particular attention, with various internal divisions collaborating to champion responsible disposal. By partnering with Recircle, we established disposal protocols that ensured obsolete hardware and electronic devices are safely repurposed or recycled in alignment with environmental requirements. In FY2026, these efforts resulted in the recycling of 3,953 kg of e-waste.

A biannual "Recycling Day" campaign at the Bank's corporate towers adds a further dimension, inviting employees to bring recyclable materials from home. Recircle manages the collection and tracking behind this too, giving the campaign the same rigour as the wider programme whilst drawing employees more directly into environmental stewardship.



CLIMATE RESILIENCE

Sustainable Branch Environment

Digital-First Branch Communications

We achieved a key milestone in our paperless journey by digitalising compliance materials and communications across our branch network. To further institutionalise this commitment, we are expanding digital screens across our Self-Service Terminal ("SST") lobbies, reinforcing our dedication to a sustainable and clutter-free customer environment. This initiative is currently live and will be extended to more branches alongside our branch remodelling efforts.

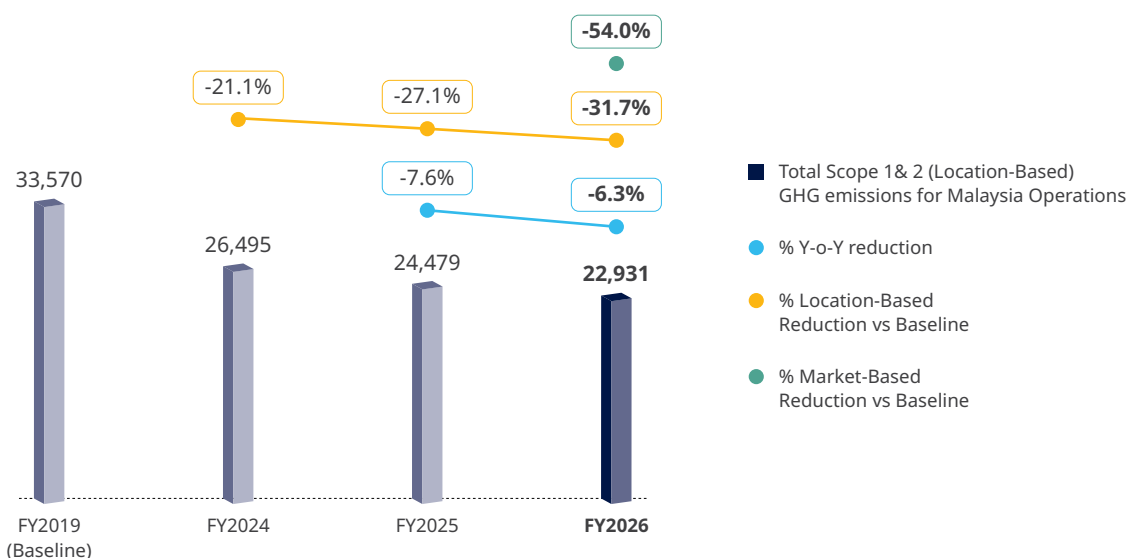
Sustainable Branch Merchandising

We are creating a more sustainable customer environment by transitioning away from short-lived print materials—such as traditional tent cards and flyers—in favour of recyclable creative solutions. This commitment is demonstrated by innovations like our multi-use reversible event displays and recyclable paper-based 3D structures for product merchandising, and we will continue to drive these eco-friendly initiatives across our network.

GHG Emissions

Our Malaysia operations made significant progress towards our sustainability goals, reducing absolute Scope 1 and 2 (location-based) emissions by 31.7% from the baseline and 6.3% year-on-year from FY2025. This performance exceeds our FY2026 target of a 15% to 25% reduction. As our Malaysia Scope 1 and 2 emissions in FY2019 represent approximately 97.3% of total Scope 1 and 2 GHG emissions, local efforts drive our primary impact. The Scope 2 drop from baseline was largely driven by EE&C projects across facilities, supported by the redemption of RECs (22.3%), which brought our market based emissions reduction to 54.0% against the FY2019 baseline. However, Scope 3 emissions from local employee commuting increased due to longer average travel distances. A summary of our Malaysia operations GHG emissions is shown below.

Malaysia Operations Scope 1 and 2 (in tCO₂e)



Across our broader regional operations, results were more modest, with combined Scope 1 and 2 emissions declining by 5.5% year-over-year from FY2025.

CLIMATE RESILIENCE

The Bank has progressively expanded its measurement of financed emissions since establishing its baseline in FY2024 with Motor Vehicle Loans and Residential Mortgages. By adding three asset classes in FY2025 and two more in FY2026, the Bank has now achieved full coverage across all seven initial PCAF asset classes, enhancing the accuracy and transparency of its climate impact disclosures. The assessed portfolios account for a significant portion of the Bank's total portfolio, covering 88.6% of total gross loans and 71.7% of total assets as of 30 June 2024; 89.1% and 70.9% as of 30 June 2025; and 88.5% and 71.7% as of 30 June 2026. However, Scope 2 and 3 emissions for Sovereign Debt, emission removals, avoided emissions, and facilitated emissions remain excluded due to data constraints.

To navigate industry-wide challenges—specifically the scarcity of localised proxies and limited primary customer data—the Bank strictly adheres to the PCAF Standard. When direct borrower data is unavailable, the Bank utilises regional and local proxies following approved PCAF methodologies to ensure continuous progress in estimating its absolute financed emissions.

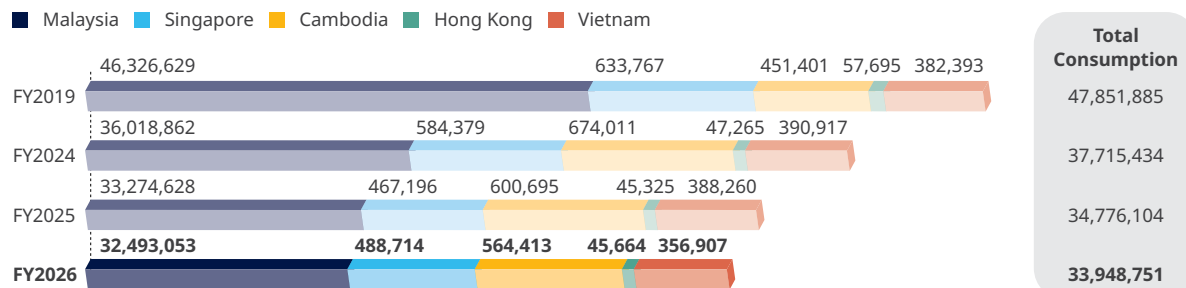
➡ For a comprehensive breakdown of our financed GHG emissions, please refer to Appendix II of our Sustainability Report 2026.

Energy Consumption

Total Electricity Consumption

In alignment with our ongoing sustainability commitments, total electricity consumption across our Malaysia operations recorded a significant decrease of 29.9% against the baseline and 2.3% year-on-year compared to FY2025. This reduction was primarily driven by strategic energy efficiency initiatives implemented to optimise energy usage bank-wide. Mirroring this trajectory, our regional operations achieved a 4.6% reduction from the baseline and a 3.0% decrease compared to FY2025.

Electricity Consumption (kwh)



Notes:

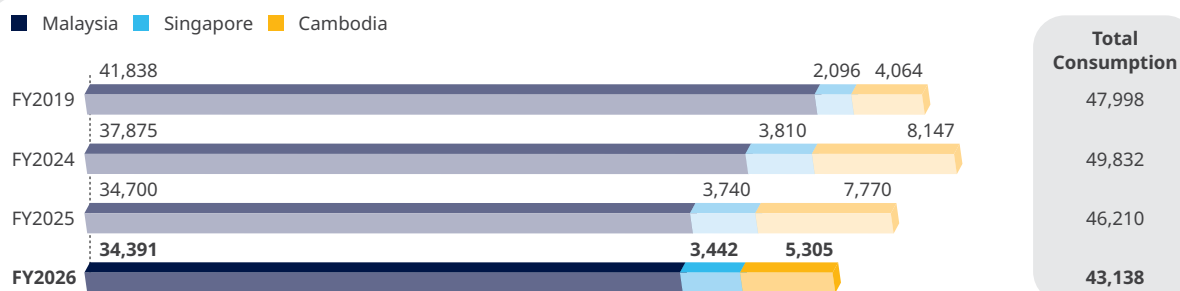
- Electricity consumption for Singapore operations is inclusive of purchased chilled water for cooling, while Cambodia operations is inclusive of chilled water for cooling until FY2025.
- Assumptions were made for the electricity consumption of Malaysia and Singapore operations in FY2019 whereby abnormal electricity consumption was averaged.
- For FY2026, electricity consumption for certain branches and months was based on estimates provided in the billings issued by the utility providers in Malaysia.

CLIMATE RESILIENCE

Total Fuel Consumption

Fuel consumption across domestic operations in Malaysia registered a 17.8% reduction against the baseline and a 0.9% year-on-year decrease compared to FY2025. Concurrently, regional operations demonstrated significant progress, achieving a 24.0% reduction in fuel consumption year-on-year compared to FY2025.

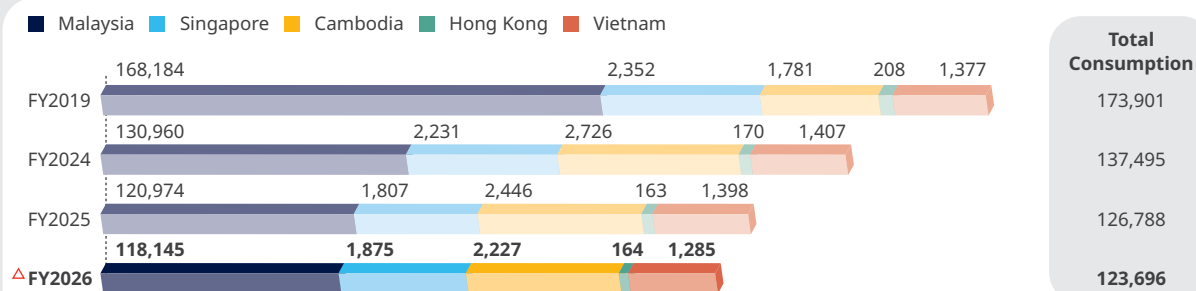
Fuel Consumption (Litres)



Total Energy Consumption

Domestic operations in Malaysia achieved a 29.8% reduction in total energy consumption from baseline, alongside a 2.3% year-on-year drop versus FY2025. Over the same period, regional performance saw decreases of 2.9% against baseline and 4.5% year-on-year.

Energy Consumption (GJ)



Notes:

- Total energy consumption refers to the sum of total electricity consumption in kilowatt-hours and total fuel consumption in litres. Both consumptions are converted to GJ using the respective conversion factors.
- Due to rounding differences, the numbers may not add up precisely to the total energy consumption disclosed.
- For FY2026, electricity consumption for certain branches and months was based on estimates provided in the billings issued by the utility providers in Malaysia.

△ This data has been independently assured. Refer to independent limited assurance report on page 207.

Energy Intensity

Energy intensity—measured as total energy consumption per employee across both Malaysia and regional operations—maintained a consistent downward trajectory year-on-year.

Energy Consumption (GJ) per employee

FY2019

20

FY2024

16

FY2025

15

FY2026

14

CLIMATE RESILIENCE

Total Waste Generation

Waste management data currently covers the Bank's primary buildings in Malaysia: Hong Leong Tower ("HLT") and PJ City Tower A ("PJCA"). In FY2026, our waste recycling programme at HLT and PJCA collected 31,390 kg of materials like paper, plastic, aluminium, and electronics. This significant effort prevented 23.8% of our total waste from going to disposal.

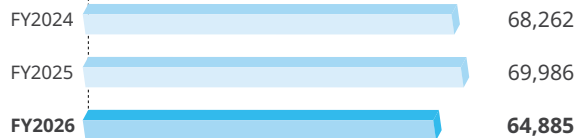
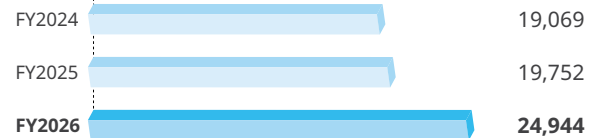
Waste Generation for Malaysia (kg)	FY2024	FY2025	FY2026
Total Waste Directed to Disposal ¹	18,745 ¹	112,886	100,569
Total Waste Diverted from Disposal	19,069	24,300	31,390
Total Waste Generated	37,814	137,186	131,959
Percentage of Waste Diverted	50.4%	17.7%	23.8%

Note:

¹ As wet waste tracking began in March 2024, total waste directed to disposal for FY2024 reflects 3 months data from March 2024 to June 2024 only.

Paper Consumption

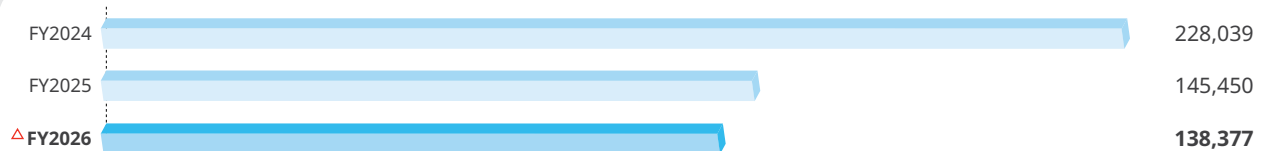
Paper Consumption for Malaysia

Total Office Paper Purchased (in reams)
for Entire Malaysia OperationsTotal Paper Recycled (kg) for HLT and PJCA
(office buildings) only

Water Consumption

Water Consumption for Malaysia (m³)

Total Water Consumption



Notes:

- The 'Total Water Consumption' metric is prepared in accordance with GRI 303-5. Total water consumption refers to the actual consumption volume (m³) directly from the bills issued by the water providers.
- For FY2024, the calculation used an estimate based on dividing the total amount paid during the financial year with the maximum rate for commercial buildings provided by the state water providers.
- For FY2025 onwards, we captured actual consumption volumes (m³) directly from the bills issued by the water providers, ensuring greater accuracy.
- For FY2026, the May and June readings for some branches in Sabah and Sarawak were not yet available at the point of reporting. Hence, estimated readings were used for these branches.

△ This data has been independently assured. Refer to independent limited assurance report on page 207.



Socially Responsible Business

Responsible business practices and rigorous corporate governance form the foundation of our strategy to deliver enduring value to our stakeholders and communities. By embedding ESG principles into our core operations, product offerings, and decision-making processes, we ensure strict ethical compliance and transparency across all levels of the organisation. This holistic integration aligns our strategic ambitions with sustainable outcomes, reinforcing our institutional resilience and securing long-term prosperity.

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

53

SUSTAINABLE SUPPLY CHAIN

74

SUSTAINABLE PRODUCTS AND SERVICES

59

HUMAN AND LABOUR RIGHTS

79

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

WHY IT MATTERS

Ethics and integrity, upheld to the highest standard, do more than protect the Bank's reputation; they give long-term resilience something solid to stand on, building the kind of trust stakeholders can rely on. This commitment is driven by a culture of accountability and professionalism, anchored by a zero-tolerance position on bribery and corruption and backed by robust whistleblowing mechanisms, together giving sustainable, value-driven growth a genuine footing.

RISK AND OPPORTUNITIES

Risks

- Systemic governance failures or institutional misconduct may lead to severe regulatory breaches, resulting in severe financial penalties, regulatory sanctions, and existential threat to the Bank's licence and core operations.
- Isolated or non-systemic compliance breaches by frontline operations may expose the Bank to localised regulatory issues or operational losses if existing guardrails and controls fail to detect them.

Opportunities

- Strong sustainability-led governance and accountability frameworks drive performance consistency, resilience and investor confidence.

Strategy and Mitigation Plan

The Bank's strategy to mitigate financial crime, bribery, and corruption is underpinned by a robust corporate governance and internal control framework aligned with statutory and regulatory standards. The Bank drives proactive compliance risk management by enforcing primary responsibility in managing compliance risk within business units, supported by an independent Group Compliance function and embedded Business Compliance Officers ("BUCOs") and Business Unit Compliance Representatives ("BUCRs") to cultivate a strong culture of compliance and self-regulation. Strategic direction and risk governance are maintained through oversight by the BRMC and relevant management committees i.e. RCGC and FCGC, ensuring structured regulatory escalation protocols and continuous enhancement of AML capabilities. Operational integrity is further reinforced by secure, confidential whistleblowing mechanisms reporting directly to the Board Audit Committee and continuous bank-wide ethical training, safeguarding sustainable stakeholder trust and the Bank's resilience.

Metrics

- Number of employees received and completed mandatory e-learning on ethical standards.
- Number of confirmed incidents of corruption recorded.

Contributions to UN-SDGs



Code of Conduct and Ethics

Business at the Bank runs according to its Code of Conduct and Ethics ("the Code"), reviewed by the Board of Directors annually as part of its broader corporate governance oversight, endorsed and formally approved to keep it relevant and genuinely effective. Direct board involvement of this kind keeps ethical standards robust, legally sound, and aligned with the Bank's strategic direction and core values. Seven key principles anchor the Code, setting out the standards of professionalism and ethical behaviour expected of employees, contingent workers and contractors alike, with every employee required to affirm their understanding of it each year.

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

Ethics and integrity sit at the foundation of the Bank's governance framework, and breaches of the Code meet a zero-tolerance response. Enforcement scales with severity, ranging from removal from positions of trust and formal disciplinary proceedings through to immediate termination without compensation, legal action, or referral to law enforcement and regulatory bodies. Every breach, along with the disciplinary or remedial action that follows, is documented in line with the Bank's internal governance policies, keeping the process transparent and properly overseen.

Principle 1: Competence

The Bank is committed to ensuring that its employees develop and maintain the relevant knowledge, skills and behaviour to ensure that our activities are conducted professionally and proficiently.

Our employees must possess and maintain the skills and knowledge needed to perform their roles in accordance with the standards required by the Bank to meet its legal, compliance and regulatory obligations.

Principle 2: Compliance

The Bank operates in a highly regulated environment and our employees are responsible to ensure that they fully understand and comply with all applicable laws, regulations and regulatory requirements.

Principle 3: Integrity

The Bank's Vision, Mission and Values identify a strong values-based culture to guide decisions, actions and interactions with stakeholders as a key enabler for the success of the HLB Group. The HLB Group relies on our employees to practice sound decision-making with integrity and take actions that will preserve our HLB Group's values.

Principle 4: Fairness

Part of the Bank's mission is to help our customers succeed through simple, relevant, personal and fair banking. Employees must act responsibly and be fair and transparent in our business practices, including treating our colleagues, customers and business partners with respect. We must consider the impact of our decisions and actions on all stakeholders.

Principle 5: Confidentiality

The Bank is committed to providing a safe, reliable and secured banking experience for our customers.

Principle 6: Objectivity

Employees must not allow any conflict of interest, bias or undue influence of others to override their business and professional judgement. Employees must not be influenced by friendship or association in performing their role. Decisions must be made strictly on an arm's-length business basis.

Principle 7: Environment

The Bank is committed to provide a safe and conducive working environment and will remove any unacceptable behaviours from the workplace. The Bank will not tolerate any form of discrimination, harassment (including sexual harassment) or intimidation. In addition, the Bank is committed to reduce the impact of our operational footprint on the environment to build our franchise in a safe and healthy environment. We aim to do this by managing the resources we use across the Bank and raising employee awareness about the importance of caring for the environment.

The Bank will be mindful of its activities with employees, customers, business partners and the communities the Bank operates within to ensure human rights are safeguarded. The Bank aims to minimise any potential negative impacts on human rights, including children's rights, and to contribute positively wherever possible. If the Bank becomes aware of any situations where human rights may be affected, the Bank is committed to addressing those concerns.

➡ For more details, refer to Hong Leong Bank's Code of Conduct & Ethics.

Anti-Bribery and Corruption

Bribery and corruption, including gratification and facilitation payments have no place at the Bank, a position enforced through the Bank-wide Anti-Bribery and Corruption ("ABC") Policy and Programme and overseen by the Ethics and Integrity Office ("EIO").

The ABC Policy governs everyone associated with the Bank, internal workforce and external parties alike, with clear accountability defined for each:

Our Workforce (Internal)

Board Directors, full-time and part-time employees, trainees, interns, and volunteers.

Our Supply Chain (External)

Vendors, suppliers, contractors, sub-contractors, service providers, representatives, consultants, and agents acting on behalf of the Bank.

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

A Gifts & Entertainment SOP supports the ABC Policy further, setting out control and mitigation mechanisms for giving and receiving gifts or entertainment. Every employee is expected to conduct business at the highest level of integrity, exercising good judgment to avoid anything that might breach the Bank's values, policies, or Code of Conduct and Ethics.

Non-compliance with the ABC Policy is reviewed first by the Disciplinary Committee ("DC") where corrective action is determined, then presented to the Risk and Compliance Governance Committee ("RCGC") and the relevant Board Committees during BRMC meetings. ABC and Whistleblowing clauses are incorporated into agreements with external parties such as service providers, vendors and business partners, referencing the Bank's ABC Policy, which is publicly available on its corporate website.

Every two years, a Bank-wide Anti-Bribery and Corruption risk assessment ("ABC RA") is conducted across all areas of operations, with the most recent completed in FY2025; insights gathered are used to strengthen oversight framework and enhance training programmes, including role-based training for targeted staff. The ABC Programme is subjected to periodic internal and external audit review, with the Policy requiring internal audits at least once every three years to assess compliance, performance, efficiency and effectiveness. To maintain confidence in the Bank's ABC Programme, the Bank also conducted an ABC and Whistleblowing survey to gather anonymous feedback on our current ABC and Whistleblowing practices.

Compliance Framework

Operating across Malaysia, Singapore, Hong Kong, Cambodia and Vietnam means meeting a different set of local regulations in each market, and the Bank holds itself to high standards of compliance in every one, essential to maintaining customer trust throughout. Group Compliance ("GC") has built a robust, comprehensive Compliance Framework to safeguard customer interests further and reinforce confidence in the Bank's operations.

A dedicated regulatory liaison team supports GC as the Bank's central point of contact for regular, transparent communication with regulators. GC works closely with Business Unit Compliance Officers ("BUCOs"), Business Unit Compliance Representatives ("BUCRs") and designated business representatives through Horizon Scanning Working Group ("HSWG") meetings, ensuring all applicable regulations are addressed and appropriate controls remain in place.

The Bank also actively engages in workshops, forums and training sessions organised by regulators and law enforcement agencies ("LEAs"), keeping pace with regulatory developments and industry best practice. Collaboration with industry bodies such as the Association of Banks in Malaysia ("ABM") and the Compliance Officer Networking Group ("CONG") adds a further dimension, exchanging insight with peers and strengthening overall compliance capability.

Our Compliance Framework

Purpose

Ensures full compliance with regulatory legislation in all jurisdictions where we operate, as well as adherence to the processes and practices governing our daily operations

Stakeholders

Roles & Responsibilities

Board and Senior Management

- The Board is responsible for overseeing the management of Compliance Risk i.e. regulatory compliance, financial crime, bribery and corruption risks. The functions and responsibilities of the Board are set out in the BNM Compliance Policy Document, BRMC's Terms of Reference and Board Policy on Group Compliance
- Senior Management is collectively responsible for the effective management of Compliance Risk and must carry out responsibilities set out in the BNM Compliance Policy Document and Board Policy on Group Compliance

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

Group Compliance

- Identify, assess and monitor our compliance risks
- Advise on the interpretation and applicability of relevant laws and regulations
- Report compliance matters to Senior Management and the Board
- Ensure our employees receive adequate training on legal and regulatory requirements affecting our activities

Business Unit Compliance Officers ("BUCOs") & Business Unit Compliance Representatives ("BUCRs")

- Responsible for implementing Regulatory Compliance, Anti-Bribery and Corruption, and Financial Crime Compliance policies at the operational level, ensuring specific risks are managed effectively
- Serve as the primary contact for all compliance issues related to Business Units and Support Units, in consultation with Group Compliance
- Work closely with Group Compliance to integrate relevant legal and regulatory requirements into our business policies and processes
- Provide ongoing compliance support for day-to-day business matters

Business Units and Support Units

- The Business Units and Support Units, through appropriate managerial and supervisory controls, are primarily responsible for managing Compliance Risk by overseeing the day-to-day compliance with policies, regulatory requirements, business and process controls

Horizon Scanning Working Group ("HSWG")

- Track changes in regulatory requirements and analyse their impact on our business divisions

Prevention of Financial Crime

Financial crime rarely announces itself, and the same lending and financing that fuels economic development can, in the wrong hands, be turned towards corruption, drug trafficking, organised crime, smuggling, terrorism, and human rights violations such as human trafficking. Guarding against this starts with culture, cultivated through a clear tone from the top and ongoing awareness and learning programmes for employees, before it becomes a matter of systems and controls.

BNM's Anti-Money Laundering ("AML"), Counter Financing of Terrorism ("CFT"), Countering Proliferation Financing ("CPF") and Targeted Financial Sanctions ("TFS") requirements for Financial Institutions have been built into Board and management policies, keeping strategy aligned with regulatory expectations and best practice, and maintaining a robust framework as a result. Our investments in system enhancements support this further, aimed squarely at detecting and preventing illicit activity within the financial system.

The Bank continues to bolster AML capabilities, by strengthening screening capabilities for new and existing customers during onboarding and monitoring in turn improving safety and effectiveness for customers and

stakeholder. By leveraging data analytics and refined financial crime compliance data cube, we optimise our analytical capabilities and productivity whilst ensuring compliance with regulatory requirements.

Whistleblowing

Critical concerns receive transparent, timely review through the Bank's Whistleblowing Policy and reporting channels, open to internal and external stakeholders who wish to report improper conduct or wrongful acts involving the Bank or persons associated with it. Workplace grievances can be escalated to the Human Resources division through the process set out in the Employment SOP.

Reports made through whistleblowing channels can remain anonymous and may cover a broad range of issues: integrity matters or criminal offences such as fraud, theft, criminal breach of trust, corruption, bribery and blackmail; failure to comply with legal or regulatory obligations, including human rights abuses; violations of the Bank's policies, procedures and standards; improper conduct; or gross mismanagement of company affairs. Whistleblowers acting in good faith are protected from retaliation under internal policy.

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

Any whistleblower report concerning Improper Conduct within the Bank is forwarded by the Chairman of the Board Audit Committee ("BAC") to the appropriate person or persons for action. The BAC then deliberates the outcome, including findings and recommendations, and decides on next steps within a restricted Whistleblowing agenda at BAC meetings. Actions taken may include a warning letter, termination, or referral to the relevant authority.



Scan the QR code to learn more about our Whistleblowing Policy and the process for raising a concern.

There were no confirmed incidents of corruption recorded in FY2026

Promoting Ethical Business Conduct

Training and development programmes for new and existing employees continued throughout FY2026, reinforcing a culture of anti-bribery, anti-corruption and compliance across the Bank through e-learning platforms. Group Compliance ("GC") leads these initiatives, engaging staff at every level, Senior Management included, to build genuine understanding of and adherence to applicable legal and regulatory requirements.

ABC Compliance Training

An Anti-Bribery and Corruption ("ABC") Compliance training programme has been developed covering the Bank's ABC policy, control measures to prevent bribery and corruption, and the reporting and escalation process, reinforcing a firm stance against corrupt practices of every kind across the organisation. Mandatory training on ABC-related matters is delivered through e-learning modules on HLB@Workday, the Bank's people and performance management platform, complemented by targeted role-based ABC training specifically for front-facing personnel to ensure heightened ABC awareness.

Compliance Training Programmes

Mandatory compliance training applies to all employees, part-timers and contract workers included, delivered via a dedicated e-learning platform covering ABC, Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation Financing and Targeted Financial Sanctions ("AML, CFT, CPF and TFS"), Foreign Exchange Policy Notices ("FEPN"), Banking Secrecy and Data Protection, Common Reporting Standards and Foreign Account Tax Compliance Act ("CRS/FATCA"), and Fair Treatment of Financial Consumers ("FTFC"). Selected employees also complete role-specific training tailored to their responsibilities.

A minimum score of 80% is required in a post-training assessment within 60 days, with up to five attempts permitted; employees who do not pass must repeat the training until they fully grasp and meet the Bank's compliance standards.

GOOD GOVERNANCE AND ETHICAL BUSINESS CONDUCT

Panel Discussion on ABC & Whistleblowing: C-Suite Perspectives

FY2026's ABC Programme included an awareness session featuring selected Senior Management members sharing strategic insight on navigating bribery and corruption risks, engaging employees and reinforcing a bank-wide commitment to integrity and compliance in the process.



Anti-Corruption and Bribery Communications and Training

Indicator	FY2024	FY2025	FY2026
Senior Manager	100%	100%	100%
Manager	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	96%	86%

Cumulatively, more than 8,000 employees, including 95 part-timers and 238 contract staff Bank-wide received and completed mandatory e-learning on ABC.

Fair Treatment and Dealing of Customers

Trust deepens when customers are treated fairly, strengthening relationships and building long-term satisfaction and loyalty. Ultimately, this enhances the Bank's reputation and credibility, attracting new customers, while contributing to long-term financial stability.

BNM's Fair Treatment of Financial Consumers ("FTFC") policy is fully embedded into operational practice, anchored on seven core principles that give financial institutions a clear benchmark for fair treatment, strengthening fairness, accountability and professionalism across every customer interaction.

A robust, year-round training framework supports this commitment, including annual peer-based "huddle" sessions for relevant employees and a mandatory bank-wide e-learning module. New employees complete mandatory FTFC training via a dedicated e-learning module upon joining, featured as one of five core topics in the Compliance Onboarding Session. Training materials are updated continuously throughout the year to reflect the latest revisions to the FTFC Policy Document, keeping the workforce equipped with current practice and regulatory standards at all times.

SUSTAINABLE PRODUCTS AND SERVICES

WHY IT MATTERS

Sustainable and responsible financing influences how the Bank creates value for every stakeholder, not just a subset. Weighing sustainability-related risks and opportunities within financing decisions lets capital flow towards low-carbon, inclusive growth, whilst protecting the portfolio from climate-related shocks at the same time.

These insights work their way into the business model itself, guiding product development and informing how customers are engaged across the value chain. Sustainability, integrated into lending strategy this way, strengthens the Bank's resilience, opens new revenue streams, and delivers genuine value, for people, planet, and long-term financial performance alike.

RISK AND OPPORTUNITIES

Risks

- Inadequate governance over sustainable finance products, including a failure to meet established sustainability criteria or insufficient due diligence may expose the Bank to greenwashing risks, regulatory scrutiny, and a loss of market trust.
- Failure to develop and scale green, social and sustainability-linked financing solutions in line with evolving customer and regulatory expectations may reduce the Bank's competitiveness, limit growth opportunities and weaken long-term profitability.

Opportunities

- Developing and scaling green, social or sustainability-linked financing solutions can unlock new revenue streams, attract sustainability-focused investors and enhance long-term competitiveness.

Strategy and Mitigation Plan

Assessing customer environmental risk draws on the Climate Change Principle Taxonomy ("CCPT"), whilst social risk is evaluated through an internal social risk assessment developed in-house, both carried out via the Bank's Environmental and Social Due Diligence ("EDD") process. Customers are supported further from there through the Bank's flagship Sustainability Roundtables, the ESG Readiness Programme, or personalised advisory services, giving direct access to in-house specialists who bridge industry knowledge gaps with technical, risk management and regulatory guidance across specialised ESG fields.

Metrics

- Percentage of BCB loans assessed using ESG criteria.

Contributions to UN-SDGs



OUR APPROACH

Supporting Our SME, Commercial and Corporate Customers

ESG issues carry financial and reputational risk for customers and the Bank, and growing threats from climate change, biodiversity loss, and human and labour rights challenges have made ESG standards a direct part of customer assessment. Three objectives guide this work, in line with ESG best practice: moving corporate and SME customers from high- or medium-E&S risk categories towards lower-risk profiles, embedding a cultural shift that treats ESG as a core consideration and pioneering market offerings that promote sustainable practice. This commitment is written into the Business & Corporate Banking ("BCB") Board Credit Policy, and put into action through the BCB ESG Policy and Assessment Policy and Framework.

SUSTAINABLE PRODUCTS AND SERVICES

Every customer undergoes an Environmental Due Diligence screening under this Framework, with those operating in high social risk sectors subject to additional Social Due Diligence, together forming the Environmental and Social Due Diligence assessment (“EDD”). A structured workflow guides the EDD process, emphasising risk identification, mitigation and continuous monitoring throughout.

Policies (Business & Corporate Banking's Board Credit Policy)	Provides fundamental standards which are applied to various functions of the credit chain of the Bank with the ultimate objective of building a healthy and cohesive credit culture.
Framework (BCB ESG Policy & Assessment Framework)	Provides a structured methodology to assess customer's ESG risk, define exclusion thresholds, and chart credible transition pathways. This ensures that financing decisions are aligned with global standards and the Bank's SFF.
People (Internal Capacity Building)	Continuous upskilling programmes foster a paradigm shift across our workforce, equipping teams with knowledge of emerging environmental, social and governance themes, climate-risk tools, and industry best practices. This enables our people to better advise customers and support their sustainability transition journeys.
Public Offerings (ESG Customer Engagements and Product Offerings)	We empower customers through: • HLB Sustainability Roundtables • HLB ESG Readiness Programme • Bespoke sustainable-finance solutions and personalised advisory from industry specialists

Managing ESG Risk and Portfolio Exposure

The BCB ESG Policy & Assessment Policy and Framework aligns with BNM's CCPT taxonomy and environmental assessment, VBIAF guidance, and internationally recognised human rights standards, catching potential environmental, social and economic impacts early in the credit evaluation process. The Framework applies across all SME, commercial and corporate customers without exception.

Refining ESG risk methodology has been very much a collaborative effort, drawing on partnerships with key bodies including BNM's JC3, MIDA, and the Malaysian Green Technology and Climate Change Corporation (“MGTC”). These relationships sharpen the Bank's ability to assess sector-level exposures and bring sustainability performance more fully into credit decisions.

BCB ESG Policy & Assessment Framework

Guiding Standards & Policies	
BNM CCPT	Bursa Malaysia Sustainability Reporting Guide
CDC Investment Works ESG Toolkit	Environment Quality Act (Clean Air) Regulations 2014
Environmental Quality (Industrial Effluent) Regulations 2009	First for Sustainability: E&S Risk
Global Reporting Initiative (“GRI”) Standards	International Finance Corporation (“IFC”) Performance Standards
Incorporating ESG into Risk Management, Implementation and Application of CCPT, JUST Series, KPMG, 2022	Task Force on Climate-related Financial Disclosures (“TCFD”)

SUSTAINABLE PRODUCTS AND SERVICES

VBIAF Sectorial Guides on Palm Oil, Renewable Energy and Energy Efficiency

Joint Committee on Climate Change ("JC3") SC1 updates documents for implementation of CCPT Classification by Financial Institutions

JC3 SC1 SME Guidance Notes ("SMEGN")

Applicability

Onboarding of all new SMEs, commercial and corporate borrowers

Each request for additional or renewal of facilities

Trigger events (e.g. adverse media, material ESG incident, downgrade of customer rating)

Annual credit reviews

Assessment Stages

Initial Screening

- Assess if the borrower's business activities fall within HLB's General Exclusion List.
- Decline onboarding process and transaction assessed as being under Exclusion List.

Sector/Sub-sector Screening

- All customers are assessed for environmental risks by using standardised CCPT IG Due Diligence Questionnaire ("DDQ").
- Customers in HLB's "Inherently High Risk Sectors" are assessed on material social risks by using an internally developed Social Risk Checklist.

Environmental and Social Due Diligence Assessments

HLB General Exclusion List¹

- Involvement in money laundering, crime, terrorism or illegal activities (e.g. illegal waste management and illegal deforestation).
- Involvement in pornography or prostitution.
- Production or trade in military weapons or firearms.
- Involvement in forced labour, exploitation of children and human trafficking.
- Activities resulting in significant conversion or degradation of any high-biodiversity-value areas².
- Operations using fire for land clearance or preparation of land³.
- Fishing activities using drift nets or explosives.
- Financing of any greenfield coal-fired power plants⁴ beginning 1 July 2021 and all coal-fired power plants effective 1 July 2026.

Inherently High Social Risk Sectors

- **Selected Construction**
 - Buildings, roads and railways
 - Demolition and site preparation
 - Utility projects and other civil-engineering projects
- **Palm Oil** (plantations and mills)
- **Forestry** (loggers or traders with logging licence)
- **Mining & Quarrying**
- **Oil & Gas**
- **Selected Manufacturing**
 - Chemicals, plastic, rubber
 - Metals and metal products
 - Electronic products
 - Wood and woods products
 - Paper and paper products

7-Step Customer Due Diligence

- **Step 1:** Verification of Nature of Business ("NOB")
- **Step 2:** Risk Identification
- **Step 3:** Risk Mitigation
- **Step 4:** ESG Checklist Completion
- **Step 5:** Assignment of E and/or S Risk Rating
- **Step 6:** Rating(s) Approval
- **Step 7:** Monitoring

Notes:

¹ HLB Islamic also follows the restrictions specified in its current Shariah Compliance Policy.

² Locations that are legally protected for conservation purposes, unless the proposed activity meets all relevant national or state biodiversity laws.

³ Burning for land clearing or site preparation is prohibited, except in exceptional cases where prior approval is obtained from the competent authority.

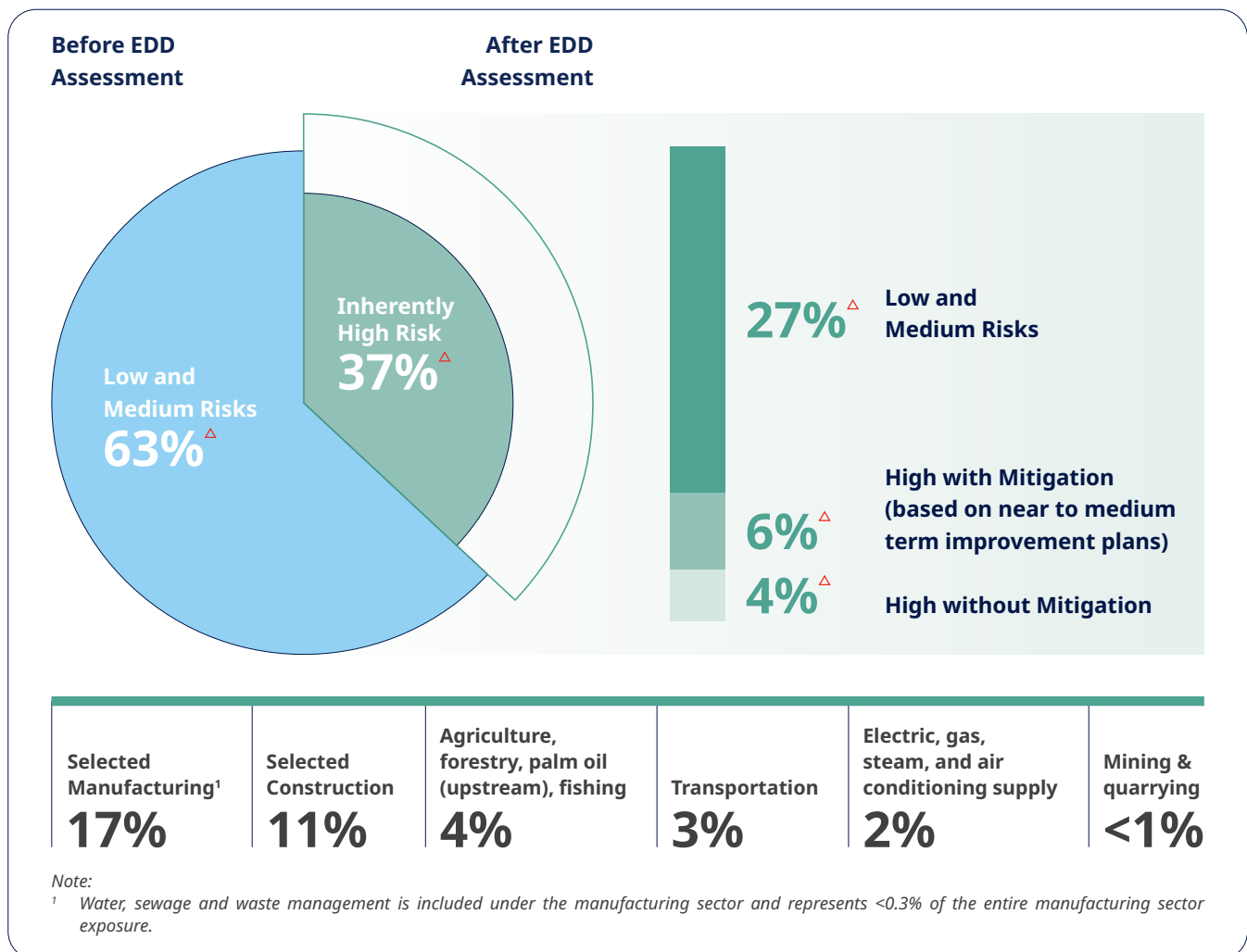
⁴ Applies to any financing, including the purchase or sale of bonds, that supports the construction of new coal-fired power plants.

SUSTAINABLE PRODUCTS AND SERVICES

Environmental and social risks for high-impact sectors—including mining, oil & gas, biodiversity, agriculture, and power utilities—are formally integrated into the BCB ESG Policy and Assessment Framework, which establishes the guidance when assessing and managing these industry-specific ESG risks.

OUR PERFORMANCE

FY2024 saw the scope of Inherently High-Risk Sector classifications widen to include selected construction-related activities, reflecting concerns around upstream GHG emissions, biodiversity, and occupational safety, particularly in projects employing both foreign and local labour. The following represents the most recent EDD cycle from FY2026:

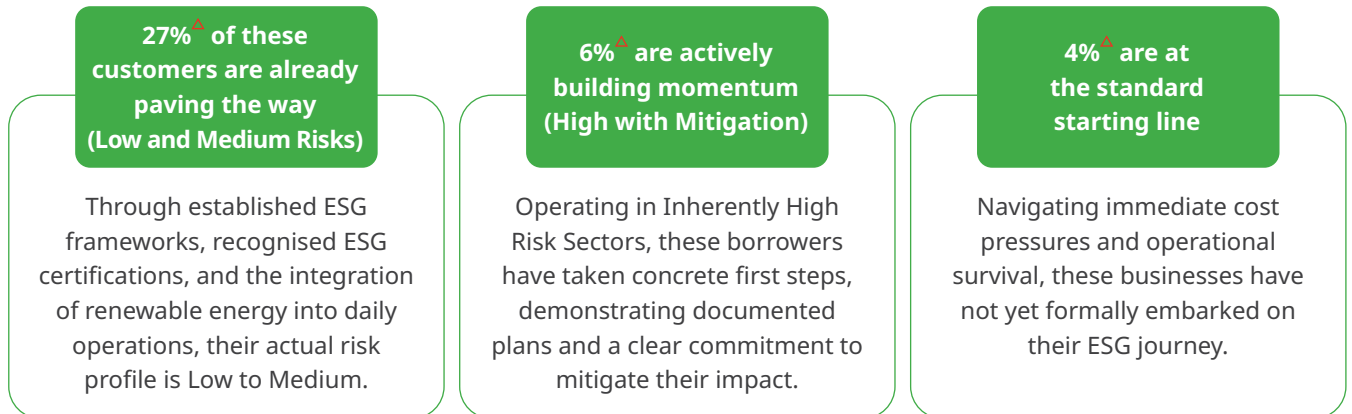


△ This data has been independently assured. Refer to independent limited assurance report on page 207.

SUSTAINABLE PRODUCTS AND SERVICES

Every sustainability journey begins with understanding where we stand. At first glance, a static snapshot of HLB's BCB portfolio shows that 37%[△] of our exposure lies within our Inherently High Risk Sectors. But a sector label only tells part of the story; it reflects high-level industry realities, not the commitment or capability of individual businesses.

To see the complete picture, our Account Relationship Managers ("ARMs") step into the field. Through on-site visits, ESG policy reviews, ESG certifications or third party audits, our ARMs document their mitigating actions in a detailed ESG Due Diligence. Thereafter, the customer will be re-rated based on their actual operational practices. Post due diligence, the actual portfolio risk profile is reassessed to as below:



The Bank maintains an inclusionary stance toward customers that are still rated High without/with Mitigation. Rather than divesting, these customers continue to be engaged through a range of initiatives supporting their transition journey, including roundtable discussions or workshops that provide a forum for knowledge sharing and collaboration. Bespoke engagement opportunities with in-house industry specialists and trusted knowledge partners round out this support, offering tailored advice on each customer's decarbonisation pathway.

Percentage of BCB Loans Assessed Using ESG Criteria¹



Note:

¹ Excluding individuals.

Internal Capacity Building

Keeping pace with an evolving ESG landscape depends on continuous internal capacity building. Current Relationship Managers complete mandatory ESG e-learning annually to stay well informed, complemented by quarterly training sessions for all new BCB joiners, equipping them with the principles of the BCB ESG Policy & Assessment Framework from the outset.

[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

SUSTAINABLE PRODUCTS AND SERVICES

Facilitating Sustainability Knowledge Sharing

A suite of engagement programmes helps SMEs, commercial and corporate customers stay ahead of fast-evolving ESG expectations, offering practical tools for climate risk management, transition planning and disclosure. Equally important, these sessions give customers a platform to share feedback, what's working, what isn't, and where further support is needed, with insights gathered feeding directly into new product design and staff training.

Since FY2021, HLB Sustainability Roundtables have promoted open dialogue among industry experts, regulators and business leaders, accelerating consistent ESG adoption, performance and reporting across Malaysia's financial ecosystem. Feedback from each Roundtable informs future product development and policy refinement, reflecting a genuine commitment to responsive, inclusive sustainability practice. Building on this early success, each Roundtable now follows a purpose-built agenda designed to help businesses translate ESG theory into practical next steps, whilst fostering valuable peer-to-peer connections along the way.

FY2024 brought the launch of the HLB ESG Readiness Programme, in collaboration with PwC Malaysia and Thoughts in Gear, a strategic initiative helping SMEs and corporate customers navigate their sustainability journeys, simplifying complex ESG concepts for disclosure purposes. The programme regularly features expert sessions on carbon mechanisms, materiality assessments, and sustainable financing options tailored to business goals.

As of FY2026, the Bank has engaged over 600 customers through our ESG Readiness Programme and reached more than 10,000 customers across our Sustainability Roundtables.

Why We Host the Roundtables

- Encourage adoption of sustainability best-practices across diverse industries
- Empower SMEs and corporates in their transition journeys
- Facilitate knowledge-sharing among regulators, industry experts, research houses and trade associations
- Identify and unlock value-creation opportunities that cut risk, cost and carbon
- Build ESG readiness and spark collaboration

Key Themes to Date

Since launching the series, we have hosted 11 Sustainability Roundtables, creating a dynamic platform for sharing market perspectives and practical solutions through open, expert-driven discussions.

- Greening the Supply Chain in collaboration with MASTEEL
- Greening the Supply Chain in collaboration with SAMENTA
- Sustainable Plastics
- Renewable Energy (Solar & Biogas)
- Sustainable Waste Management/Circular Economy
- Manufacturing of Rubber Gloves
- Palm Oil
- Chemicals Manufacturing
- Efficient Metals Manufacturing
- Energy Efficiency

Why We Host the ESG Readiness

The programme provides actionable resources across Malaysia, catering to businesses with specific focus areas:

- Strategic Training: The initiative guides SMEs through essential ESG metrics, Simplified ESG Disclosures, and Cross-Border Adjustment Mechanisms ("CBAM") to remain competitive in global supply chains.
- Sustainable Finance Integration: HLB offers a structured Sustainable Finance Framework that links readiness with funding options, such as renewable energy financing, green mortgages, and green auto loans.
- Regional Reach: The bank has expanded its readiness roadshows to locations like Sabah, Sarawak, Melaka, Penang, and Johor, ensuring local businesses have access to the right sustainability practices and incentives.

SUSTAINABLE PRODUCTS AND SERVICES

Our continual commitment to actively bridge the industry knowledge gap, is addressed by our long-tenured, in-house specialists who provide customers with direct access to technical advisory and risk management expertise. Covering fields such as Carbon & Climate, Renewable Energy and ESG, these experts offer guidance on business strategy, tax incentives and regulatory compliance. Beyond internal advisory work, our specialists also served as speakers, panellists and expert knowledge partners at prominent external forums hosted by the JC3, Energy Commission (Suruhanjaya Tenaga), Small and Medium Enterprises Association Malaysia ("SAMENTA"), and the Malaysian Bar Council, among others.

The Bank is proud to be a member of the SME Focus Group ("SFG") of the JC3, and involvement on the organising committee for the inaugural "JC3 SFG Climate Conference for SMEs 2025" reflects a clear mission: guiding SMEs towards long-term viability by embedding green and sustainable practices into daily operations, securing market access and building a decisive competitive advantage in the process.



The Bank's Chief Sustainability Officer Mr. Chow Sheng Wai moderated a panel discussion titled "Energy Efficiency for SMEs", opened by the Deputy Director of Energy Efficiency & Conservation at Suruhanjaya Tenaga. The opening address underscored Malaysia's net-zero ambitions through an overview of the Energy Efficiency and Conservation Act. Panelists representing the Malaysian Association of Energy Service Companies ("MAESCO"), the Malaysian Air-Conditioning & Refrigeration Association ("MACRA"), and SME Bank discussed emerging market trends, actionable efficiency solutions, and available commercial financing and grant programmes available to businesses.

Sector Specific Guidelines

Alongside publicly disclosed sustainable finance policies, the Bank draws on a suite of internal industry handbooks, developed by sector specialists, to support the implementation of the SFF. These handbooks give tailored guidance on sector-specific considerations, helping front-line teams evaluate potential projects.

Internal reference materials have been developed for key growth areas, including renewable energy. The Renewable Energy – Solar Industry Handbook serves as a practical guide for assessing and structuring solar-related financing opportunities, outlining national policy mechanisms such as the Large-Scale Solar ("LSS") programme, Net Energy Metering ("NEM") and Feed-in Tariff ("FiT") schemes, alongside an overview of project structures, regulatory requirements and applicable government incentives. Sector-specific guidelines exist too for Biogas/Biomass, Hydro, Carbon & Climate, Electrical & Electronics, Healthcare, Halal, and Logistics & Warehousing.

Sustainability Funding Structured Investment ("SFSI")

April 2026 saw the inauguration of the Sustainability Funding Structured Investment ("SFSI") initiative, guided by the Bank's Sustainable Finance Framework and developed as an innovative mechanism to mobilise capital for green and ESG-related assets. Proceeds raised through these instruments are allocated dynamically to fund sustainability projects spanning renewable energy, energy efficiency, green buildings, affordable properties, clean or low-carbon transportation, and waste management.

In the short time since launch, the initiative has already raised RM245 million, putting the Bank on a strong path to scale and expand this portfolio in the years ahead. As of June 2026, the proceeds from the SFSI were fully allocated as SFF outstanding assets (net of assets allocated to the Green Bond) stood at RM18.1 billion.

SUSTAINABLE PRODUCTS AND SERVICES

Regional Wealth Management (“RWM”)’s ESG Risk Screening Framework

Sustainability metrics run through RWM’s primary product offerings, integrated systematically to balance long-term investment performance against environmental, social and governance effectiveness with precision.

Fund selection uses the Morningstar Fund Sustainability Rating as a first layer of due diligence, with unit trusts required to maintain a minimum score of three globes or above to qualify for the Bank’s active “Fund of Focus” list. Bond selection applies quantitative filtering alongside the Sustainalytics ESG Score, ensuring eligible corporate and government bonds fall strictly within a “Negligible to Medium” ESG risk profile. Equity-linked structures follow a similar logic, with underlying stocks screened comprehensively via Sustainalytics data so that only “Negligible to Medium” risk equities gain approval from the Wealth Structured Product Committee (“WSPC”).

Strategic Alliance and the Hong Leong Asia Value Bond Fund

Responsible, forward-thinking wealth architecture led the Bank towards a strategic alliance with premier global wealth and asset manager Lombard Odier, bringing together Lombard Odier’s centuries-long legacy of prudent stewardship and global investment perspective with the Bank’s deep local market insight, with a particular focus on sustainable investment and generational wealth preservation.

Under this alliance, Hong Leong Asset Management Berhad introduced the Hong Leong Asia Value Bond Fund, feeding directly into the underlying LO Funds – Asia Value Bond. This underlying strategy is designated an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (“SFDR”), confirming that it integrates sustainability risks and promotes environmental and social characteristics alongside sound corporate governance. Operating as a high-conviction, total-return vehicle across a changing Asian credit landscape, the fund gives sophisticated investors a considered mix of active risk management, credit diversification and meaningful capital appreciation, advancing the Bank’s growth in sustainable assets under management (“AUM”).

Enhancing our VBI Implementation

Value-based Intermediation (“VBI”) is a framework BNM introduced in 2017 to push Islamic banking beyond Shariah-compliance alone, towards the deliberate generation of positive, measurable impact on the economy, communities and the environment. Rather than measuring success purely through financial return, VBI asks Islamic financial institutions to assess and demonstrate how their activities create long-term value for a broader set of stakeholders, customers, society and the planet included.

Three pillars underlie VBI: Prosperity, People and Planet. Prosperity means enabling inclusive, sustainable economic growth through responsible financial solutions; People means ethical behaviour and support for social upliftment, spanning financial inclusion, literacy and community empowerment; Planet means environmental stewardship, embedding sustainability into financing decisions and business conduct alike.

For HLB Islamic, VBI is the operating principle that separates an Islamic bank from a conventional bank simply offering Shariah-compliant products. Conventional banking optimises for financial return; Islamic banking, practised with integrity, optimises for return alongside purpose. VBI is how that distinction shows up in the real economy: through our products and partnerships that serve underserved communities, reach entrepreneurs outside formal financing access, and financing decisions that weigh long-term societal and environmental outcomes alongside credit fundamentals.

Prosperity

Inclusive growth through responsible financial solutions

People

Ethical behaviour and support for social upliftment

Planet

Environmental stewardship and sustainable practices

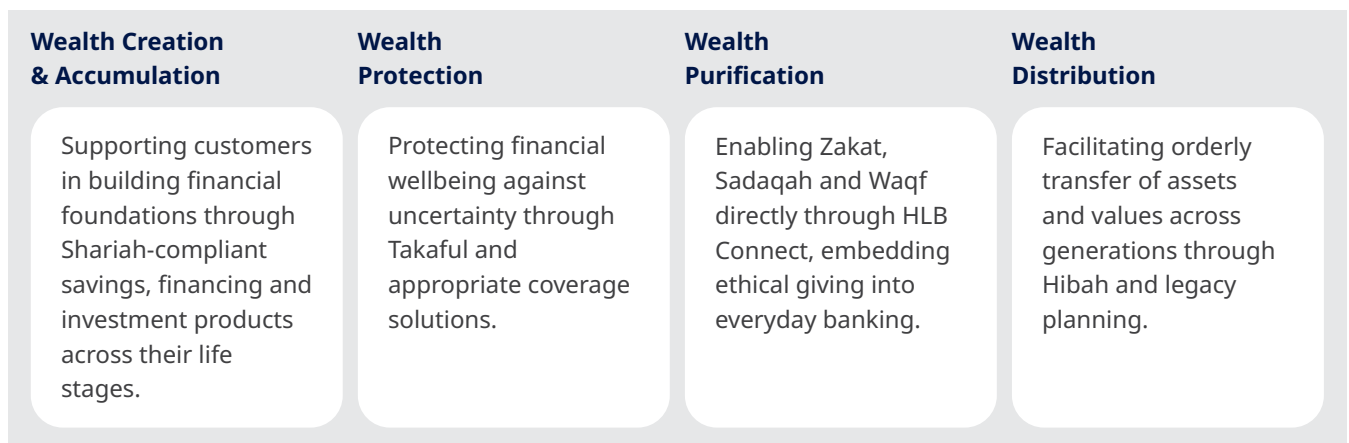
SUSTAINABLE PRODUCTS AND SERVICES

This Year's Defining Moves

FY2026 stands out in the VBI journey, not for incremental additions to an existing programme, but for moves that repositioned how VBI is embedded into what the Bank offers and who it reaches.

The year opened with the most significant brand evolution to date. On 10 March 2026, Hong Leong Islamic Bank ("HLB Islamic" or the "Bank") transitioned to a refreshed consumer-facing brand identity, now known as HLB Islamic, and a strengthened core proposition that approaches financial services not as a series of siloed products and transactions, but as total wealth stewardship through a Shariah principle-guided life-cycle approach known as Hayat @ HLB Islamic. This evolution is rooted in the Bank's new philosophy, 'Timeless Principles Guiding Tomorrow's Wealth,' introduced during its 20th anniversary last December to signal a new chapter in wealth stewardship.

This was more than a marketing refresh; it repositioned Islamic banking as a lifecycle journey, with Zakat, Sadaqah and Waqf moving from standalone giving products into functions integrated directly within HLB Connect, the same mobile banking application customers already use daily.



A first formal step into the Planet pillar took shape too, through a signed partnership under BNM's Greening Halal Businesses initiative, enabling Halal SMEs to begin measuring and managing their carbon footprint, positioning the Bank as one that accompanies businesses through their sustainability transition, not just through financing.

The most ground-level expression of VBI this year appears in the BNM iTEKAD Entrepreneurship cluster. Under one coordinated grant relationship with BNM, the Bank supported three community entrepreneurship programmes: Central Kitchen in Penang, SURi Inspirasi in Langkawi, and MADCash Women Excellence Programme across multiple states. Together, these represent exactly what iTEKAD is designed to produce: Islamic finance reaching people and communities that formal banking has historically overlooked, with outcomes tracked, reported and genuinely real.

Hayat Wealth Stewardship Proposition

The relaunch as HLB Islamic on 10 March 2026 introduced the Hayat proposition, a comprehensive Islamic wealth stewardship framework built across four Shariah-guided pillars. Rather than presenting offerings as isolated products and transactions, Hayat repositions Islamic banking as a holistic lifecycle journey, guided throughout by the intent of Shariah.

Hayat also gives VBI its most direct expression at the product level. VBI requires that Islamic banking generate impact that is deliberate and measurable, not incidental to profit, and structuring the entire offering around wealth creation, protection, purification and distribution makes the social obligations of Islamic finance inseparable from the banking relationship itself. When a customer processes their Zakat obligation through the same HLB Connect app used for monthly transactions, VBI stops being a regulatory framework on paper and becomes a live banking experience instead.

SUSTAINABLE PRODUCTS AND SERVICES

Zakat now sit inside the same app customers already use to check their balance. A small interface change that represents a much larger shift in how VBI shows up in daily banking.



Greening Halal Businesses ("GHB")

Participation in BNM's Greening Halal Businesses ("GHB") initiative was formalised on 25 February 2026, a national programme backed by the Ministry of Finance, the Islamic Development Bank and the World Bank, designed to help Halal SME networks adopt sustainable business practices and strengthen their competitiveness in global markets. This builds on early engagement with GHB first disclosed in FY2025, moving from exploratory collaboration to a signed, active partnership.

A Memorandum of Understanding with Pantas Climate Solutions ("Pantas"), an AI-enabled carbon management and ESG reporting platform, forms part of this commitment. Measurement is where any SME's sustainability journey has to start: before a business can decarbonise, it needs credible baseline data on its Scope 1, 2 and 3 emissions.

Pantas gives SME customers structured capacity building towards exactly that, with eligible customers able to apply for a subsidy of up to RM5,000 towards a Pantas subscription, funded under a RM15 million Ministry of Finance allocation. From its second year onward, GHB is expected to extend into dedicated green financing for ESG-aligned projects, moving the Planet pillar from enablement into active financing.



BNM's iTEKAD Social Finance Programme

Commitment to BNM's iTEKAD social finance programme deepened in FY2026 through active support of three distinct community entrepreneurship initiatives. The iTEKAD framework combines BNM matching grants with Islamic microfinancing and structured business capability building, designed specifically to extend financial access to micro-entrepreneurs who remain outside the reach of traditional banking channels. Combined project value across all three initiatives stands at RM1.7 million, with the goal of empowering over 120 participants.

Each programme targets a distinct community need: food production infrastructure and Halal market access at Central Kitchen, women's economic empowerment at SURI Inspirasi, and micro-business resilience and scale at MADCash Women Excellence Programme.

SUSTAINABLE PRODUCTS AND SERVICES

Central Kitchen, Penang Timur Laut

Launched on 5 May 2026, the project helps 40 food-based micro SMEs overcome high capital barriers by providing access to commercial-grade production space alongside training in certification, business operations, and marketing. To ensure long-term sustainability, programme assets will be transferred under a Waqf arrangement upon completion.



SURI Inspirasi, Langkawi

SURI Inspirasi's SRI Programme (Sustainable, Reliable, Income) at the Kilim Hub in Langkawi empowers B40 and single mothers by turning repurposed denim and bedsheet linen into handmade products and school uniforms. Through a hands-on curriculum (80% practical, 20% theory) focused on sewing and product development, the initiative tracks each participant's progress to help them achieve financial independence.

Through the MySURI Seragam initiative, SURI Inspirasi extended its impact directly into the school community:



Impact Dimension	Outcome
Students supported with school uniforms	500 students across 5 schools; 1,000 uniforms produced
Financial savings for families	RM30,000 in aggregate savings on uniform costs
Mothers financially supported	20 participants
Average additional monthly income	RM800 per mother (94% average income increase)
Total wages generated	RM14,400
Skills training completion	80% attained new sewing competencies; 100% retention rate

MADCash Women Excellence Programme

HLB Islamic supported 60 women micro-entrepreneurs across Klang Valley, Malacca, and Pahang through MADCash—Malaysia's first fintech platform using zero-interest Qard Hasan microfinancing. To drive long-term success, the initiative combined capital with structured training in financial management, digital marketing, and operations alongside nationwide community support. Tracked through the full cycle, participants scaled their businesses from informal setups to systematised, fixed-premise operations while achieving documented monthly income growth.

SUSTAINABLE PRODUCTS AND SERVICES

Growing the Halal Economy

BizHalal, the Bank's integrated Islamic banking and Halal advisory proposition for SMEs, entered its second year with a deliberate shift from awareness towards active ground presence. Three Kembara BizHalal roadshows carried the proposition directly to entrepreneurs: Bangi in the first quarter, Kedah in the second quarter in partnership with Unit Pembangunan Usahawan Kedah ("UPUK") and the Halal Development Corporation ("HDC"), and Ipoh in the fourth quarter, again with HDC, extending Halal SME reach across three distinct economic regions within a single year.



Zakat Wakalah Contributions

HLB Islamic has distributed **RM74,400** under the Zakat Wakalah initiative in efforts to empower and support community development impacting **1,860 beneficiaries**.

Contributing to Regulatory & Industry-Wide Efforts

Close collaboration with BNM and the Securities Commission ("SC") Malaysia spans a broad range of ESG and climate-related initiatives, helping identify systemic risk, build effective strategy, and lift disclosure standards across Malaysia's financial sector. Insights gathered from these forums flow back internally too, embedding best practice bank-wide and strengthening the resilience of the business model in the process.

As an active participant in sub-committees under the JC3, the core body driving the Malaysian financial sector's response to climate change, the Bank works alongside senior officials from BNM, SC, peer financial institutions, and other industry stakeholders to accelerate the transition to a low-carbon economy. The focus stays on building market capacity, surfacing priority challenges, and co-creating practical solutions that address both climate change itself and the financial risks that follow from it. This supports JC3's broader push to accelerate climate action in the real economy, expanding green finance, managing transition risks, and building systemic climate resilience across banks, insurers and capital markets.

Five JC3 sub-committee workstreams see the Bank's participation, through HLB Islamic's CEO and the Bank's CSO:

SC1
(Risk Management)

SC2
(Governance and Disclosure)

SC3
(Product and Innovation)

SC5
(Bridging Data Gaps)

SME Focus Group

SUSTAINABLE PRODUCTS AND SERVICES

At the working group level, appointed senior representatives keep the Bank actively involved across several key platforms under BNM, including the Physical Risk Working Group, Transition Risk Working Group, Climate Data Catalogue Group, and the CCPT Implementation Group, a technical platform supporting the practical application of the CCPT across the banking sector, spanning policy integration, data alignment and reporting.

Standardising data requirements and disclosures

Harmonising climate materiality assessment of borrowers (with reference to BNM's CCPT)

Enhancing awareness, building capacity, promoting green certifications and facilitating better disclosures for the SME business community through targeted engagements sessions

The Bank counts among the early adopters of the CMM Simplified ESG Disclosure Guide ("SEDG"), introduced in October 2023 to streamline multiple global and local ESG frameworks and improve data availability for Malaysian SMEs. The guide is applied primarily through customer engagement, particularly the HLB ESG Readiness Programme, designed to help customers navigate their ESG journeys and disclosure processes. The Bank's current ESG Policy and Assessment Framework already aligns with specific aspects of the SEDG too, and the guide will continue to support ongoing refinement of that policy, reinforcing a commitment to transparent, consistent sustainability practice.

HLB Islamic, meanwhile, maintained an active presence across Malaysia's principal Halal economy events and Islamic finance forums throughout FY2026, contributing to industry dialogue whilst extending its BizHalal and Islamic finance propositions to new audiences.

Kuala Lumpur Islamic Finance Forum ("KLIFF") 2025

At the 20th Kuala Lumpur Islamic Finance Forum, held from 18 to 20 November 2025 at Hotel Royale Chulan Kuala Lumpur, HLB Islamic CEO Puan Dafinah Ahmed Hilmi joined as a panel speaker on Session 4, Innovative Islamic Financial Products for Sustainability and Inclusion, examining how Islamic financial institutions can design products that meet commercial objectives whilst advancing social and environmental outcomes at the same time. The forum set a bold industry agenda, with the Deputy Prime Minister reinforcing Malaysia's ambition to lead globally in Islamic fintech, Islamic ESG and climate-focused sukuk by 2040.



Malaysia International Halal Showcase ("MIHAS") 2025

MIHAS 2025, held from 17 to 20 September at MITEC Kuala Lumpur, drew over 50,340 visitors from 80 countries, cementing its place as Malaysia's most internationally attended Halal trade platform. Organised by the Ministry of Investment, Trade and Industry, the showcase brought together the full breadth of the global Halal value chain. The Bank's presence gave direct access to industry leaders, international buyers, prospective partners and Halal SME clients exploring Shariah-compliant financing and advisory solutions, reinforcing BizHalal's position within the Halal business ecosystem.



SUSTAINABLE PRODUCTS AND SERVICES

Penang Halal International (“PHI”) BootCamp Usahawan Bumiputera 2/2025

An interactive workshop on BizHalal was delivered at the Penang Halal International BootCamp on 8 December 2025, sharing practical guidance with Bumiputera Halal entrepreneurs on Shariah-compliant financing and the Halal certification readiness journey. The session brought together entrepreneurs at various stages of Halal market entry, with direct advisory offered on how BizHalal's integrated banking and Halal support proposition can accompany their growth from certification through to scale.



Malaysia Islamic Fintech Forum (“MAIFF”) 2026

At MAIFF 2026, held on 26 January 2026 at EQ Hotel Kuala Lumpur, HLB Islamic's served as a panel speaker on Plenary 3, Empowering Islamic Social Finance through Digital Innovation. The panel, moderated by a representative from Amanie Advisors, brought together practitioners from Yayasan Waqaf Malaysia, Co-op Bank Pertama and ISRA Consulting to examine how digital platforms and fintech infrastructure can extend the reach of Waqf, Sadaqah and Zakat within the formal financial system.



Forum Usahawan: Pengukuhan Usahawan Bumiputera di Wilayah Utara

A joint initiative with the Malaysian Investment Development Authority (“MIDA”) and the Kedah State Government saw the Bank co-organise the Forum Usahawan at The Jerai Hotel, Sungai Petani, on 26 and 27 April 2026, bringing together 270 Bumiputera SMEs from Kedah, Penang, Perak and Perlis. Senior policymakers gathered for the forum, including the Kedah EXCO for Industry and Investment, alongside MIDA, TERAJU, MARA, SME Corp and VentureTECH. The Bank's contribution introduced BizDagang and the Greening Halal Businesses programme to the assembled SME community, embedding Shariah-compliant financing and green business readiness within the northern entrepreneurial corridor.



SUSTAINABLE PRODUCTS AND SERVICES

6th INTI-UH Symposium 2025

HLB Islamic CEO Puan Dafinah Ahmed Hilmi was featured as a speaker at the 6th INTI-UH Symposium 2025 on 9 September 2025, joining senior leaders from academia and industry under the theme Reimagining Education: Innovation, Inclusion, and Workforce Readiness for a Sustainable Future. Her session, Driving Digital Excellence: AI, Skills and Workforce Readiness in Banking, offered HLB Islamic's perspective on how AI and digital transformation are reshaping banking talent requirements, and how Islamic financial institutions are building the capabilities needed to serve the next generation of customers in a digital-first environment.



HLB Islamic also participated in the following industry forums and regulatory dialogue sessions throughout FY2026.

Event	Note
World Halal Business Conference 2025 (18 September 2025, MITEC)	As strategic partner to the HDC-organised conference, held under the theme Halal Beyond Boundaries, the Bank joined global Halal stakeholders in deliberating on the direction of the Halal economy and Malaysia's ambitions under the Halal Industry Master Plan 2030.
Pahang Halal Industry Conference 2025 (4 November 2025, Kuantan)	Halal economy engagement extended to the East Coast too, with the Bank joining agencies, academics and industry players to strengthen the Halal ecosystem in Pahang.
Global Islamic Finance Forum ("GIFF") 2025 (13-15 October 2025, Sasana Kijang)	The Bank took part in the 8th edition of GIFF, organised by AIBIM with BNM support and opened by the Prime Minister, engaging with the global Islamic finance community on advancing industry policy and practice.
IFN Asia Forum 2025 (23 September 2025, Kuala Lumpur)	The Bank joined the 20th Islamic Finance News Asia Forum, engaging with regulators, deal-makers and practitioners across sukuk, Islamic banking and capital markets.
MGII and MYOR-i Implementation Roundtable (15 October 2025)	The Bank took part in the BNM Deputy Governor-officiated roundtable on the transition to MYOR-i, the world's first transaction-based Islamic benchmark rate, ahead of full mandatory adoption in July 2027.
IFN Shariah-Compliant Digital Assets and Stablecoins Roundtable (19 May 2026)	The Bank engaged in industry dialogue on the regulatory and Shariah considerations for digital asset and stablecoin structures within the Islamic finance framework.

SUSTAINABLE SUPPLY CHAIN

WHY IT MATTERS

ESG standards across vendor engagements matter strategically to the Bank, and the supply chain plays a dual role here, a source of value creation and, at the same time, a focal point for sustainability-related risk and opportunity. Applying clear ESG criteria in the selection, contracting and partnership processes with vendors protects business continuity, upholds environmental stewardship, and reinforces human rights and fair labour practices throughout. Responsible sourcing that prioritises local small-to-medium enterprises adds a further dimension, generating economic benefit for surrounding communities, encouraging innovation, and building a more diverse, resilient vendor network. Procurement practices aligned this way strengthen the Bank's long-term competitiveness whilst delivering shared value to customers, employees, investors, and society more broadly.

RISK AND OPPORTUNITIES

Risks

Weak sustainability practices and inadequate due diligence across the Bank's supply chain may lead to supply disruptions and non-compliance with environmental, labour or data privacy standards.

Opportunities

Strengthening ESG due diligence and engaging vendors on their sustainability aspirations can enhance strategic relationships and support long-term business continuity.

Strategy and Mitigation Plan

ESG risk criteria are being embedded into the Bank's core vendor assessment framework, backed by enhanced due diligence for all new and renewing vendors. A formal Code of Conduct for Business Partners sets out clear environmental, social and ethical expectations. Ongoing capacity-building initiatives run alongside this, strengthening the capabilities of both internal teams and vendors in meeting elevated performance and transparency standards. Together, these measures drive consistent, measurable improvement across the Bank's supply base.

Metrics

- Number of new vendors that complete ESG Due Diligence.
- Number of existing Tier 1, Tier 2 and Tier 3 vendors that complete due diligence at contract renewal process.

Contributions to UN-SDGs



OUR APPROACH

Embedding ESG into Vendor Due Diligence

Vendor Due Diligence ("VDD") applies to all Tier 1, Tier 2, Tier 3 and new vendors supplying products or services directly to the Bank, part of a wider effort to embed sustainability across the supply chain. This process goes well beyond standard background checks, which cover financial stability, licensing and adverse media, incorporating a robust, evidence-based ESG Due Diligence ("ESGDD") assessment that evaluates environmental and social performance too. Based on overall ESGDD scores, vendors fall into one of four categories: Best in Class, Satisfactory, Improvement Needed, or Exit within Duration.

SUSTAINABLE SUPPLY CHAIN

An ESG risk classification, low, medium or high, is assigned to vendors in the “Improvement Needed” and “Exit within Duration” categories. Business units wishing to engage with vendors in the “Exit within Duration” category must justify onboarding and assess whether to proceed based on the risk rating assigned. These vendors have one year to improve their ESGDD scores; failure to do so may exclude them from onboarding the following year.

Preference goes to Malaysian vendors who qualify through the VDD and ESGDD processes, reinforcing local value chains and supporting sustainable procurement practice in turn.

Scope of Vendor Due Diligence

Type of Vendor	Scope of VDD	Frequency
New vendors	- Background checks - ESGDD (where in scope¹)	At onboarding
Tier 1 vendors (Annual spend of higher than RM500,000)	- Background checks - ESGDD	Annual
Tier 2 vendors (Annual spend RM50,000 – RM499,999)	- Background checks - ESGDD	Every 2 years
Tier 3 vendors (Annual spend RM10,000 – RM49,999)	- Background checks - ESGDD	Every 3 years

Note:

¹ New vendors are required to undergo ESGDD if they provide products or services directly to the Bank (excluding utilities, government services, landlords, and real estate transactions).

The ESGDD was introduced to foster strong partnerships and sustainable practice among vendors, assessed against four criteria: fair labour practices, occupational safety and health, environment, and communities. Overall scores are calculated by summing the points awarded across each criterion, multiplied by its respective weighting.

Vendors are required to submit supporting documentation substantiating their self-evaluations. Where such evidence is not provided, this is treated as non-fulfilment or non-implementation of the stated requirement, and vendors receive zero points for that particular criterion.

ESG Due Diligence Criteria

ESG Criteria	Example of Assessment Metrics
Fair Labour Practices	- Existence and enforcement of human rights and no harassment policies - Evidence of non-discrimination in hiring, pay and promotion - Procedures that prohibit child labour, forced or trafficked labour, and any form of harsh or inhumane treatment
Occupational Safety and Health	- Formal safety and health management system or policy in place - Availability and condition of personal protective equipment (“PPE”) - Posted safety instructions and incident-reporting channels
Environment	- Presence of an environmental management policy - Programmes for Reduce, Reuse, Recycle (e.g. waste segregation, recycling) - Measures to reduce energy and water consumption - Measures to prevent or minimise pollution (e.g. air, water, soil)
Communities	- Corporate Social Responsibility (“CSR”) policy - CSR activities

SUSTAINABLE SUPPLY CHAIN

Vendor Code of Conduct

The Bank's Code of Conduct and Ethics for Business Partners ("the Code") sets out clear expectations for vendors to operate lawfully, responsibly, and ethically. Seven core principles guide ethical and sustainable supplier conduct throughout the Code, detailing specific dos and don'ts vendors are expected to observe consistently.

Compliance with the Code is mandatory, forming a key part of the Bank's vendor governance framework. It is publicly available on the corporate website too, reflecting the Bank's commitment to transparency and integrity across its supply chain.

Principle 1: Competence

- Supplier to exercise reasonable care, skill and diligence in discharging obligations.
- Supplier to maintain all necessary regulatory approvals and licences required to perform the services.

Principle 2: Compliance

- Supplier to comply at all times with all applicable laws, compliance, and regulatory requirements in the performance of the Services.
- Supplier to strictly uphold the Bank's zero tolerance stance against financial crime.

Principle 3: Integrity

- Supplier prohibits from using Bank's non-public information to gain any direct or indirect advantage.
- Supplier to use Bank's assets solely for legitimate purposes related to the performance of obligations.
- Supplier to promptly report any known or suspected violations of the Code, applicable laws, or regulatory requirements.

Principle 4: Confidentiality

- Supplier to protect Bank's confidential information, customer data and intellectual property shared by the Bank.
- Supplier prohibited from making public statements regarding the Bank without prior written approval.

Principle 5: Objectivity

- Supplier to avoid conflict of interest.
- Supplier prohibits misusing of position to gain personal advantage.
- Supplier to strictly uphold the Bank's zero-tolerance position towards bribery and corruption in accordance with the Bank's Anti-Bribery and Corruption Policy.
- Supplier to complete the Anti-Bribery and Corruption Training Module for External Parties.

Principle 6: Environment

- Supplier to comply with the Occupational Safety and Health Act 1994 at all times.
- Supplier is prohibited from supporting acts of harassment or inappropriate or abusive conduct by or against the employees, customers or Business Partners.
- Supplier to maintain a drug-free and alcohol-free condition while performing the Services.
- Supplier to conduct themselves with professionalism, mindfulness, and respect while on Bank's premises.
- Supplier to establish a sustainability policy and comply with applicable environmental regulations, and all applicable human rights-related laws.
- Supplier to demonstrate commitment to transitioning to a low-carbon economy, and implement effective internal controls for environmental management.

SUSTAINABLE SUPPLY CHAIN

HLB Impact For Suppliers: Growing Sustainably Together

FY2026 saw the launch of the Bank's inaugural supplier training programme, HLB Impact For Suppliers, under the theme "Growing Sustainably Together". Delivered in partnership with the UN Global Compact Network Malaysia, Brunei & Cambodia ("UNGCMBC"), the session reached 39 suppliers identified as 'Improvement Needed' from the ESGDD assessment.

Rather than taking a punitive approach to low scores, the session offered a collaborative platform to lift suppliers' operational standards instead. Clear guidance on ESG expectations was shared, alongside best practices for sustainable operations, with actionable pathways for improvement co-developed together with suppliers themselves. Equipping these partners with the tools and knowledge to raise their ESG performance helps mitigate systemic supply chain risk, strengthen business continuity, and drive collective progress towards a more sustainable ecosystem.

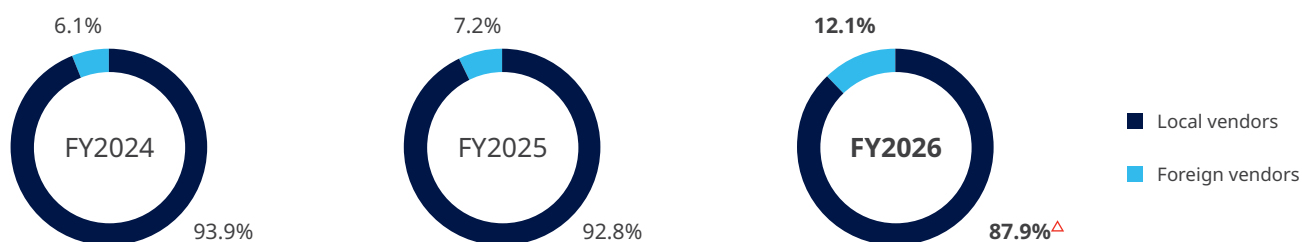


SUSTAINABLE SUPPLY CHAIN

OUR PERFORMANCE

Spending on Local Vendors - Malaysia Operations

The majority of the Bank's purchasing budget goes to local vendors, strengthening domestic value chains whilst cutting transportation-related emissions in turn. FY2026 saw this reach 87.9%[△] of total spend.



Vendors	FY2024 RM (%)	FY2025 RM (%)	FY2026 RM (%)
Local vendors	RM511,282,939 (93.9%)	RM483,149,225 (92.8%)	RM658,729,774 (87.9% [△])
Foreign vendors	RM32,930,419 (6.1%)	RM37,767,522 (7.2%)	RM90,705,207 (12.1%)

Note: The 'Spending On Local Vendors' metric is prepared in accordance with GRI 204-1. The proportion of spending on local vendors is calculated as total spending on local vendors as of financial year end divided by total spending on all vendors as of financial year end. Local vendors refer to vendors or suppliers incorporated in Malaysia.

[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

ESG Due Diligence Coverage

New Vendors

In FY2026, a total of 229 new vendors have undergone the ESGDD assessment.

Rating Category	FY2024	FY2025	FY2026
Best-in-Class		83 (47%)	37 (16%)
Satisfactory	Disclosure started in FY2025	34 (19%)	62 (27%)
Improvement Needed		20 (11%)	107 (47%)
Exit within Duration		42 (23%)	23 (10%)

Existing Vendors

In FY2026, we completed ESGDD for 290 existing Tier 1, Tier 2 and Tier 3 vendors during the re-assessment. Below are the results of the ESGDD.

Rating Category	Tier 1	Tier 2	Tier 3
Best-in-Class	42	14	6
Satisfactory	60	24	11
Improvement Needed	37	46	26
Exit within Duration	5	8	5
Assessment Not Required	-	3	3

Notes:

¹ Assessments are not required for individual vendors, government-related services and membership fee payments.

² Assessments are not required for renewing Tier 4 vendors with annual spend less than RM10,000.

The Bank achieved 100% ESG Due Diligence assessment coverage for all new and existing vendors in FY2026.

HUMAN AND LABOUR RIGHTS

WHY IT MATTERS

Embedding human and labour rights into corporate strategy is a genuine commercial imperative, one that supports long-term resilience and value creation directly. As a financial institution, the Bank deploys capital that has a real impact on society, which means managing human and labour rights risk across the value chain sits close to managing credit, regulatory and reputational risk more broadly. Beyond lending and investment portfolios, this commitment reaches deep into internal operations and procurement practice too. Enforcing robust human and labour rights standards for partners and suppliers protects operations against structural disruption and keeps daily business practice free from any inadvertent support for labour exploitation. For employees, maintaining a safe, diverse and equitable workplace helps attract and retain the top-tier talent needed to drive the business forward.

RISK AND OPPORTUNITIES

Risks

- Failure to effectively manage human and labour rights risks across the Bank's value chain may increase exposure to non-compliance with employment laws and reputational damage.
- Workplace discrimination, inadequate employee wellbeing and safety practices may result in employee dissatisfaction, workplace grievances and diminished organisational performance.

Opportunities

- Strong human and labour rights practices across operations and third-party relationships can reduce compliance and litigation risks.
- Strong employee safety, wellbeing and fair workplace practices improve talent attraction and retention, foster employee engagement, and enhance workforce productivity and organisational performance.

Strategy and Mitigation Plan

The Bank continuously strengthens its foundational employment policies, operational processes, and Code of Conduct and Ethics to ensure alignment with domestic labour laws, effectively mitigating legal non-compliance risks, shielding against potential litigation, and safeguarding brand reputation across the entire value chain. Concurrently, Diversity, Equity, and Inclusion ("DEI") frameworks are being deployed to cultivate a safe, equitable environment. This focus on fair representation and work-life integration enhances talent acquisition, expands market insights, and drives customer-centric innovation. To support these standards, targeted training reaches employees at every operational level, reinforcing a zero-tolerance policy for discrimination, harassment, and intimidation while providing transparent reporting channels to resolve workplace grievances.

Metrics

- Number of substantiated complaints concerning human rights violations.

Contributions to UN-SDGs



OUR APPROACH

Generating positive social impact means embedding ethical practice and social responsibility across operations, business relationships and supply chains alike, and the Bank's approach starts there. The Bank is committed to upholding and safeguarding fundamental human rights across its operational footprint, partnerships, and local communities, aligned with national and global frameworks, guided specifically by the United Nations Guiding

HUMAN AND LABOUR RIGHTS

Principles on Business and Human Rights (“UNGPs”) and the International Labour Organisation (“ILO”) Declaration on Fundamental Principles and Rights at Work. Human rights due diligence runs across corporate customers, business partners and suppliers to mitigate risk proactively, with remediation available should any adverse impact occur. Building human rights awareness across the workforce follows a structured educational path too: all new hires receive foundational training through the “Introduction to Sustainability” onboarding module, whilst existing employees complete a mandatory sustainability e-learning module every year to keep awareness current.

A safe, healthy and supportive work environment extends to employees, contractors, suppliers and visitors alike, backed by zero tolerance towards any form of intimidation or harassment, sexual harassment included, whether directed at or by employees, customers or business partners.

These values extend across the ecosystem: suppliers and corporate customers are required to demonstrate actionable policies protecting human rights, including children’s rights, equal opportunity, and non-discrimination across gender, marital status, nationality, age and disability. Business partners must guarantee fair, humane treatment of all personnel, prohibiting forced labour, child exploitation and human trafficking, and must abide fully by statutory labour laws, ensuring fair wages, safe and reasonable working hours, dignified living conditions where applicable, and the rights to freedom of association and collective bargaining. Occupational health and safety values carry the same weight across the value chain as a shared expectation.

OUR PERFORMANCE

In FY2026, there were zero substantiated complaints concerning human rights violations.

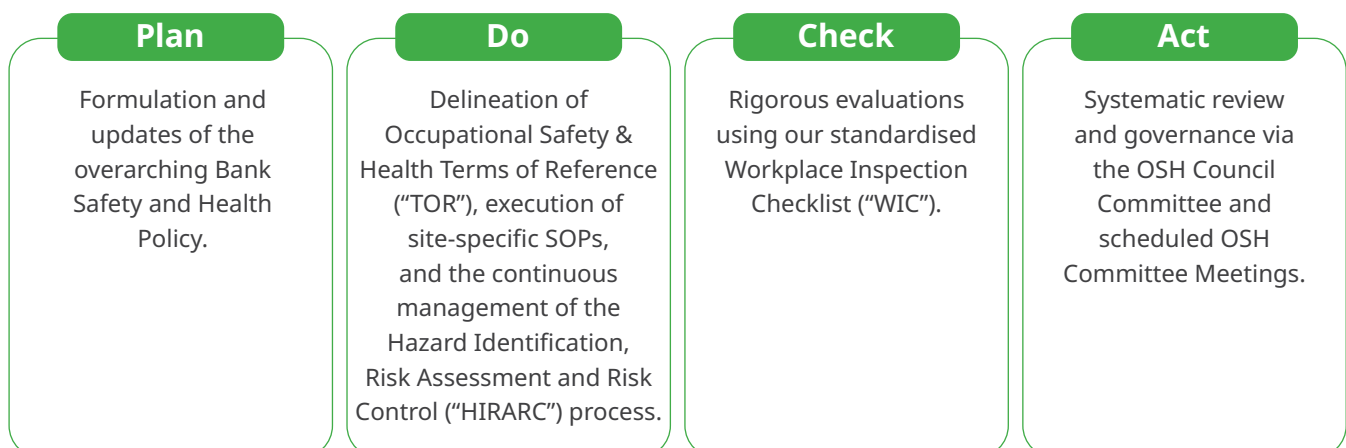
Employee Wellbeing, Health and Safety

Caring for people also means caring for their physical and mental safety in very concrete terms. The Bank’s Occupational Safety and Health (“OSH”) Policy and Standard Operating Procedures give this commitment structure, built in line with the Occupational Safety and Health Act 1994 (Act 514) [Amendment 2022] and extending to all corporate employees and contract workers under the Bank’s direct oversight.

Good governance here isn’t top-down alone. An active OSH Committee brings management and employee representatives together, so that safety decisions reflect the people they affect. Looking further ahead, the Bank is working towards ISO 45001 certification, a signal of its intent to keep improving rather than simply maintaining a baseline. Staying attuned to a changing regulatory landscape matters too.

Legislative developments are tracked closely, reinforced by participation in industry forums and a seat on the Executive Committee of the Malaysia Commercial Banks Association (“MCBA”), all underpinned by a Plan-Do-Check-Act cycle that keeps workplace safety under continuous review.

Our OSH approach follows the PDCA cycle as below:



HUMAN AND LABOUR RIGHTS

All of our employees and contract workers¹ are covered by our OSH Policy and SOPs.

¹ Contract workers refer to non-permanent employees whose work and/or workplace is controlled by the Bank.

Every employee completes the OSH e-learning module, developed jointly by the Learning & Development and Corporate Real Estate ("CRE") teams in line with the 2022 amendment to the Occupational Safety and Health Act, including Department of Occupational Safety and Health ("DOSH") approved training for OSH Coordinators and First Aiders. Since July 2024, 264 employees have completed this training, with 52 OSH Coordinators trained nationally using DOSH's official FY2526 module, building a workforce genuinely equipped to look after itself and each other, in line with the Occupational Safety and Health (Amendment) Act 2022.

	FY2024	FY2025	FY2026
Number of Employees Trained on Health & Safety Standards (Bank-wide OSH e-learning module)	9,287	8,708	8,718

MANDATORY E-LEARNING MODULES Q3/2025

Please complete the mandatory modules within 60 days from 28th July 2025
Click on the image to complete now

- Complaint Management
- Occupational Safety & Health (OSH)
- Anti Bribery & Corruption
- Anti-Money Laundering (AML) / Counter Financing of Terrorism (CFT) / Targeted Financial Sanctions (TFS)
- Islamic Banking

YOU WILL BE RECEIVING EMAIL & WORKDAY NOTIFICATIONS FOR THE BELOW:

- + 4 Weekly Reminders
- + 7 Days Countdown Reminders
- + Overdue Reminder

Please reach out to HLB L&D (hlbb-l&d@hlbb.hongleong.com.my) should you have any queries.

All employees are required to complete the mandatory e-learning module on Occupational Safety & Health.

Safeguarding Workforce Wellbeing and Labour Standards

A safe, supportive and balanced work environment stays high on the agenda, one that prioritises the physical and mental health of employees whilst maintaining strict governance over labour practices. 434 managers have received dedicated training on properly handling and escalating bullying and harassment reports.

Beyond Minimum Wage

Fair compensation guides how the Bank values people's contributions, and Malaysia's minimum wage standards are exceeded as a matter of course, with the majority of the Bank's employees based in Malaysia earning above the EPF Belanjawanku living wage benchmark of RM3,100. Where variations occur, they are tied transparently to performance-driven outcomes, balancing market fairness with personal achievement.

HUMAN AND LABOUR RIGHTS

Responsible Workload and Overtime Governance

A healthy, sustainable work environment depends partly on appropriate workload management and overtime governance, put into practice to prevent excessive working hours:

Overtime Management

A monthly overtime cap of 40 hours applies to eligible employees, supporting responsible workload management and employee wellbeing. This covers Executive-level employees earning RM4,000 and below per month, in line with Malaysian employment legislation.

Approval and Monitoring

All overtime requires approval from the employee's line manager and is recorded through the Bank's HR system, enabling appropriate oversight and monitoring.

Governance and Compliance

The Bank's overtime governance framework supports compliance with applicable Malaysian labour laws whilst promoting fair, transparent and consistent workforce management practices.

Holistic Health and Preventative Wellness

A holistic, preventative approach to corporate wellness complements these operational safeguards. Comprehensive healthcare benefits and targeted initiatives continue to receive investment, nurturing both the physical and mental wellbeing of the workforce and giving people the resources they need to thrive personally and professionally alike.

Health Benefits

Medical Coverage

- Covers all employees and their dependents, including one legal spouse (provided they are not eligible for coverage through their own employer) and up to five surviving children (ages 15 days to 21 years, unmarried and unemployed).
- For unionised employees (i.e. members of the Association of Bank Officers Peninsular Malaysia ("ABOM"), National Union of Bank Employees ("NUBE"), or Sabah and Sarawak unions), coverage includes:
 - Legal spouse
 - Children under 18 years
 - Disabled children over 18 years who are not gainfully employed
 - Children up to 23 years if attending full-time education at a local institution

Notes:

- 1 For unionised employees where both spouses are employed by the Bank, both are entitled to medical coverage for their dependents.
- 2 For non-unionised employees where both spouses are employed by the Bank, dependent medical benefits are capped at one set, which will be given to the higher-graded employee.

HUMAN AND LABOUR RIGHTS

Annual Medical Examination

Eligible for:

- Employees aged 45 and above at Grade M3 and above, after 12 months of continuous service.
- Unionised employees aged 35 and above.

Promoting Physical Vitality and Preventative Healthcare

Building a culture of physical fitness, energy and resilience means actively encouraging movement and healthy lifestyles across the workforce.

- **HLB Sport Club:** The recent transformation of the HLB Games into the HLB Sports Club anchors the Bank's health agenda. Operating as an employee-managed initiative, the club delivers a greater frequency of diverse sporting activities, including pickleball, badminton and bowling tournaments, designed to build genuine team spirit, healthy camaraderie and active lifestyles. Weaving consistent physical activity into corporate culture this way helps employees perform at their best, mentally and physically alike.
- **Preventative and Holistic Healthcare:** A comprehensive lineup of clinical and preventative health initiatives supports this physical foundation. Monthly "Doctor in the House" brown bag sessions specifically target awareness and prevention of Non-Communicable Diseases ("NCDs"), tackling modern lifestyle health risks head-on.
- **Community and Wellness Enablers:** On-ground initiatives reinforce this holistic approach to physical wellbeing further, including regular corporate health screenings, voluntary blood donation drives, and dedicated breast cancer awareness campaigns, giving employees the knowledge and resources to manage their long-term health proactively.



HUMAN AND LABOUR RIGHTS

Advancing Mental Health and Psychosocial Wellbeing

Recognising that emotional wellbeing and personal resilience are fundamental to a sustainable workforce, the Bank provides comprehensive, low-barrier mental health support to all employees through PlusVibes, our mobile-first wellbeing platform.

- **Self-Care Preventative Tools:** The platform empowers employees to proactively manage their emotional health by utilising digital self-care tools—including the “Wheel of Life” holistic assessment—alongside extensive educational content and a verified directory of external mental health associations.
- **On-Demand Chat Therapy Ecosystem:** To support employees through daily pressures, PlusVibes features an anonymous, on-demand chat therapy function. This service has seen strong, consistent engagement, with over 2,000 employees monthly utilising the platform for positive behavioural reinforcement and direct, immediate connection to qualified counselors.
- **Proactive Intervention Framework:** To ensure early detection and prevent psychosocial challenges from escalating, trained mental health peer-supporters (known as “Vibers”) actively conduct random check-ins, cultivating a psychologically safe space for open dialogue.
- **Data-Driven Clinical Escalation:** Leveraging advanced, secure chat analytics, the platform identifies individuals requiring escalated clinical care. These employees are seamlessly and confidentially referred to an in-house Specialist for closely monitored, structured virtual clinical therapy sessions.



Cultivating Resilience During Mental Health Awareness Week

In conjunction with World Mental Health Awareness Week, the Bank organised a comprehensive, multi-channel line-up of events intentionally designed to strengthen emotional resilience, psychological safety, and workforce adaptability.

- **Virtual Adaptability Masterclass:** The programme commenced with a high-impact Virtual Brown Bag session titled “Adaptability Advantage: Thriving in Change”, led by expert practitioner Dr. Siti Syahirah, which focused on providing employees with cognitive tools to navigate organisational and environmental transitions smoothly.
- **Experiential Physical Workshops:** To deepen practical application, we rolled out interactive, on-ground workshops titled “Resilience in Motion: Built to Bounce Back”, hosted across our corporate hubs at Hong Leong Tower and PJ City Tower A.
- **Evidence-Based Wellbeing Interventions:** Facilitated by leading mental health authorities Assoc. Prof. Dr. Anasuya Jegathevi Jegathesan and Dr. Madiha Fuad (Founder & CEO of Plusvibes Group), these immersive sessions guided employees through structured emotional reflection models. The workshops blended collaborative, time-pressured team building—such as strategic Lego challenges—with physiological stress-reduction techniques like Emotional Freedom Techniques (“EFT”) tapping exercises, equipping our workforce with actionable, daily coping strategies to release somatic tension and mitigate workplace burnout.



HUMAN AND LABOUR RIGHTS

Virtual & Physical Brown Bag – Threat Intelligence and Scam Awareness

Institutional integrity and financial crime prevention drove two comprehensive Brown Bag sessions this year, designed to educate employees on the escalating threats of corporate and personal fraud.

- **Corporate Fraud Evolution:** The first session, delivered in a hybrid physical and virtual format, was led by a senior representative from the Commercial Crimes Investigation Department (“CCID”) of PDRM Ampang Jaya. The speaker detailed how corporate fraud in Malaysia is shifting, with internal integrity breaches increasingly evolving into sophisticated, organised crime syndicates. Key operational risks, particularly the proliferation of mule accounts and industrial data theft, were highlighted to strengthen internal governance and defensive vigilance across the Bank’s divisions.
- **Personal Financial Vigilance:** A second virtual session complemented this corporate focus, sharpening individual resilience against retail financial crimes. Led by the Head of Fraud Control, the briefing exposed prevalent socio-technical manipulation tactics, including identity theft networks, deepfake social engineering, and fraudulent Ponzi schemes, giving employees the behavioural tools and detection methods needed to safeguard personal assets and recognise financial scams before they take hold.



World Cup Staff Viewing Session

As part of our ongoing commitment to employee wellbeing and building a vibrant corporate culture under the “Our Heartbeat” initiative, we actively create opportunities for our people to connect, unwind, and share meaningful experiences outside of daily work tasks. A prime example was our Staff Viewing Session where employees gathered at our Hong Leong Tower and PJ City Tower A offices for a live morning broadcast of the highly anticipated Japan vs. Sweden World Cup match. By fostering camaraderie and a strong sense of community, these shared moments remain integral to nurturing a supportive, inclusive, and high-energy workplace environment that sustains our talent over the long term.



HUMAN AND LABOUR RIGHTS

Employee Appreciation

Cultivating a Culture of Recognition During Employee Appreciation Month

A supportive, empowering work environment found expression through a diverse line-up of interactive activities during Employee Appreciation Month, celebrating staff contributions and reinforcing institutional trust throughout:

- **Trust and Ownership Masterclass:** The month opened with a hybrid physical and virtual workshop, “Elevating Workplace Trust”, a personal development session equipping employees with the behavioural tools needed to build professional trust, demonstrate proactive ownership, and cultivate high-impact self-management habits across their teams.
- **Peer-to-Peer Recognition (eTouch Contest):** The eTouch Contest drove a culture of appreciation and grassroots engagement, a digital initiative encouraging employees to nominate and recognise colleagues who consistently embodied the Bank’s core values through thoughtful, responsible and collaborative behaviours.
- **Institutional Alignment (The “How Well Do You Know HLB?” Quiz):** Festivities closed with a fast-paced corporate trivia challenge based on the Bank’s major strategic milestones and corporate announcements from the past year, reinforcing organisational alignment and shared purpose in an engaging format.

**Driving Breast Cancer Awareness Through Pinktober Interventions**

Community health and preventative employee wellness came together this year through a structured, interactive Pinktober campaign, built around a core public health principle: early detection of breast cancer gives individuals far greater clinical control and a wider range of treatment options.

Our multifaceted approach throughout the month includes:

- **Behavioural Engagement & Solidarity:** A high-visibility Wear Pink Day photo contest opened the campaign, mobilising participation bankwide and fostering open dialogue around women’s health.
- **Clinical Screening Access:** Partnership with Beacon Hospital brought on-site mobile clinics to the Bank’s major corporate hubs, Hong Leong Tower and PJ City Tower A, giving employees accessible, professional breast cancer screening.
- **Preventative Medical Literacy:** A hybrid physical and Virtual Brown Bag Talk, titled “Early Detection via Self Examination”, bridged the gap between awareness and practice, equipping staff with actionable, evidence-based self-screening methods.
- **Advocacy & Patient Perspectives:** The campaign closed with a virtual educational forum, “Early Detection Saves Lives”, featuring an inspiring conversation with breast cancer survivor and advocate Hiba Abdul Rahman, who shared firsthand insight on navigating diagnosis and recovery, reinforcing just how much early clinical intervention can save.



HUMAN AND LABOUR RIGHTS

HLB Internal NPS Survey

The HLB Internal Net Promoter Score ("NPS") Survey serves as a vital tool for assessing and maintaining internal service quality across the Bank. By tracking employee sentiment, the initiative aims to strengthen cross-departmental collaboration and cultivate a cohesive, efficient, and sustainable working environment.

Originally launched in May 2024, this ongoing pulse check completed its fourth phase in May 2026. The latest results demonstrate a steady upward trajectory in organisational alignment, with the overall Internal NPS climbing from +42 in Phase 3 to +44 in Phase 4. Notably, this gradual score improvement has been accompanied by a consistent expansion in participation, reaching a record 17,976 total responses in the latest phase. This simultaneous increase in both engagement volume and score reflects a deepening culture of collaboration and rising satisfaction with our internal service delivery.

Validating our commitment to exceptional internal stakeholder experiences, the programme established itself as an industry benchmark by winning the Malaysia Employee Experience of the Year - Banking accolade at the Asian Experience Awards 2025, organised by the Asian Business Review.



	Q4 FY2024 (Phase 1)	Q1 FY2025 (Phase 2)	Q4 FY2025 (Phase 3)	Q4 FY2026 (Phase 4)
Total Response N	15,547	16,441	16,879	17,976
Overall NPS	+45	+39	+42	+44
Promoter	37%	34%	38%	37%
Passive	43%	32%	39%	30%
Detractor	38%	34%	19%	13%
Overall CSAT	3.91	4.20	4.27	4.30
TTR	73%	86%	88%	87%

Institutionalising Gratitude Through Digital Peer-to-Peer Recognition

To embed a culture of mutual respect, gratitude, and cross-functional collaboration, the Bank continues to leverage eTouch, our centralised internal peer-to-peer recognition platform. eTouch provides an agile digital framework that empowers colleagues to send immediate, daily messages of appreciation, reinforcing positive behaviours across all levels of the organisation.

This ongoing grassroots engagement is structurally incentivised through quarterly corporate contests designed to spotlight and reward employees who consistently exceed operational expectations and embody our core values. Furthermore, the Bank strategically amplified this culture of recognition during the year under review by launching dedicated, high-impact appreciation initiatives in conjunction with International Women's Day and Employee Appreciation Month, ensuring that exceptional individual contributions are prominently celebrated and aligned with our commitment to an inclusive, high-performance workplace.



HUMAN AND LABOUR RIGHTS

Singapore

ESG principles at HL Bank Singapore place strong emphasis on fostering employee engagement and supporting the wellbeing of both employees and the wider community. An Employee Engagement Committee was formed to demonstrate this commitment to engagement and wellness in practice.

Initiatives throughout the year included a complimentary in-house health screening, a Scam Awareness Talk delivered in collaboration with the Singapore Police Force, an Employee Year End Appreciation BBQ, and festive celebrations, each aimed at strengthening workplace connections and promoting employee wellbeing.

The first Employee Sports and Wellness Club also launched this year, encouraging an active lifestyle and building camaraderie through regular badminton and pickleball sessions.

Community contribution extended well beyond the workplace too, through a blood donation drive, the Christmas Wish Adoption programme in support of Montfort Care, and participation in Community Giveback Programmes organised by the Association of Banks in Singapore. These initiatives reflect a genuine commitment to positive workplace culture, paired with meaningful contribution to the communities served.



HUMAN AND LABOUR RIGHTS

Hong Kong

Hong Leong Bank Hong Kong deepened its commitment to community wellbeing through a targeted outreach initiative serving 30 elderly individuals and their caregivers. Social isolation and limited mobility present real challenges for ageing populations, and the team responded with proactive door-to-door visits, delivering both essential material support and genuine human connection. Three social outcomes followed directly: reduced isolation, improved mental wellness, and strengthened community resilience.

A separate corporate donation went to a reputable charitable organisation too, with funds directed specifically towards emergency relief for households facing acute hardship.

Volunteer engagement and financial giving, running in parallel this way, address both the emotional and material dimensions of need, reflecting a genuine commitment to building a more inclusive, compassionate society.



Vietnam

Hong Leong Bank Vietnam advanced its commitment to employee wellbeing through a structured, year-round Engagement Roadmap. Building on the strategic pillars of Engagement and Appreciation, transparent dialogue and recognition of workforce contributions continued through dedicated Town Halls, an annual Appreciation Month, and structured systems for performance recognition, including the CEO Award and honours for career longevity.



HUMAN AND LABOUR RIGHTS

Physical health initiatives expanded this year to support holistic employee wellbeing and encourage a healthy lifestyle, notably through the establishment of internal sports clubs engaging 61 active members, alongside Men's Day Sport Friendly Matches and seasonal festive distributions, building a genuine culture of care, vitality and workplace morale.



Employee engagement and the Bank's broader ESG objectives came together further still, with the workforce driving genuine community and environmental impact through purpose-driven volunteerism, including the 'Green Step-tember' challenge, reforestation efforts in Ta Kou Forest, and local blood donation drives. Culturally significant celebrations and family-focused events added a further dimension, supporting diversity and work-life integration, together reflecting an ongoing dedication to cultivating an inclusive, empowering and genuinely engaged workplace culture.



Cambodia

July 2025 brought the team together for the Staff Townhall & Annual Party, an opportunity to recognise staff contributions over the past year, share performance milestones, and align everyone with the Bank's strategic direction moving forward.



HUMAN AND LABOUR RIGHTS

Deepening Hong Leong Bank's localisation in Cambodia meant taking part in key cultural milestones too. September 2025 saw the Pchum Ben Festival observed through offerings of food to monks at a local pagoda, followed by a traditional Monk Blessing hosted for Khmer New Year at the head office in April 2026.

Corporate Social Responsibility ("CSR") commitments took shape through several initiatives this year:

- September 2025: Partnership with the National Blood Transfusion Centre for a community blood donation drive.
- February 2026: Collaboration with a key business partner to visit the Mekchheur Orphanage (Branch Centre), donating educational materials and providing financial and structural support to enhance the children's shelter.
- June 2026: A second blood donation drive hosted at the Head Office, again in partnership with the National Blood Transfusion Centre.



Promoting Diversity, Equity, Inclusion ("DEI"), and Employee Wellbeing

A diverse, equitable, inclusive and healthy workplace advanced further through several key initiatives:

- HLBCAM Sports Club Establishment (January 2026): The internal sports club was formalised to drive team engagement and physical activity.
- Ongoing Pickleball Sessions: Regular pickleball games promoted employee health, wellness and camaraderie.
- International Women's Day Celebration (March 2026): Global women's achievements were recognised, promoting gender equity within the workplace.
- Pinktober: Breast cancer awareness was championed as a vital part of health advocacy and DEI initiatives.



HUMAN AND LABOUR RIGHTS

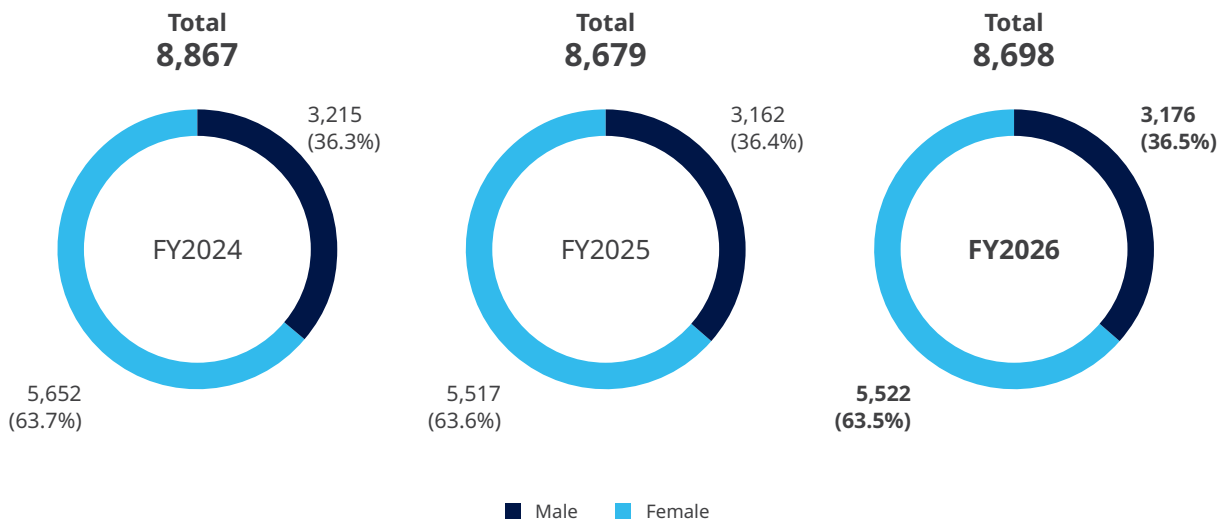
Maintaining A Diverse and Inclusive Workplace Culture

Guided by the corporate Remuneration Policy, the Bank operates as an equal opportunity employer, genuinely committed to a workplace that is inclusive, diverse and merit-based. Equal pay for equal work is upheld firmly here, ensuring fair, equitable compensation for every employee regardless of gender.

Empowering women and driving gender equity forms a strategic focus too, cultivated through corporate benefits and targeted, inclusive engagement frameworks that build a genuinely supportive ecosystem. FY2026 saw the Bank champion global gender-based awareness milestones actively, including a comprehensive celebration of International Women's Day. Initiatives of this kind reflect a broader institutional dedication to equitable employee wellbeing, advancing women's career longevity, and promoting sustainable work-life integration across the organisation.

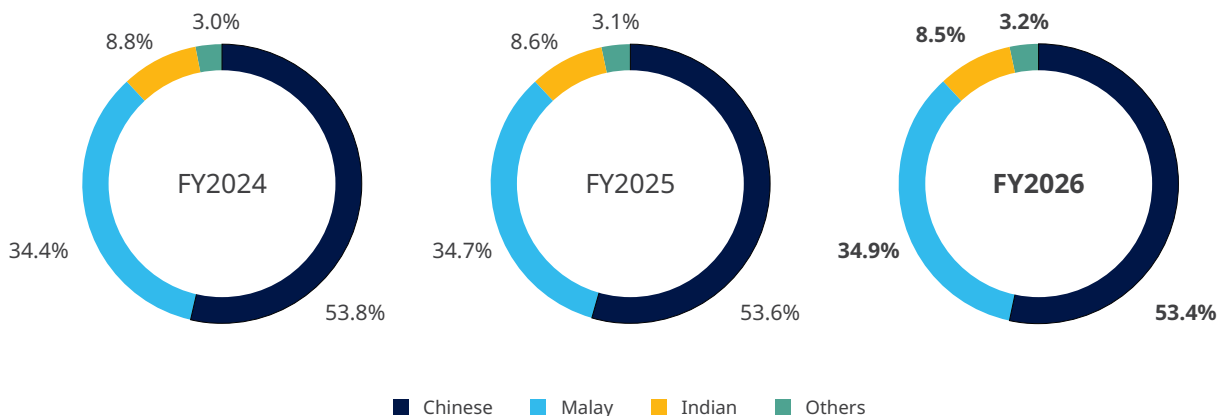
The gender composition of our workforce remained largely consistent with previous years.

Gender Composition of Employees (%)



Note:
Inclusive of Malaysia, Singapore, Hong Kong, Cambodia and Vietnam operations.

Racial composition across the workforce has stayed well balanced over the past three years, reflecting an ongoing commitment to a diverse and inclusive employee base.



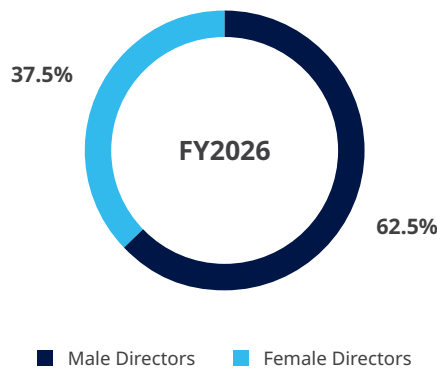
Note:
Malaysia operations only.

HUMAN AND LABOUR RIGHTS

Gender Diversity in Leadership

In FY2026, the Bank maintained gender balance across management-level roles and our Board, reflecting our continued commitment to equitable representation and inclusive leadership.

Board Gender Diversity (%)



Monitoring Our Gender Pay Ratio

Remuneration data is reviewed regularly to assess the gender pay ratio across employee categories, with average male pay indexed to 1.00 and female pay expressed as a proportion of that benchmark. C-level executives and expatriates are excluded from this calculation to reflect the broader employee population more accurately.

FY2026 showed a well-balanced gender pay ratio across different employee categories, with average female pay ranging from 0.89 to 1.13 of average male pay.

Standing Against Discrimination

A workforce rich in diverse backgrounds, origins, experiences and cultures is valued deeply here, and discrimination of any kind finds no tolerance, whether based on race, colour, nationality, ancestry, citizenship status, creed, religion, age, gender, pregnancy, maternity, marital status, or physical disability. In line with the Code of Conduct and Ethics ("the Code") Principle 7: Work Environment, fostering a safe, respectful and non-violent workplace remains a firm priority, with a clear stance against all forms of discrimination, harassment (sexual harassment included) and intimidation. Every allegation is treated with the utmost seriousness, investigated thoroughly and impartially, reinforcing both a zero-tolerance approach and genuine care for employee wellbeing. At the core of the Code sits a simple principle: every individual deserves to be valued, respected and treated fairly, with diversity embraced across gender, race, religion, age, nationality and ability in every part of the business.

FY2026 upheld this record fully, with zero reported incidents of discrimination.

The Code forms an integral part of employment terms and conditions, and every employee is expected to uphold the highest standards of professionalism and ethics in their work, conduct and personal behaviour. Any breach is treated as misconduct and may result in disciplinary action, including, where appropriate, termination of employment or engagement, reinforcing a genuine commitment to integrity, accountability and a value-driven workplace.

HUMAN AND LABOUR RIGHTS

Freedom of Association

Respecting the right to freedom of association and collective bargaining stands as a firm principle for the Bank, with 14% of the workforce currently represented under collective bargaining agreements. Regular engagement with employee unions gives the Bank a genuine window into workforce needs, informing targeted solutions that strengthen employee satisfaction and support retention over the long term.

Mitigating Human Rights Risks Through Responsible Financing

Community and human rights risks are managed through a straightforward principle: projects financed have already been vetted and approved by the relevant statutory and government authorities, covering community grievances and compliance frameworks in the process. Complementing this, the BCB ESG Policy and Assessment Framework evaluates customers on stakeholder consultation practices, community engagement strategies, and CSR activities, ensuring they manage the communities they operate within.

Financing conditions and credit covenants give the Bank leverage here, ensuring any adverse impacts identified are remedied appropriately by the customer in line with local laws. Should adverse news or controversy arise after financing has been extended, the borrower's ESG risk profile and credit facilities are re-evaluated actively, with the right reserved to suspend or terminate the banking relationship should compliance and remediation standards not be upheld. External stakeholders can raise concerns relating to customers through the Bank's established Whistleblowing channels.

 For more information on the BCB ESG Policy and Assessment Framework, refer to page 60.

Protecting Human and Labour Rights in the Supply Chain

Human and labour rights criteria have been built formally into the Supplier ESG Due Diligence Checklist, assessing vendors systematically on Fair Labour Practices and Occupational Health and Safety. Under these pillars, suppliers are evaluated on the existence and enforcement of human rights and anti-harassment policies, verifiable evidence of non-discrimination in recruitment and compensation, and strict procedures prohibiting child or forced labour. FY2026 brought the launch of the inaugural HLB Impact For Suppliers training programme too, a dedicated capacity-building initiative that raises awareness and guides suppliers directly in establishing practical, effective measures to safeguard human and labour rights within daily operations.

HUMAN AND LABOUR RIGHTS

OUR PERFORMANCE

Gender Diversity by Employee Category (%)

Senior Manager

2024



2025



2026



■ Male ■ Female

Manager

2024

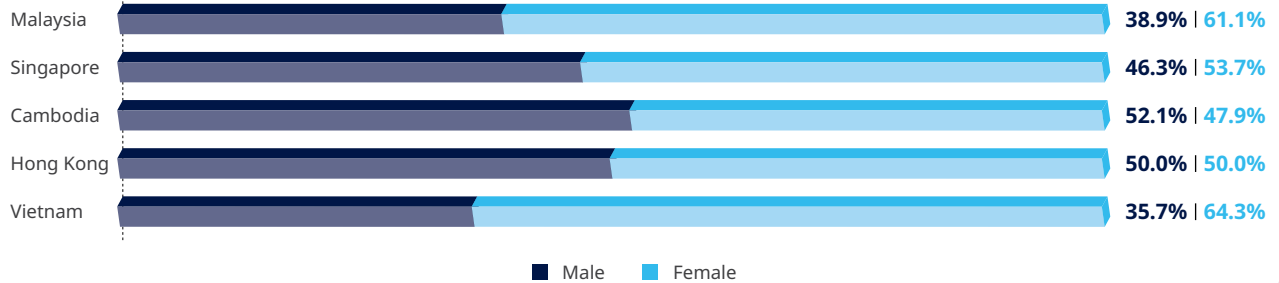


2025



HUMAN AND LABOUR RIGHTS

2026



Executive

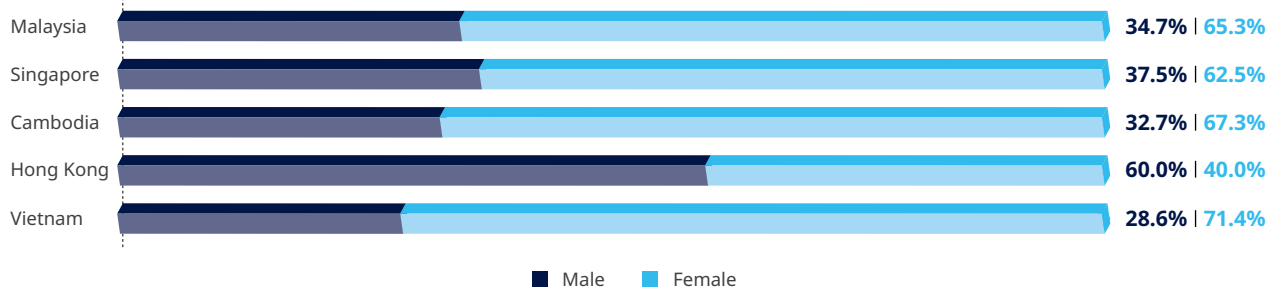
2024



2025



2026



Non-Executive

2024

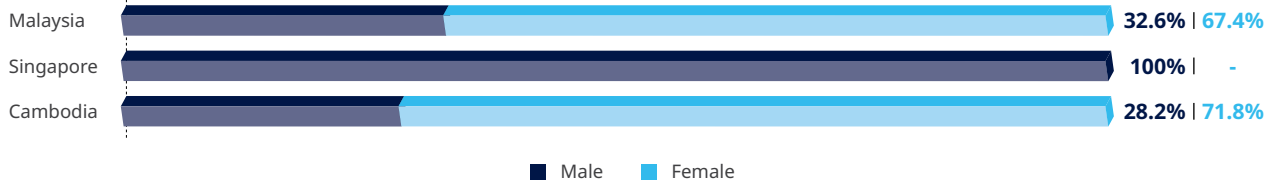


HUMAN AND LABOUR RIGHTS

2025



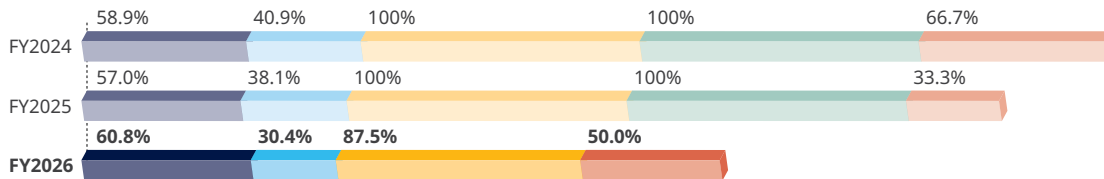
2026



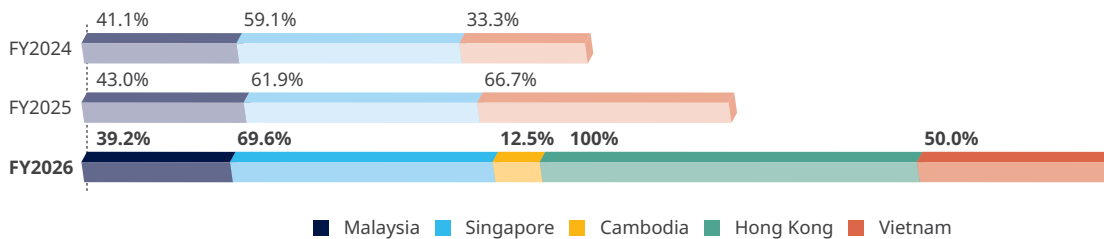
Age Group by Employee Category (%)

Senior Manager

30-50 years old

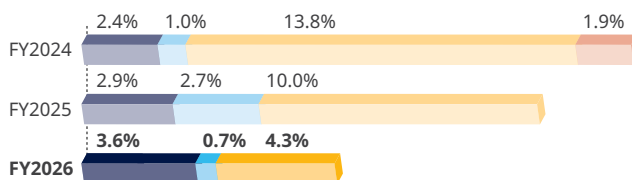


Over 50 years old



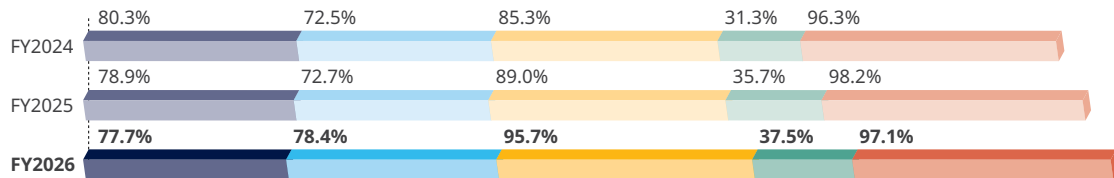
Manager

Under 30 years old

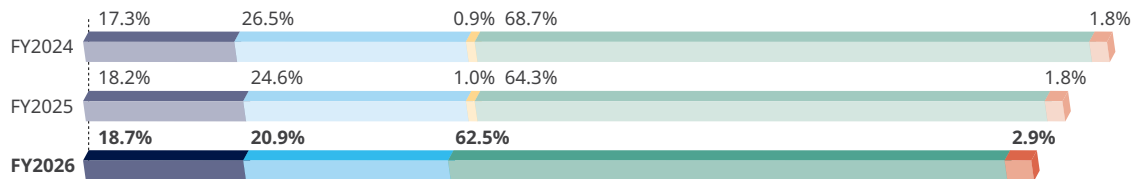


HUMAN AND LABOUR RIGHTS

30-50 years old



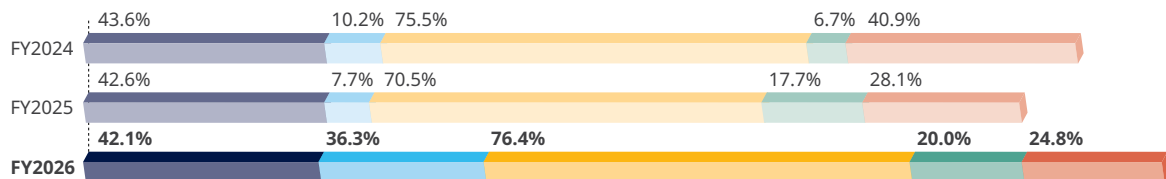
Over 50 years old



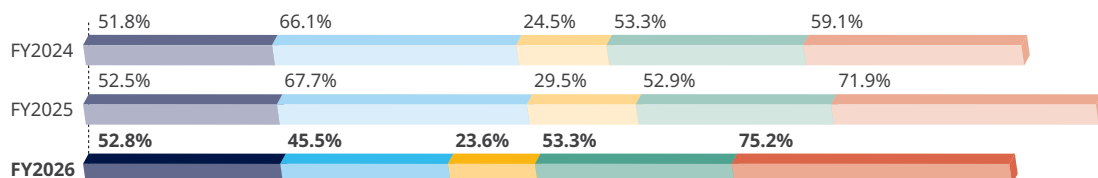
■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

Executive

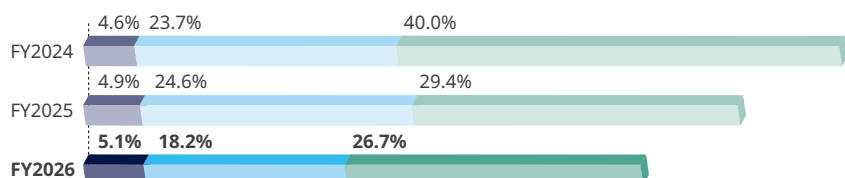
Under 30 years old



30-50 years old



Over 50 years old

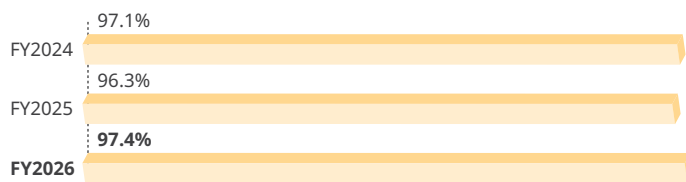


■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

HUMAN AND LABOUR RIGHTS

Non-Executive

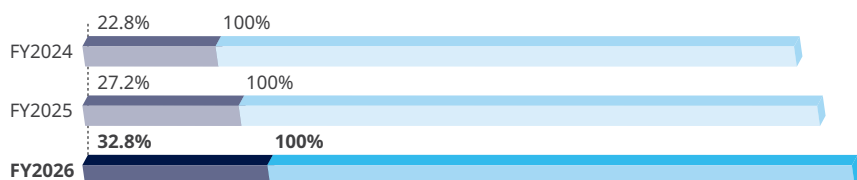
Under 30 years old



30-50 years old



Over 50 years old



■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

Gender Pay Ratio¹

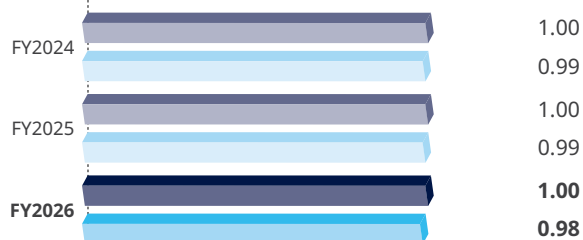
Senior Manager



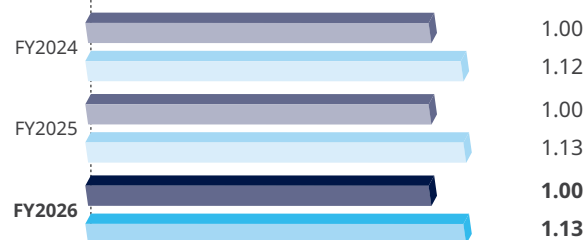
Manager



Executive



Non-Executive (Clerical, non-clerical, others)



■ Male ■ Female

Note:

¹ Data reflects Malaysia operations only and does not include other regions.

HUMAN AND LABOUR RIGHTS

Health and Safety Performance (Absenteeism Rate %)	FY2024	FY2025	FY2026
Malaysia	2.65	2.72	2.72
Singapore	0.91	0.91	1.11
Cambodia	0.44	0.76	0.37
Hong Kong	0.7	2.1	2.26
Vietnam	0.1	0.2	0.25

Total fatalities from work-related injuries (Cases)	FY2024	FY2025	FY2026
Malaysia	0	0	0
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0

Number of days lost due to accidents inside workplace premises (days)	FY2024	FY2025	FY2026
Malaysia	34	39	70
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0

Lost Time Incident Rate ("LTIR") (Cases/200,000 hours worked)	FY2024	FY2025	FY2026
Malaysia	0.025	0.06	0.04
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0



Community Investment

Investing in communities is an integral pillar of our sustainability strategy, reflecting the core principle that societal advancement and long-term business growth are inextricably linked. Through strategic partnerships with social enterprises, we deploy targeted empowerment programmes that generate measurable environmental and social impacts for underserved demographics. We leverage our institutional capabilities to drive financial literacy among students, micro-entrepreneurs, and marginalised groups. By building financial resilience, we foster inclusive economic growth while expanding our market for sustainable development.

SOCIAL ENTERPRISES AND COMMUNITIES

103

SOCIAL ENTERPRISES AND COMMUNITIES

WHY IT MATTERS

Building an equitable and resilient economy requires a holistic approach that pairs financial access and literacy with deep community empowerment. Through our targeted programmes and strategic support for social enterprises, communities, and purposeful entrepreneurs, we are driving transformational societal change. Whether we are safeguarding livelihoods during challenging times or fostering innovative business growth, our commitment to expanding economic participation remains integral to our operations, ultimately generating sustainable, long-term value for individuals and society as a whole.

RISK AND OPPORTUNITIES

Risks

- Inadequate engagement with community and social issues may result in reputational damage through negative public perception, media scrutiny, and loss of stakeholder trust.
- Inadequate efforts to enhance financial inclusion and expand access to affordable financial services for unbanked and underbanked customers may limit the Bank's ability to capture growth in emerging segments.

Opportunities

- Proactive community engagement can strengthen brand reputation, attracting customers who value responsible and sustainable businesses.
- Expanding access to affordable and inclusive financial services can unlock growth opportunities across underbanked and emerging customer segments.
- Strengthening financial literacy and responsible lending/financing practices can help customers manage their finances more effectively.

Strategy and Mitigation Plan

Guided by established SOPs for employee volunteerism and donation management, the Bank drives community impact through targeted Corporate Social Responsibility ("CSR") initiatives. In FY2026, this involved decentralising volunteer activities—empowering each division to champion their own initiatives—while expanding the HLB DuitSmart programme through increased workshops and enriched financial literacy modules, and maintaining sustained outreach for the #JanganKenaScam national awareness campaign.

Metrics

- Number of direct and indirect beneficiaries impacted
- Amount spent on community investment
- Total volunteering hours
- Number of volunteers
- Number of training programmes on financial education
- Number of participants in financial literacy initiatives for schools, customers and SMEs

Contributions to UN-SDGs



OUR APPROACH

The Bank is committed to create lasting and positive social impact through supporting social enterprises and communities. We focus on offering resources and expertise to start-ups and entrepreneurs, increasing financial literacy and inclusion, and fostering strong partnerships through our CSR programmes.

In FY2026, we implemented and expanded various initiatives that reflect our commitment to building lasting relationships with communities and social enterprises, as outlined below.

SOCIAL ENTERPRISES AND COMMUNITIES

Supporting Micro-Businesses & Social Enterprises

In this past year, we have implemented initiatives which contribute to expanding our partnerships and strengthening social enterprises and communities. These programmes include:

HLB Jumpstart

Launched in 2018, HLB Jumpstart supports promising Malaysian start-ups and entrepreneurs developing sustainable solutions and addressing environmental challenges. Their impact accelerates through access to the Bank's resources, expertise and network across finance, branding, business and innovation.

Eight social enterprises have partnered with the programme since its inception: SURI, Coffee for Good, The Asli Co., Benak Raya, Green Hero, Primus Wellness, Refiller Mobile, and the latest addition, the Sea Monkey Project. Long-term support runs across five key areas:

**Financial
knowledge**

**Tools and
Digitalisation**

**Branding and
Marketing**

Commercialism

Volunteerism

In FY2026, the Bank's support enabled these social enterprises to achieve the following impacts:

Social Enterprise Carnival

The Social Enterprise Carnival was a two-day event held at Hong Leong Tower ("HLT") and PJ City Tower A ("PJCA") featuring 13 enterprises partnered with the Bank. The primary goal was straightforward: give these enterprises a platform to promote products, generate on-ground sales, and connect with employees, opening the door to future social procurement opportunities within the Bank. A variety of activities kept participants engaged throughout, including a Spin the Wheel game, where participants answered sustainability and SDG-related questions to win vouchers.

Feedback from participants described the carnival as joyful and immersive, giving genuine exposure to sustainable practices and social enterprise initiatives, whilst letting them support meaningful causes in an interactive setting. Social enterprises themselves offered valuable feedback too, highlighting how the event helped them create genuine impact.

The Carnival built a mutually beneficial platform for community engagement and social impact, giving participating enterprises greater brand visibility and generating RM25,816 in sales collectively.



Social Procurement

Demonstrating our support for social procurement, the Bank contributed to the annual revenue of three social enterprises:

Graze Eatery & PichaEats: RM27,984 combined through product and service purchases.

Refiller Mobile: RM31,616 by providing monthly employee-engagement vendor spaces at HLT and PJCA.



SOCIAL ENTERPRISES AND COMMUNITIES

HLB Islamic Ramadan Bazaar

HLB Islamic's ongoing commitment to financial inclusion and community resilience took shape during the holy month through the Ramadan Mini Bazaar. The initiative aimed to give grassroots entrepreneurs and social enterprises real economic opportunity and market visibility, with dedicated physical booths letting beneficiaries showcase their businesses, connect with broader consumer markets, and generate sustainable income.

A collaborative ecosystem brought this to life, bringing together key strategic partners including MADCash, empowering women micro-entrepreneurs towards financial independence, alongside beneficiaries from the Hong Leong Foundation ("HLF") and Hong Leong Jumpstart programmes supporting social enterprises under the Bank's philanthropic and entrepreneurial development umbrellas. Pusat Pungutan Zakat ("PPZ") added a further dimension, facilitating Islamic social finance and community welfare initiatives directly within the bazaar itself. Through this collective effort, the Ramadan Mini Bazaar bridged Islamic financial principles with genuine social stewardship, Value-based Intermediation in practice, directly supporting micro-entrepreneurs in building sustainable livelihoods.

Empowering Employee Volunteerism

The HLB Employee CSR Programme empowers staff to support underserved communities nationwide, with employees contributing time and resources, particularly during festive seasons, across a range of volunteering initiatives. Up to two days of CSR leave are offered annually to encourage involvement, and this year's initiatives were anchored around the following key themes:

Description	Impact
Environment	
Second Chance Animal Society ("SCAC") Volunteer contributions included assisting primary caretakers and executing animal care procedures, including canine hygiene and bathing.	• 14 participants • 56 volunteering hours
Gotong-Royong with SMK TTDI As an additional initiative post the HLB DuitSmart programme at the school, volunteers participated in the school communal work organised with other organisations like DBKL, Alam Flora and Polis TTDI.	• 30 participants • 120 volunteering hours
Mangrove Phase 2 Launch Planting Volunteering programme with Malaysian Nature Society to plant mangrove trees at Kuala Selangor Nature Park.	• 35 participants • 70 volunteering hours
Raptor Watch Malaysia Mobilised volunteers to support MNS's annual migratory bird festival which includes raptor monitoring and eco-awareness initiatives at Tanjung Tuan, Port Dickson.	• 39 participants • 312 volunteering hours
School Clean Up PFS Sustainability had organised a School Clean Up themed "Back to School" where volunteers successfully transformed the classrooms and school grounds into a bright, clean, and welcoming environment for the students and teachers.	• 100 participants • 400 volunteering hours

SOCIAL ENTERPRISES AND COMMUNITIES

Description	Impact
Environment	
Welfare Home Spring Cleaning (Johor) The PFS team organised and executed a dedicated volunteer initiative at Rumah Cheshire Johor.	• 8 participants • 32 volunteering hours
Green Transformation at National Botanical Garden (Shah Alam) The team focused on transforming the park's traditional housing area by planting vibrant pink and white Ruellia and Alternanthera along its perimeter.	• 29 participants • 87 volunteering hours
Social Enterprise	
Volunteering with Refiller Mobile Staff volunteers assisted Refiller Mobile with their monthly activation at HLT and PJCA. Operating out of a refurbished van, the mobile zero-waste store aims to reduce single-use plastic and promote a more sustainable lifestyle.	• 19 participants • 76 volunteering hours
Volunteering with SURI Staff volunteers helped SURI prepare denim for upcycling (removing back pockets, cutting, etc.) to be made into other products.	• 90 participants • 270 volunteering hours
The Asli Co. Staff volunteers helped with a size measurement session for Orang Asli primary school children at Kg. Serendah and Kg. Kuah in Selangor in collaboration with The Asli Co. As part of the Start of the Year ("SOTY") CSR initiative, uniforms and school shoes were donated to Orang Asli children in Kg. Serendah and Kg. Kuang.	• 3 participants • 23 volunteering hours • 10 participants • 20 volunteering hours
Food Security	
The Assembly Soup Kitchen HLB staff volunteered at The Assembly Soup Kitchen ("T.A.S.K") in preparing food packs and dry goods, which are then distributed to various organisations and homes.	• 268 participants • 1,205 volunteering hours
Food4U In collaboration with Food4U, a volunteer-run initiative, staff volunteers supported the preparation and distribution of essential food packs and fresh produce to the homeless and urban poor in Kuala Lumpur.	• 33 participants • 66 volunteering hours
PERTIWI Soup Kitchen Staff were recruited as volunteers for PERTIWI, a long-standing organisation dedicated to supporting the urban poor and the homeless through its soup kitchen and health services, by participating in their food distribution efforts.	• 25 participants • 53 volunteering hours

SOCIAL ENTERPRISES AND COMMUNITIES

Description	Impact
Food Security	
Kechara Soup Kitchen HLB has partnered with Kechara Soup Kitchen to organise monthly volunteering activities where: 1) Staff distributed hot meals, dry food boxes, and fresh produce to the homeless, urban poor, and Orang Asli communities across Malaysia. 2) Delivered provisions to charity homes and welfare organisations across Malaysia through its food rescue and distribution. 3) Participated in static distribution to hand out pre-packed meal sets to urban poor and homeless from designated stationary locations or hubs. 4) Volunteered for surplus collection of provisions from partner supermarkets or bakeries across Klang Valley and redistributed them to charity homes or PPR houses.	• 130 participants • 331 volunteering hours • 84 participants • 258 volunteering hours • 20 participants • 50 volunteering hours • 42 participants • 182 volunteering hours
Garden for Impact The monthly “Garden For Impact” workshop and CSR programme, developed with social enterprise Eats, Shoots & Roots empowered staff through hands-on urban farming at Sayur In The City @ YWCA KL. By volunteering their time, employees helped expand the edible garden that provides fresh produce that supports the young women at the YWCA Vocational Training Opportunity Centre.	• 165 participants • 330 volunteering hours
Welfare Home Volunteering PFS Credit organised a volunteering activity at Kechara Soup Kitchen to distribute food to the homeless and urban poor to families around the Klang Valley.	• 9 employees • 27 volunteering hours
Ihya Ramadan 2026 Bubur Lambuk were distributed in the morning and evening of a particular day during Ramadhan to all Muslim staff within the Bank.	• 30 employees • 150 volunteering hours
The Assembly Soup Kitchen IAD organised a volunteering activity at The Assembly Soup Kitchen (“T.A.S.K”) in preparing food packs and dry goods, which were then distributed to various organisations and homes.	• 40 employees • 200 volunteering hours
Financial Literacy	
HLB DuitSmart Workshop Staff volunteers supported the HLB DuitSmart workshops by facilitating engaging group activities and interacting directly with participants to make the learning process more personal and effective.	• 396 participants • 482 volunteering hours

SOCIAL ENTERPRISES AND COMMUNITIES

Description	Impact
Festive / Community	
Head Office & Branch CSR In the spirit of the festive season, the Group Marketing & Communications team organised a joint CSR initiative connecting Head Office and branch staff through outreach visits to selected welfare homes mainly in Penang and Selangor.	• 13 participants • 51 volunteering hours
Community Care Visits with Hong Leong Bank Hong Kong & Partners In a collaborative effort with The Community Chest of Hong Kong, Hong Leong Bank Hong Kong, Guoco Group, and Hong Leong Insurance Asia partnered with Kwun Tong Methodist Social Service to bring comfort and connection to the elderly. Five of our employees volunteered their time for home visits, providing gifts and companionship to 30 beneficiaries, effectively highlighting their shared commitment to community wellbeing.	• 14 participants • 37.5 volunteering hours
Urgent Appeal for Humanitarian Aid to Civilian Victims of Border Clashes In response to an urgent call for humanitarian assistance, Hong Leong Bank (Cambodia) Plc. contributed RM21,050 to support civilian victims affected by border clashes. Orchestrated by the Association of Banks in Cambodia ("ABC"), this financial aid underscores the Bank's commitment to standing by vulnerable communities and delivering timely relief during times of crisis.	• RM21,050 financial contribution • Humanitarian aid delivered to civilian victims
Life-Saving Blood Donation Drives Demonstrating a strong commitment to public health, employees from Hong Leong Bank (Cambodia) Plc. mobilised for two critical blood donation campaigns to support local healthcare needs. On 12 September 2025, 15 employee volunteers participated to support 15 beneficiaries. The initiative expanded on 29 June 2026, where an additional 44 employee volunteers stepped forward, successfully impacting another 44 beneficiaries.	• 59 participants • 59 beneficiaries impacted • 7 volunteering hours
Encouragement Through Branch Centre Visitation On 22 February 2026, employee volunteers from Hong Leong Bank (Cambodia) Plc. spearheaded a community outreach visit to Branch Centre. A dedicated team of 40 employees voluntarily contributed and distributed essential study materials, food, beverages, and toys, bringing immense joy and emotional encouragement to 167 child beneficiaries.	• 40 participants • 167 beneficiaries impacted • 6 volunteering hours
BCB Volunteering during CNY Fundraising Event As part of the CNY Fundraising Initiative, BCB presented mock cheques to 10 welfare homes in Klang Valley.	• 117 participants • 343 volunteering hours
Welfare Home Volunteering PFS Credit organised and executed a dedicated CSR outreach programme at Rumah Mesra Ampang.	• 14 employees • 56 volunteering hours

SOCIAL ENTERPRISES AND COMMUNITIES

Description	Impact
Festive / Community	
Purchase & Collection of items for Welfare Home Volunteers visited Vinashini Home for the distribution of the items as part of their CSR.	• 45 employees • 50 volunteering hours
Welfare Home Visitation to Pusat Kebajikan Kanak-Kanak Istimewa Insan ("PKKII") Group Technology conducted a welfare home visit and led employee volunteer activities in early 2026 as part of their divisional CSR initiative.	• 20 employees • 100 volunteering hours

HLB For Good: Business & Corporate Banking Fundraising Initiative

RM1.55 million has been raised over two years towards 35 local welfare homes, schools and underprivileged communities nationwide, collected through the HLB For Good: Business & Corporate Banking Fundraising Initiative, held alongside the Bank's Business & Corporate Banking ("BCB") annual Chinese New Year customer appreciation dinners. The campaign invited corporate customers to contribute towards social causes alongside the Bank, a joint effort that reflects a simple belief: the strongest impact comes when the Bank and its customers act as partners, in business and in a shared mission to support the community.

An initial target of RM500,000 was set, but the response from customers proved overwhelming, pushing the campaign well past its goal and letting the Bank extend support to a larger number of welfare homes nationwide. The timing matters too: many charitable organisations have been hit hardest by difficult economic conditions, struggling to maintain essential operations and care for residents.



SOCIAL ENTERPRISES AND COMMUNITIES

HLB Impact For Communities: Waste Circularity Programme

Building on foundations laid during the FY2025 pilot phase, this initiative has scaled up under a flagship community capacity-building approach, officially renamed HLB For Communities: Waste Circularity Programme. Launched originally in partnership with Think City and GreenSteps at the Programme Perumahan Rakyat ("PPR") Taman Mulia public housing estate, the programme continues to drive localised low-carbon transition. Cumulative impact to date includes the source diversion of 419.2 kg of organic food waste, converted into 168.6 kg of nutrient-rich compost supporting local food security and urban farming within community grounds.

FY2026 saw the initiative advance into Phase 2 during a Sambutan Hari Raya community event attended by 151 residents, run in collaboration with Hong Leong Islamic Bank ("HLB Islamic") and Hong Leong MSIG Takaful ("HLMT"), alongside Tabung Haji and Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN"), delivering Celik Muamalat and Takaful protection workshops. This phase marks a strategic expansion, moving from purely environmental circularity towards a fuller socioeconomic model that integrates climate resilience with financial inclusion.

HLB Impact For Nature: Mangrove Rehabilitation and Restoration Project, Phase 2 Launch

Phase 2 of the flagship HLB Impact For Nature: Mangrove Rehabilitation and Restoration Project launched officially with 21 Senior Management and Board Members from across Hong Leong Financial Group ("HLFG") taking part in a ceremonial mangrove planting, kicking off the Bank's pledge to plant a further 50,000 mangrove trees by 2027. The event also featured the unveiling of the official Phase 2 project signboard and a tour of the community-managed mangrove nursery, alongside partners from Malaysian Nature Society ("MNS"), Eco-Ideal Consulting, local community representatives from Kampung Tanjung Keramat, and government officials from relevant departments and agencies.



SOCIAL ENTERPRISES AND COMMUNITIES

Kampung Tanjung Keramat and Mangrove Volunteering Day

Following the launch, a cross-entity volunteering programme brought the Kampung Tanjung Keramat and Mangrove Volunteering Day to life in partnership with MNS, rallying 143 volunteers from across HLF, 122 of which were from the Bank. Working together, this volunteer force contributed 976 hours collectively towards environmental restoration and community-focused work.

Enthusiasm and dedication carried the day: volunteers planted 111 mangrove saplings, germinated 500 seedlings, and constructed 5 nursery planter boxes for future propagation, whilst a community gotong-royong cleanup recovered 182 kg of waste, restoring the cleanliness and health of the coastal area significantly. Beyond ecological preservation, the initiative delivered real socioeconomic value too, reaching approximately 250 beneficiaries from the local Kampung Tanjung Keramat community directly. Seven local fishermen's boats were refurbished by volunteers, giving a genuine boost to the village micro-economy and reflecting a value the Bank holds closely: empowering local livelihoods. Environmental conservation and socioeconomic support came together through this event, reaffirming a promise to build a resilient, lasting sanctuary for both nature and community.



SOCIAL ENTERPRISES AND COMMUNITIES

Financial Literacy

OUR APPROACH

Promoting financial literacy among the general public continues as an ongoing priority, empowering individuals to manage their finances across savings, investments and everyday spending in ways that reflect their own risk appetite and lifestyle, supporting long-term financial wellbeing in the process.

Guidelines have been established to build financial awareness and capability, including providing knowledge, refining service processes to help customers and stakeholders understand financial matters, and enabling informed decisions that stay within repayment capacity. A diverse range of up-to-date, accessible learning platforms and channels continue to develop too, reaching stakeholders wherever they are.

Grassroots work builds financial knowledge directly, empowering smarter personal finance decisions among key population groups. Digital solutions, supported by thoughtfully designed educational resources, equip beneficiaries with the skills to adopt and benefit from them fully, creating value within local communities and strengthening brand preference as a natural result, reinforcing the Bank's long-term position.

Enhancing Financial Accessibility & Knowledge

HLB DuitSmart

HLB DuitSmart stands as the flagship programme for financial literacy and inclusion workshops, paired with educational content promoting informed, sound financial decisions. FY2026 brought expansion through the nationwide branch network, delivering financial literacy programmes to a wider audience, involving collaboration with local schools, universities, social enterprises, companies, associations and other organisations. Driving financial inclusion across Malaysia, FY2026 saw 100 HLB DuitSmart financial literacy sessions delivered, contributing 493 volunteer hours and impacting over 16,000 beneficiaries. The programme has empowered nearly 46,000 individuals nationwide to date.

In FY2026, as part of our nationwide initiative to elevate financial literacy among young Malaysians, we expanded the HLB DuitSmart workshops across 28 primary and secondary schools in the Segambut district. The district-wide rollout was launched at SMK Taman Tun Dr. Ismail, engaging nearly 300 students in foundational financial education. With additional activations scheduled throughout FY2026, the programme aims to cultivate financial curiosity, build scam awareness, and equip students with essential life skills for future financial planning.



SOCIAL ENTERPRISES AND COMMUNITIES

Scam Awareness Sessions

We collaborated with the Bank's Fraud Management Unit ("FMU") to deliver specialised scam awareness sessions for social enterprises, corporate companies, and community groups. Led by an expert from the FMU and CSR Team, these sessions provide critical insights into fraud prevention and offer participants the opportunity to share their views and address specific concerns, further strengthening their defences against financial scams. Maintaining strong momentum, the programme is ongoing after impacting close to 500 beneficiaries over the last financial year.



Celik Muamalat

In FY2026, Celik Muamalat brought Shariah financial literacy to four distinct communities. In October 2025, we engaged 200 staff, lecturers and postgraduate students at Universiti Sultan Zainal Abidin ("UniZA"), covering Islamic finance principles, investment and scam awareness in collaboration with HLMT. A session at Universiti Utara Malaysia ("UUM") in December extended the programme northward. In April 2026, we brought Islamic financial literacy into PPR Taman Mulia, reaching residents of a low-income residential community directly within their neighbourhood. A fourth session at the Penang Central Kitchen in May 2026, delivered as HLB DuitSmart edisi Celik Muamalat, equipped micro SME entrepreneurs with financial management and Islamic finance modules as part of their entrepreneurship journey.



International Symposium on Islamic Social Finance 2025 ("ISF2025")

HLB Islamic CEO Puan Dafinah Ahmed Hilmi delivered the Keynote Address at the International Symposium on Islamic Social Finance 2025, held at Universiti Utara Malaysia, Kedah on 28 and 29 October 2025. Her address, Small Capital, Big Impact: The Power of Microfinance, anchored the symposium's theme of Social Wellbeing Through Islamic Finance Integrity and Community Development. Drawing directly on HLB Islamic's iTEKAD programme experience, she positioned ethical microfinance as a structural instrument for entrepreneurship and poverty alleviation, and VBI as the framework that makes this distinction enforceable within a licensed Islamic banking institution.



SOCIAL ENTERPRISES AND COMMUNITIES

1st Islamic Social Finance Summit ("iSFIS 2025")

At the inaugural Islamic Social Finance Summit on 13 December 2025, HLB Islamic CEO Puan Dafinah Ahmed Hilmi was featured as a panelist on "Benchmarking and Rating of Islamic Social Finance Projects." Joining leaders from Bank Islam Malaysia and Maybank Islamic Berhad, the panel was moderated by the International Islamic University Malaysia ("IIUM"). Organised by the IIUM Institute of Islamic Banking and Finance under the theme "20 Years of Impact: Reshaping the Dynamic of Islamic Social Finance," the event convened key scholars, regulators, and industry leaders. Beyond the panel, HLB Islamic showcased its dedicated Islamic social finance solutions at the summit.



BNM Sasana Symposium 2025

We participated in the BNM Sasana Symposium 2025, held on 17 and 18 June at BNM Museum and Art Gallery, Sasana Kijang, under the theme Structural Reforms: Building a Resilient Malaysia. The symposium brought together financial institutions, policymakers and development finance practitioners in dialogue on economic resilience, digital transformation, financial inclusion and sustainability. Alongside our participation, we brought 786 Solutions, one of our iTEKAD beneficiaries and a mobile medical device entrepreneur, to the iTEKAD Marketplace convened within the symposium, placing a micro-entrepreneur supported by HLB Islamic's iTEKAD financing directly into a national regulatory forum.



As the closing milestone of BNM's Financial Literacy Month 2025, we participated in Karnival Celik Kewangan ("KCK") Penang, engaging the public on Islamic financial planning and awareness. The carnival was jointly organised by the Financial Education Network ("FEN") and BNM, launched by BNM Governor Abdul Rasheed Ghaffour alongside the Penang Chief Minister. Our booth presence extended HLB Islamic's community outreach footprint into the northern corridor, complementing our existing iTEKAD programme presence in the region. The event reinforced HLB Islamic's positioning as a values-driven Islamic bank committed to financial inclusion beyond product offerings.



SOCIAL ENTERPRISES AND COMMUNITIES

We extended our financial literacy participation to the East Coast, reaching communities in the eastern corridor within the same financial year. The Karnival Celik Kewangan 2026 was held on 26-27 June 2026 at Mayang Mall, Kuala Terengganu, organised by BNM as part of the FEN flagship financial literacy carnival. Our booth presence brought HLB Islamic's Islamic financial planning and social finance offerings directly to Terengganu communities, engaging the public on Shariah-compliant banking solutions and the role of VBI in broadening financial access. The event reinforced HLB Islamic's commitment to reaching underserved communities beyond urban centres, aligning with our VBI mandate to extend meaningful economic participation to all segments of society.



We represented HLB Islamic at Halal Development Corporation ("HDC")'s dedicated Halal Zone during National Training Week ("NTW") 2025, engaging SMEs and participants on Shariah-compliant financing and the Halal economy. Our participation drew directly from the BizHalal partnership between HLB Islamic and HDC, an initiative developed to support Malaysia's ambition to grow its Halal ecosystem and position the country as a leading global Halal hub. At the Halal Zone, our team engaged SME participants on HLB Islamic's integrated suite of Shariah-compliant financing and Halal advisory support, including readiness assessments and access to the Halal Digital Ecosystem, positioning HLB Islamic as a committed partner in building Malaysia's next generation of Halal champions.



We delivered financial literacy sessions to educators under the Institut Pendidikan Guru ("IPG") Ilmu Khas initiative, extending Islamic financial knowledge into the teaching community. By engaging educators directly, HLB Islamic contributed to building a multiplier effect for financial literacy, equipping teachers with practical Islamic banking knowledge they can carry into classrooms and communities. The sessions covered foundational concepts in Islamic financial planning, Shariah-compliant savings and financing, and the role of Islamic banking in supporting individual and community economic resilience. This engagement reflects HLB Islamic's approach to VBI-driven community investment, recognising educators as strategic partners in shaping financially literate future generations.



SOCIAL ENTERPRISES AND COMMUNITIES

In partnership with MR.DIY and Amanah Saham Nasional Berhad (“ASNB”), we brought Islamic savings product access to MR.DIY customers, extending financial inclusion through one of Malaysia’s highest-footfall retail networks. Taking place on 30 September 2025 at Mr. DIY Warehouse headquarters in Seri Kembangan, the collaboration placed HLB Islamic’s Islamic financial solutions at the point of daily consumer activity, reducing traditional barriers to financial access by meeting communities where they already are. By co-locating with ASNB, the initiative offered customers a seamless pathway from consumer spending to structured savings, reinforcing the link between financial literacy and actionable financial participation. The partnership demonstrated HLB Islamic’s commitment to broadening financial inclusion beyond the conventional banking channel.



We joined the national Waqf discourse alongside scholars, regulators and practitioners examining the modernisation of Waqf as a sustainable social finance instrument. Organised by Waqaf An-Nur to mark its 25th anniversary, Muzakarah Waqaf 1.0 served as a platform for scholarly exchange grounded in ijtihad and innovation, aimed at strengthening the national waqf agenda, bringing together Muftis, Shariah scholars, academics, and industry players. The muzakarah opened space for new collaboration between State Islamic Religious Councils (“MAINS”), government agencies, Islamic financial institutions, and the corporate sector, with sessions examining contemporary Shariah issues in corporate waqf, modern waqf innovation and research, and strategic partnerships. HLB Islamic’s participation affirmed our commitment to advancing Islamic social finance beyond conventional banking, contributing to the broader intellectual ecosystem that shapes the future of waqf as a vehicle for sustainable socioeconomic development.



Supporting the #JanganKenaScam national initiative in collaboration with Association of Banks in Malaysia (“ABM”)

Raising scam awareness among customers and the general public runs through various targeted channels and initiatives. In collaboration with ABM, scam awareness materials are reshared and posted across platforms, including social media and website pop-ups, on a weekly basis, part of a broader effort to strengthen customers’ financial security and alert the wider community to fraudulent activity. The #JanganKenaScam social media initiative, run consistently across the Bank’s platforms, has shown strong impact in raising public awareness and education.

Digital efforts of this kind have generated meaningful awareness and response from the public, reinforcing a genuine commitment to safeguarding the community and building financial resilience in the digital space.



SOCIAL ENTERPRISES AND COMMUNITIES

HLB Islamic #JanganKenaScam with Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM")

Fraud and scam awareness drives HLB Islamic's approach to consumer protection and social responsibility, protecting customers and the broader public alike. In alignment with Bank Negara Malaysia and banking associations such as AIBIM and ABM, anti-scam materials and educational resources continue to be deployed across customer touchpoints consistently.

The #JanganKenaScam social media campaign has been woven into the Bank's digital channels and community outreach programmes too. Equipping users with critical fraud-prevention tools this way, HLB Islamic continues to build community financial resilience and maintain a secure Shariah-compliant digital banking ecosystem.

Financial Inclusion

HLB Talking ATMs

Pioneering talking automated teller machines ("ATMs") for the visually impaired in Malaysia reflects the Bank's commitment to inclusive financial services. HLB Talking ATMs feature braille keypads and headphone sockets, offering accessible banking with voice instructions in English, Malay or Mandarin. As of FY2026, 16 HLB Talking ATMs operate across West and East Malaysia.



SOCIAL ENTERPRISES AND COMMUNITIES

HLB@School

HLB@School aims to elevate financial literacy among young people by digitalising a school's payment ecosystem. Transitioning schools towards a cashless environment instils essential financial habits, saving, responsible spending, and long-term planning among them, put into practice through the 3-in-1 Junior Account, which equips students with a reloadable debit card and access to the interactive HLB Pocket Connect app.

Empowering Students

The reloadable debit card gives students hands-on money management experience as they pay for meals and school supplies digitally, whilst the gamified HLB Pocket Connect app makes tracking savings and spending genuinely engaging, building early financial inclusion and easing the transition into a cashless society.

Enabling Parents

Parents reload cards and settle school fees via online banking, removing the need for physical currency, giving full transparency over their child's spending, and offering peace of mind as they guide their children towards financial responsibility.

Achievement in FY2026

10,974

Number of
accounts opened

11 schools

Number of
new schools onboarded

Total number of schools onboarded since 2021

112 schools

Future plan

- Continue to drive the enablement of Cashless School Ecosystem.
- Expand beyond JomPAY by adding FPX for fee collection to attract more School Operating Accounts
- Scale the HLB@School initiative into private/ international school segments by leveraging seamless eKYC 3-in-1 Junior Account onboarding to effortlessly acquire high-net-worth parents and students.

HLB@Campus

HLB@Campus was launched by HLB Islamic on 1 December 2025 to strengthen youth development and financial literacy, bridging the gap between education and real-world financial decision-making. The initiative includes student banking solutions, HLB DuitSmart: Celik Muamalat financial literacy workshops, and a Student Ambassador Programme, designed to support early-stage wealth creation among the next generation.

The programme was initially rolled out with three universities: Universiti College MAIWP International ("UniMAIWP"), Universiti Sultan Zainal Abidin ("UniSZA"), and Universiti Utara Malaysia ("UUM"). Throughout FY2026, HLB Islamic expanded its university partnerships significantly, establishing active engagements with UUM, Universiti Teknologi MARA ("UiTM") Kedah, UniSZA, Universiti Tun Abdul Razak ("UNITAR"), and UniMAIWP, extending HLB Islamic's youth engagement footprint across multiple states and bringing Islamic financial literacy directly into campus communities.

Through HLB@Campus, HLB Islamic reaffirms its commitment to cultivating financially resilient young Malaysians, embedding values-based banking into the early financial journeys of the next generation.

SOCIAL ENTERPRISES AND COMMUNITIES

Expanding Financial Access Beyond the Branch

Community Deposits Specialists (“CDS”) serve as a vital pillar of the Bank’s grassroots financial inclusion strategy, operating across the branch network with a mission that extends well beyond acquiring account deposits and generating product leads. Bridging the gap for unserved and underserved segments sits at the core of their work, bringing banking services directly to schools, local businesses and community events, providing on-site account opening support and financial literacy education. FY2026 saw this outreach accelerate further, with the CDS team visiting 325 locations and extending banking access to 40,297 previously underserved or new-to-bank customers.

Social Impact & Financial Inclusion: C4 Meet@HLB Branch Model

The C4 Meet@HLB branch model advances our commitment to financial inclusion and community-centric banking by integrating essential financial services directly into the places our customers live, work, and shop. By strategically embedding branches within local neighbourhoods and retail hubs, we minimise travel barriers and make banking seamlessly accessible to all.

Our core focus on accessibility is anchored by a 7-day banking service, designed to promote financial equity by accommodating the diverse schedules of shift workers, small business owners, and busy families. Beyond transaction convenience, these branches serve as vital community enablers, fostering trust, supporting local business resilience, and delivering tailored financial solutions that drive sustainable economic growth at the grassroots level.

Building on the Eco Majestic pilot, we have expanded nationwide to embed banking directly into key commercial, industrial, and residential hubs:

Industrial Growth	Emerging Townships	East Malaysia Footprint
Kulim Hi-Tech Park (“KHTP”) is optimised for high-velocity business banking needs.	Strategic partnerships with Eco World—including Eco Spring (Johor) and Eco Sanctuary (Kota Kemuning)—offer extended daily and weekend hours.	Recent launches at Servay Penampang, Kota Kinabalu (a 24/7 hypermarket) and Plaza Merdeka, Kuching establish our presence in high-traffic lifestyle hubs where urban communities live and shop.

With more locations in the pipeline, this expansion reinforces our commitment to bringing convenient, everyday banking closer to the communities we serve.

Treatment of Vulnerable Customers

BNM’s Fair Treatment of Financial Consumers (“FTFC”) policy reflects the Bank’s core brand promise, and full commitment to it continues as BNM advances these guidelines to protect vulnerable consumers further. Operations have been enhanced proactively to meet these elevated standards, with streamlined collaboration and updated SOPs giving staff clear, mandatory steps when serving vulnerable customers, keeping service aligned with the spirit of the FTFC throughout. FY2026 brought further refinement to vulnerable customer handling processes, with heightened staff standards in documentation and service levels following review, strengthening protection for this customer segment.

Learning and development efforts have expanded too, with targeted training programmes equipping staff to identify indicators of vulnerability and tailor service appropriately to meet customer needs. Prioritising equitable treatment for all brings fairness and inclusivity to life in practice, reflecting the organisation’s broader aspiration to deliver thoughtful, responsible service.

SOCIAL ENTERPRISES AND COMMUNITIES

Flood Relief Assistance

Climate challenges continue to reshape the world in ways that demand urgent, proactive response, and the Flood Relief Assistance programme reflects the Bank's commitment to community resilience in the face of this. Affected customers gain a vital financial safety net, up to six months of payment deferrals on loans and credit cards. FY2026 saw this targeted relief provide crucial, immediate support to four affected customers across Malaysia, helping them navigate recovery during a time of crisis.

OUR PERFORMANCE

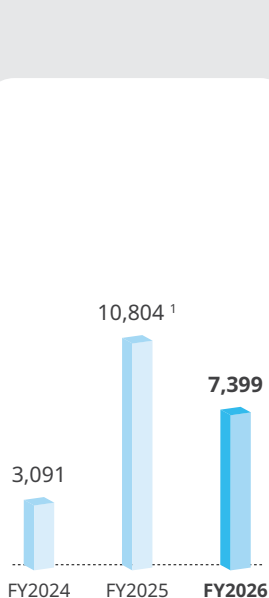
Number of training programmes on financial education



Number of participants in financial literacy initiatives for schools, customers and SMEs



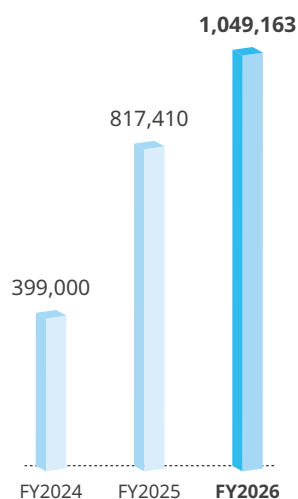
Total volunteer hours



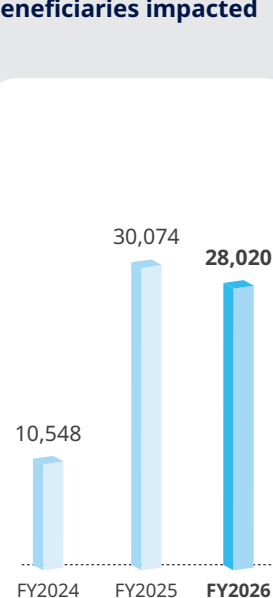
Number of employees who contributed to volunteerism



Total investment in social enterprises and communities (RM)



Total number of beneficiaries impacted



Note:

¹ The significant increase in volunteering hours in FY2025 is attributed to an additional 4,946.5 hours to the National Day parade preparations.

Digital Intelligence

Digital technology and AI integration serve as the cornerstone of our long-term competitiveness and operational resilience. The Bank is proactively executing an enterprise-wide AI deployment strategy—embedding advanced machine learning, predictive analytics, and automated decisioning across operations to deliver hyper-personalised solutions, elevate customer experience, and optimise workflow efficiency. To support this accelerated transformation safely, our digital expansion is backed by robust data governance frameworks, cybersecurity protocols, and privacy safeguards, ensuring safe, responsible, and ethical AI deployment at scale.

**AI-ENHANCED CUSTOMER
AND CLIENT EXPERIENCE**
122

**PRIVACY, DATA PROTECTION
AND CYBERSECURITY**
134

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

WHY IT MATTERS

Seamless, convenient banking, accessible anytime and anywhere, is simply what customers expect now, which makes leading in digital finance and innovation less a choice than a necessity. Keeping pace with technological advancement is what allows the Bank to deliver products and solutions that meet those expectations consistently, rather than playing catch-up.

Encouraging individuals and businesses towards cashless transactions runs alongside this, with speed, convenience and security among the clearest benefits on offer. Beyond strengthening the Bank's competitive position in banking and financial services, this work builds customer trust, supports long-term business resilience, and reflects a deeper commitment to responsible, sustainable banking practice.

RISK AND OPPORTUNITIES

Risks

- Inability to meet evolving customer expectations may lead to increased customer attrition, loss of market share, and diminished competitiveness.
- Inadequate investment in digitalisation or ineffective AI integration can negatively impact customer experience.

Opportunities

- AI and digital transformation enhance customer experience through 24/7 access, faster service via chatbots, and more personalised interactions.

Strategy and Mitigation Plan

Clear accountability underlies how AI is being rolled out safely and effectively: roles are being formalised within each department, backed by dedicated monthly meetings and progress reporting to the IT Steering Committee for oversight. Tracking has also begun across all AI, cloud and RPA initiatives, supporting transparent reporting and keeping these efforts tied to broader sustainability goals.

An Architecture Review Board reviews every AI solution to confirm alignment with security and scalability standards, whilst each project is assessed for potential business value too, whether cost savings or productivity gains, to keep impact measurable rather than assumed. AI Champions meet monthly on top of this, sharing knowledge and lessons learned in a way that surfaces new opportunities for responsible AI adoption and feeds into the Bank's longer-term digital transformation.

Metrics

- Customer Satisfaction Score ("CSAT"), Net Promoter Score ("NPS") and Customer Effort Score ("CES").
- Digital users and penetration.
- Number of customer complaints.

Contributions to UN-SDGs



AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

OUR APPROACH

Empowering Digital Transformation through AI in Banking

Artificial Intelligence (“AI”) runs through daily operations at the Bank, supporting the wider ambition of becoming a highly digital and innovative financial institution whilst unlocking creative solutions and a better customer experience along the way. A structured AI risk management approach turns policy commitments into practice, giving the Bank oversight of AI initiatives as they develop. Relevant stakeholders are brought in where it matters, helping identify and manage risk across the AI lifecycle, so that every initiative is evaluated against governance requirements and material risks are addressed and escalated as needed.

The Bank’s AI Policy and AI Risk Management Framework—operating in alignment with Board Policies on Technology Risk Management, Data Management, and Cyber Resilience—provide the governance structure necessary to maintain safe, ethical, and responsible AI deployment, ensuring corporate data and stakeholder interests remain protected as capabilities scale. The IT Steering Committee (“ITSC”) holds strategic oversight of all AI deployments, supported by relevant technology and operational committees across the Bank. Acting as the final endorsing body for new AI projects, the ITSC weighs emerging technological risks and allocates resources for successful implementation. Every machine learning model and algorithmic system is audited against baseline corporate principles: fairness, reliability, privacy, security, transparency, explainability and accountability, oversight designed to keep digital transformation safe, scalable and compliant across all regional entities.

AI applications differ widely in purpose, complexity and potential impact, and governance follows suit through a risk-based approach that applies proportionate requirements according to each initiative’s assessed risk profile, with safeguards in place throughout its lifecycle. This lets the Bank pursue responsible innovation without loosening its grip on ethical, risk management, security and customer protection standards.

Group Technology Restructuring Blueprint

Group Technology’s five-year agenda operates across three core architectural pillars, designed to eliminate technical debt and drive capital growth:

Technology Role

Transformation (“TRT”)

delineates “Plan, Build, and Run” functions, using a technical Dual Career Track to maximise talent retention.

Technology Transformation

Objectives (“TTO”) unifies system performance targets under a Vision 1-5-10 incident response model (1 minute to detect, 5 minutes to assemble, 10 minutes to act), driving systematically towards a target platform availability goal above 99.97%.

Technology Operational

Transformation (“TOT”)

is a board-approved RM52 million strategic programme spanning 7 core pillars, aimed at eliminating technical debt, re-architecting middleware, and optimising containerised spaces. 21 of 28 core activities have been completed to date under Project Steering Committee oversight.

TRT continued to clarify responsibilities across the “Plan, Build and Run” functions. Separating development work from day-to-day operations has enabled teams to focus more clearly on long-term architecture, delivery quality and system reliability.

This operating model was supported by a technical Dual Career Track, which allows employees to progress through specialist as well as managerial pathways. The division also strengthened its talent pipeline through experienced appointments, digital-native graduates and structured knowledge transfer between junior engineers and senior architects.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

TTO provided the common performance framework for the division. These included the Bank's Vision 1-5-10 incident response model, which aims to identify an issue within one minute, assemble the relevant response team within five minutes and begin corrective action within 10 minutes. This supports the broader objective of maintaining platform availability above 99.97%.

TOT remained the main programme for improving resilience and addressing technical debt. Backed by a Board-approved investment of RM52 million, the programme comprises seven operating pillars. By the end of FY2026, 21 of its 28 core activities had been completed.

Progress Across the Seven Pillars of TOT

The first pillar focused on strengthening leadership oversight. Senior technology and security appointments were made during the year, while weekly on-site leadership rotations improved visibility over operational issues. Platform availability was also embedded into management performance measures, reinforcing accountability for service stability.

Under the second pillar, the division refined its organisational structure by separating Run-the-Bank responsibilities from Change-the-Bank activities. This was complemented by the establishment of an Operational Quality Assurance team and targeted workforce expansion to strengthen operational resilience.

The third pillar centred on operational culture. Daily morning huddles were standardised across 10 core technology teams, creating a more consistent process for reviewing system health, incidents and emerging risks. Cross-regional dashboards were also introduced to track incident-free operating days and identify recurring issues more quickly.

The fourth pillar addressed process, security and change management. Live operational dashboards now provide Senior Management with real-time visibility over critical systems, while design-for-failure principles have been incorporated into capacity planning and system architecture. Technology risk gaps identified through prior reviews were also progressively closed.

The fifth pillar focused on investment and capacity planning. A five-year growth forecast was completed for the Bank's 27 most critical systems, providing a clearer basis for future infrastructure investment. Change governance was also tightened to reduce operational risk during major system deployments.

The sixth and seventh pillars concentrated on stability and resilience. The Bank strengthened redundancy across 62 connected systems and completed the rollout of enhanced controls over privileged system access. Work also progressed on the modernisation of data centre infrastructure, storage networks and system containment.

Collectively, these seven pillars created a stronger operating foundation for the Bank's expanding digital services while reducing the risks associated with ageing infrastructure and increasing transaction volumes.

Modernising Data Architecture

The enterprise data environment continued to shift from periodic batch processing towards more real-time use of information. Live data pipelines were introduced to process selected account and transaction information as it occurs, giving the Bank a more current view of customer activity and enabling faster analytics and engagement.

The Bank also expanded its ability to process information held in unstructured documents. AI-enabled document processing is now being applied to trade and credit records, reducing manual extraction and improving the consistency of data capture.

Data Navigator remained an important part of the Bank's data democratisation agenda. The self-service platform allows business users to trace data sources and lineage without relying entirely on specialist teams, supporting faster and more informed decision-making.

At the same time, legacy data repositories were consolidated into a more unified enterprise analytics environment. This reduced duplication, strengthened data quality and provided a more reliable foundation for automation and advanced analytics.

Scaling AI Across the Bank

AI deployment progressed from isolated proof-of-concept projects towards more practical use across customer servicing, credit processing, collections, document handling and employee productivity.

The Bank's approach remained centred on controlled adoption. New tools and models were tested in secure environments before wider deployment, allowing technology teams to assess accuracy, security, regulatory implications and commercial value before moving into production.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Approximately 7,200 employees gained access to conversational AI tools during the year, generating around 4,000 interactions a day. These tools supported research, drafting, workflow automation and knowledge retrieval, reducing time spent on routine activities and allowing employees to focus on more judgement-intensive work.

AI-enabled document processing was also expanded across selected lending journeys. The technology automates data extraction and compliance checks from application documents, reducing manual handling and shortening processing times.

Trade document automation progressed through its initial phases and is targeted for full production deployment in August 2026. Once completed, the solution is expected to improve the speed and accuracy of processing complex trade documentation.

The most measurable progress was recorded in credit origination. Automated decisioning was introduced across selected Auto Loan, Credit Card and SME journeys. For Auto Loans, application turnaround time was reduced from approximately 4.5 hours to 45 minutes.

The underlying systems can process more than 200 document types, allowing the Bank to handle higher application volumes without a corresponding increase in manual processing. This also enables employees to concentrate on exceptions, customer engagement and cases requiring more complex judgement.

AI was also applied in collections and customer engagement. The Sophia automated collection engine drove RM1 million in campaign uptake, scaling operational processing capacity. VoiceBot and predictive tools remained under development for selected fraud and wealth-related use cases.

The first phase of the AI Contact Centre ("AICC") is scheduled for rollout in early 2027. The new platform will replace fragmented legacy systems and enable more integrated customer journeys across digital channels, including handovers through WhatsApp for Business.

These initiatives demonstrate a gradual shift from AI as an experimental capability towards a more embedded operating tool that supports productivity, service quality and faster decision-making.

Enabling Digital Banking and Payments

Several business-facing platforms were strengthened during the year.

The underlying architecture of HLB ConnectPro was modernised to support higher transaction volumes, faster deployment of new features and greater resilience. Development also commenced on a dedicated digital banking solution for sole proprietors, with the first phase scheduled for launch in December 2026.

Apple Pay and Google Pay were enabled across eligible debit and credit card portfolios in December 2025. Enhanced eKYC capabilities were subsequently introduced for Personal Loans, Credit Cards and CASA, using real-time facial matching and deepfake detection to reduce onboarding friction while strengthening security.

Technical readiness was also achieved for cross-border DuitNow person-to-person transfers with Singapore, with final clearing and public enablement progressing through the relevant payment networks.

For Islamic banking customers, the Bank supported the introduction of dedicated digital features covering zakat, sadaqah and pilgrimage-related services within the retail banking application.

Supporting Regional Transformation

Technology investments extended across the Bank's regional operations, with common capabilities adapted to local regulatory and commercial requirements.

In Singapore, the Bank progressed the modernisation of lending systems and strengthened corporate payment and onboarding capabilities. Corporate PayNow and enhanced cross-border onboarding workflows were introduced, while preparations continued for broader wealth and brokerage services.

In Vietnam, banking services were integrated into local merchant platforms, including the So Ban Hang ecosystem. This enables customers to manage payments, business administration and selected financial services within their daily operating workflows.

The next phase of the Vietnam programme includes an upgraded loan origination platform and integration with the national digital identity system. Compliance controls were also strengthened by linking domestic transaction streams with centralised anti-money laundering screening.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

In Cambodia, systems were aligned to the National Bank of Cambodia's revised Technology Risk Management requirements. It also enabled participation in Bakong Phase 2, expanding access to the interbank QR payment network.

 For more information, please refer to page 64 of Hong Leong Bank's Annual Report 2026.

Strategic Value Creation Pillars

Every active AI and machine learning workflow is evaluated and tracked against three core pillars:

Customer Experience ("CX")	Operational Efficiency ("O")	Revenue Growth ("R")
Maximising the accessibility, convenience and availability of responsive digital touchpoints.	Optimising internal turnaround times, reducing administrative friction, and minimising processing overheads.	Identifying cross-selling opportunities and scaling long-term commercial value.

Customer Experience — Customer-facing Touchpoints

Sophia (C-Pro VoiceBot) serves as the frontline customer voice channel, modernising retail call handling, whilst Marina Chatbot Phase 2 handles automated customer query responses. Fraud VoiceBot proactively contacts customers to verify transaction anomalies, bridging customer experience with active risk and security management.

Operational Efficiency — Internal Turnaround and Optimisation

Trade OCR AI Automation uses optical character recognition to ingest and parse dense trade flows, automating high-volume documentation streams. BNM-assigned ID Phase 1 automates identity protocol classification across data systems, ensuring close regulatory alignment, whilst the Interview Scheduling Agent removes manual candidate coordination, saving administrative tracking and optimising resource allocation. Serena AI Chatbot operates as a bank-wide knowledge portal, using cloud-based AI tools to streamline document retrieval, search and summarisation, whilst Penny Chatbot Phase 2 supports employees across workplace readiness and internal service desk needs.

Revenue Growth — Commercial Value Creation and Digital Conversion

NIDs Cross Selling uses an AI VoiceBot to engage potential wealth customers around Negotiable Instruments of Deposit opportunities, automating lead conversion and projected to deliver RM250,000 in financial value per quarter.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Customer Satisfaction

Customer-centricity guides how the Bank advances digital finance and elevates the customer experience, put into practice through an end-to-end Customer Experience and Insights (“CXI”) framework that gathers feedback, addresses customer needs, tracks performance and marks milestones along the way.

Customers are engaged directly through the Voice of Customer (“VOC”) platform, which captures key customer insights, while the CX Lab serves as a collaborative co-working space where business, operations, and technology teams host workshops to turn those ideas and insights into human-centric solutions. In addition, our e-learning platform and the CXI Discovery Site serve as a centralised knowledge hub, equipping employees with the skills and insights needed to continuously innovate and champion the customer at every touchpoint.

Stakeholder engagement of this kind safeguards customer interests and keeps the Bank responsive to evolving community needs. FY2026 saw 33 continuous customer surveys run across banking channels and products, capturing the perspectives of 205,373 respondents through the centralised VOC digital platform, alongside eight ad-hoc research studies engaging 4,821 new-to-bank and existing customers to keep financial inclusion initiatives and service design genuinely accessible. Community voice feeds systematically into the design and governance of forward-looking banking initiatives as a result, with stakeholder insights translated into operational enhancements through partnership across internal business units. That transparent, collaborative approach to customer care has strengthened consumer trust, reflected in year-on-year improvement in both NPS and Customer Satisfaction results.

Indicator	FY2024	FY2025	FY2026
Number of customers who responded to the survey, N=	1,640	3,233	2,814
NPS	+21	+15	+20
CSAT			
• Top 2 box (“T2B”) score	82%	74%	78%
• Mean score	4.2	4.0	4.1
CES			
• Top 2 box (“T2B”) score	81%	75%	77%
• Mean score	4.2	4.1	4.1

CX Initiatives and Strategy

Data-backed service excellence drives HLB’s CX strategy, part of the Bank’s wider commitment to sustainable value creation, with an ambition to be recognised as the industry benchmark for iconic service and a target NPS of over +30 by FY2028. Four pillars give this long-term framework its structure, each aimed at building institutional resilience and customer trust:

Insights & Intelligence Direct engagement with customers, building centralised knowledge as a result.	Strategic Value Activation Alignment driven through the CX Carnival, raising awareness of Thoughtful & Responsible (“T&R”) banking alongside CX principles, whilst deploying customer-centric playbooks and roadshows.
Performance Governance Quality control maintained through nationwide mystery audits, active surveys and AI-driven process optimisation.	Service Culture & Recognition An inclusive, high-performance workplace fostered through employee awards.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Mobilising the Workforce: Embedding Shared Core Values at the CX Carnival

A workplace culture grounded in sustainable social governance took a visible step forward with CX Carnival 2026, rolled out across the Bank's two main offices at PJ City and Hong Leong Tower ("HLT") on 22 and 23 January 2026. The initiative was designed to drive positive cultural change by fostering a Thoughtful and Responsible ("T&R") work environment, embedding these principles into daily workflows so employees felt genuinely equipped, rather than simply informed, to deliver a more sustainable customer experience.

Close to 900 HLB staff took part across both locations, giving the rollout real reach in building internal awareness of the Bank's wider CX and T&R vision. Interactive touchpoints throughout the event encouraged employees to see, concretely, how their own everyday thoughtful and responsible actions feed into the Bank's broader customer service milestones.



PJ City: 22 January 2026

Hong Leong Tower: 23 January 2026

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Standardising an Iconic Customer Baseline through Nationwide CX Roadshows

Front-line branch employees play a pivotal role in maintaining consumer trust, which is why the Bank ran an extensive series of on-the-ground CX Roadshows across Malaysia, aimed at aligning regional workforces with national financial industry standards, in keeping with a broader push towards equitable human capital development and decentralised operational governance. Teams received a thorough overview of the Malaysian banking landscape during these sessions, drawing on insights from the ABM Customer Satisfaction Survey, internal benchmarking studies and mystery audits to pinpoint clear areas for localised service improvement.

Technical deep dives into the Bank's Branch CSAT and NPS framework gave the roadshows their structure, embedding accountability into regional operations along the way. Front-line staff were trained on survey methodologies, data tracking, and working with direct customer verbatim and real-world case studies, including managing high-volume surges during the Chinese New Year peak period, turning raw data into empathetic, actionable service behaviours.

This nationwide effort has become a core pillar of the mission to achieve an "Iconic CX" baseline across every touchpoint. Shared customer experience goals and uniform service guidelines have strengthened organisational cohesion as a result, narrowing the service gap between urban and rural networks. Ongoing investment of this kind keeps responsible customer care, financial inclusion and consistent consumer protection active across every community the Bank serves, even as the organisation continues to grow.



AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Nurturing an Enterprise-wide CX culture through the HLB CX Awards

24 standout individuals who championed exceptional customer experiences were spotlighted at HLB's Inaugural CX Awards, a step towards institutionalising operational excellence as part of the Bank's wider work on human capital development and social governance.

This benchmark initiative works as a catalyst for longer-term cultural change, helping standardise exemplary service behaviours across the organisation. Underlying it is a simple philosophy: customer experience belongs to the whole enterprise, not just to front-line staff.

Recognition of this kind, extended formally to employees across every function who consistently go beyond what's asked of them, drives sustainable growth in CX culture, supports talent retention, and gives the workforce as a whole a stake in building lasting trust with stakeholders.



Customer Complaints

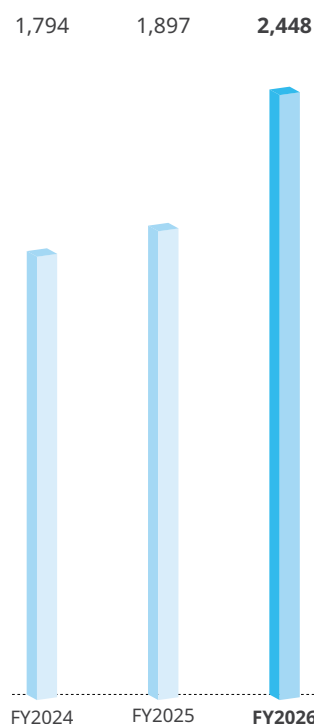
Continuous digital innovation and robust internal customer management systems work together to keep service standards high, with the Complaints Management SOP providing a comprehensive framework for handling grievances, strictly aligned with BNM's regulatory acts and guidelines, including FTFC, PDPA and FSA.

Customers are engaged across multiple platforms, and swift resolution is built into how the Bank operates internally through a 'Red Alert' Closed-Loop Feedback Mechanism, notifying front-line staff instantly whenever unfavourable feedback comes in, so it can be acted on straight away.

Targeted capacity building backs this multi-platform approach, with the Complaint Management Team delivering virtual, instructor-led training to all new hires across every division, keeping service standards consistent bankwide. Proactive customer engagement paired with this kind of internal strengthening continues to produce tangible results: FY2026 saw 100% of the 2,448 customer complaint cases received resolved successfully, whilst customer satisfaction scores rose year on year, a clear reflection of how well the Bank's internal mechanisms and customer-first approach are working.

Complaints received and resolved

(Cases)



AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Improving the In-Branch Experience

In-branch experience sits high on the list of external priorities, alongside developing digital products and solutions built to be genuinely inclusive.

Digital finance and innovation have both played a part in raising the standard of in-branch service, guided by a customer-centric approach throughout. Bringing digital technologies into branches has sharpened service efficiency and lifted the overall customer experience in turn.

In-Branch Services	Digital Solutions
Account opening and transactions	In-branch tablets enable branch personnel to deliver banking services from any location within the branch premises. This innovation helps reduce queuing and waiting times, allowing us to offer a more personalised service experience. By digitally capturing all required forms, the tablet also contributes to a significant reduction in paper consumption.
Banking transactions	Wireless terminals and applications to perform banking transactions anywhere within the premises, thereby reducing queues.
Paperless practice	Personalised Teller tablets help staff reduce paper consumption and carbon footprint. There is no form filling or bank-in slip required, reducing unnecessary receipt printing and promoting a clean desk policy.
Teller Assist Unit ("TAU")	Teller Assist Units accept, recycle and dispense notes for customers.

Digital Products for All Customers

We strive to create digital products that are accessible and inclusive to all customers, thereby broadening access to the financial ecosystem. The following are some notable examples follow:

Retail Banking		
 HLB Pocket Connect Digital application exclusive to our 3-in-1 Junior Account, designed to help young customers under 18 learn financial literacy and develop healthy money habits.	How it adds value - Features a patented Earn, Save, and Spend interactive tool. This gamified approach allows Junior savers to manage their personal finances in a fun and engaging way. - Through the "Earth Hero" programme, children can grow virtual trees by completing tasks or making QR payments. For every 20 virtual trees, a real tree is planted by the Bank, linking their actions directly to tangible reforestation efforts. - Empowers parents to teach their kids about money management. They can monitor their children's spending, helping them better understand and guide their kids' financial decisions. Parents can also assign tasks to their children, enabling them to earn pocket money and learn the value of work.	Achievements in FY2026 - Opened more than 88,500 new 3-in-1 Junior accounts. - Issued more than 61,700 HLB/HLB Islamic Junior Debit Cards. - Recorded over 3,900 Pocket Connect app signups for a cumulative total of more than 43,000.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

Retail Banking



Apply@HLB

Malaysia's first fully digital finance onboarding experience.

How it adds value

- Enables customers to conveniently open a bank account remotely, and conduct cashless transactions.
- e-Know Your Customer ("eKYC") digital onboarding process to evaluate customers' identities and verify their information.

Achievements in FY2026

- 49,937 new accounts registered.



HLB Connect Online

Our one-stop digital banking platform that facilitates a comprehensive range of transactions.

How it adds value

- Enables secure and convenient recurring payments through digital consent.

Key Enhancements in FY2026

- DuitNow AutoDebit introduces one time digital consent to allow authorised billers to securely collect recurring payment automatically.

Achievements in FY2026

- Over RM285 billion in retail transaction value for retail internet banking.
- Total number of retail internet banking users: Over 3.3 million.



HLB Connect App

Mobile app enabling a wide range of banking transactions on the go.

How it adds value

- Transforms digital onboarding ecosystem through powered eKYC to enable secure and convenient access to banking products.
- Provides personalised digital banking experiences tailored to customers banking needs.

Key Enhancements in FY2026

- AI-powered eKYC introduces end-to-end digital onboarding for CASA/-i, Credit Card and Personal Loan applications through biometric verification, facial recognition and deepfake detection.
- HLB Islamic Mode provides Muslim customers with streamlined access to Shariah Compliant products, services and promotions.
- To further enhance the digital payment experience in HLB Connect, we've enabled provision of Apple Pay directly on HLB Connect App.

Achievements in FY2026

- Over RM285 billion in financial transactional value for retail mobile banking.
- More than 3.3 million users for retail mobile banking, representing close to 10% year-on-year growth.
- 93% of total HLB Connect users are now HLB Connect App users.
- 81% of all transactions are mobile banking transactions.



HLB ConnectPro, HLB ConnectFirst and HLB ConnectBiz

Banking solutions tailored to meet the diverse business needs of customers.

How it adds value

- Streamlines business account opening process with greater accessibility.
- Consolidation of all business accounts in one digital banking ID.
- Reduces processing time and administrative burden, and minimise paper use for business customers.

Achievements in FY2026

- Over 190,000 registered users on HLB's corporate internet banking platform.
- Over 50,000 accounts opened digitally.
- Nearly 50% of profiles are active on Corporate Digital Banking.

AI-ENHANCED CUSTOMER AND CLIENT EXPERIENCE

SME, Commercial & Corporate Banking

**HLB BizBuddy App**

Allows our HLB merchants to accept cashless payments from their customers via DuitNow QR code.

How it adds value

- Generate both static and dynamic QR codes to accept payments seamlessly.
- Receive real-time transaction notifications for instant tracking, including voice notifications directly on the mobile phone in the merchant's preferred language.
- Download daily sales and settlement reports for hassle-free recordkeeping.
- Assign multiple cashier IDs to streamline store operations and management.
- Process instant refunds for same-day transactions.

Key Enhancements in FY2026

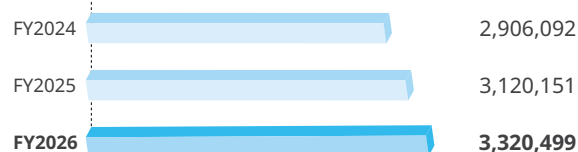
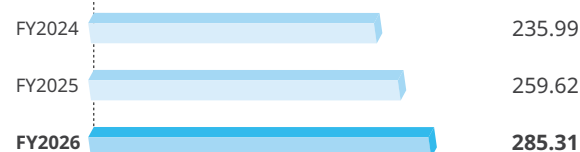
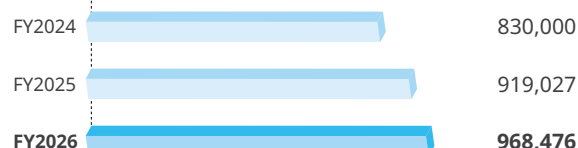
- Merchants can manage multiple outlets simultaneously under one Business Registration Number ("BRN") by requesting additional IDs through the BizBuddy App. This feature streamlines operations and provides greater control across all store locations from a single account.

Achievements in FY2026

- Approximately 150,000 total registered merchants/users.
- Over 50,000 new merchants/users acquired.
- More than RM2.1 billion in transaction value.

OUR PERFORMANCE

Digital Products

Total number of digital retail users (Unit)**Digital financial transaction value (RM Billion)****Total number of digital business users (Unit)****Digital financial transaction value (RM Billion)**

PRIVACY, DATA PROTECTION AND CYBERSECURITY

WHY IT MATTERS

Cyber resilience and consumer data privacy carry weight well beyond the usual operational checklist in a regional economy as interconnected as this one; they form the bedrock of systemic financial stability and inclusive digital finance in equal measure. The Bank treats data protection and cybersecurity engineering as fundamental to stakeholder trust, working to safeguard its wide-reaching digital value chains against threats that range from sophisticated corporate actors to state-sponsored ones.

RISK AND OPPORTUNITIES

Risks

- Insufficient security measures may lead to the compromise of customer information, resulting in a loss of customer confidence as well as significant financial and regulatory consequences.

Strategy and Mitigation Plan

Enterprise architecture has been modernised in line with BNM enhanced technology risk mandates, giving customer data privacy a firmer footing across the Bank's systems. Beyond the basics of employee awareness training and standard contract clauses, strict data classification now works alongside automated endpoint Data Loss Prevention ("DLP") controls, blocking unauthorised information leakage dynamically as it occurs. Advanced initiatives such as public cloud-based AI analytics and biometric eKYC pipelines take a further step, using unique organisational identifiers to keep consumer transactions logically isolated from one another, whilst critical database environments require full-disk AES-256 encryption and localised key management to keep data integrity intact throughout.

Metrics

- Number of data or security breach incidents.

Contributions to UN-SDGs



OUR APPROACH

Data Protection and Cybersecurity Governance

A defence-in-depth approach anchors the Bank's corporate governance structure, with clearly segregated duties keeping risk oversight independent, particularly where customer information and cybersecurity are concerned. Direction comes from the Board Information Technology Committee ("BITC"), which supports the Board of Directors in managing strategic technology risk and cyber resilience more broadly. The BITC and BRMC together approve the frameworks and technology risk tolerances that keep data secure, including the Board Policy on Technology Risk Management, Cyber Resilience, Data Management, and Data Protection and Customer Secrecy — policies designed to protect customers, employees and stakeholders alike, whilst keeping pace with sophisticated security challenges and the shifting behaviour of digital financial services users.

Core IT infrastructure and information security management systems are validated annually through external audits conducted by independent assurance firms, including PwC, alongside specialised cybersecurity partners. These assessments use the international ISO/IEC 27001 framework as their benchmark, keeping the Bank aligned globally and confirming that its protective defences meet top-tier standards consistently. Two further assessments, the Data Centre Resilience and Risk Assessment ("DCRA") and the Network Resilience and Risk Assessment ("NRA"), are carried out at least once every three years, or sooner if infrastructure or network design changes materially. The technology audit plan itself is reviewed annually too, keeping frequency and coverage appropriate across critical technology services and third-party providers.

PRIVACY, DATA PROTECTION AND CYBERSECURITY

Strengthening Cybersecurity and Operational Resilience

Trust and operational continuity across every market rests on cybersecurity holding firms, and the Bank's approach has moved from periodic assessment towards intelligence-led security models built on automation, continuous monitoring and integrated defence.

Vulnerability management improved markedly with the adoption of a continuous scanning platform, detecting weaknesses automatically, assigning priority scores, and enabling rapid remediation. A new centralised Security Information and Event Management ("SIEM") system now gives a unified, real-time view of security events across regional entities, strengthening incident response in turn. The web application firewall strategy has shifted to a cloud-based edge scrubbing network too, aimed at high availability and eliminating single points of failure by neutralising distributed denial of service traffic before it reaches core bank perimeters, whilst a next-generation Endpoint Detection and Response ("EDR") solution adds multiple layers of AI-driven defence against complex threats. Enhancements to Network Access Control ("NAC") have sharpened internal access management further still.

Red Teaming exercises and phishing simulations round out these efforts, testing system integrity whilst building staff awareness at the same time. A new Fraud Detection System, built on high-availability architecture and fully integrated with the Bank's data lake, now provides continuous, real-time protection in line with BNM latest requirements.

Detection Measures	Preventive Measures	Response Measures
Enhancing the efficiency of data leakage detection and prevention.	Strengthening capabilities in cyber threat prevention.	Improving readiness and responsiveness to incidents.

The App Authorise function, introduced in 2022, replaced the SMS Transaction Authorisation Code ("TAC") system, letting customers securely view and approve transaction details within the HLB Connect App. Other cybersecurity features round out this protection: a "one mobile device per customer" policy restricting access to a single registered device at any time, and an emergency lock feature preventing unauthorised transactions via the HLB Connect account.

Cutting-edge technologies, including AI, machine learning and infrastructure investment, continue to rank among the Bank's top priorities, aimed at sharpening operational efficiency, driving innovation and opening new revenue streams. The goal in drawing on these technologies is straightforward: hyper-personalised services, automated routine processes, and a sharper ability to anticipate what customers need before they ask.

Data Privacy Management

Customer data and privacy protection fall under a clear framework, the Board Policy on Data Protection and Customer Secrecy, which governs personal and financial information across its full lifecycle. This policy keeps the Bank aligned with prevailing regulatory requirements, setting out guiding principles for data purposes, classifications, permitted disclosures, access corrections, and confidentiality expected without exception.

Safeguarding this data is governed by logical perimeters, encryption standards and technological controls. These are reinforced through infrastructure investment, stringent identity management, and isolated cloud database schemas engineered to eliminate unauthorised data commingling or external exposure. Every member of staff, meanwhile, is bound by the Code of Conduct and Ethics ("Code"), which requires total confidentiality of customer information at all times, with strict disciplinary measures in place for any breach.

PRIVACY, DATA PROTECTION AND CYBERSECURITY

Following statutory updates to the Personal Data Protection (Amendment) Act, the Bank's appointed Data Protection Officer now steers internal data governance directly, overseeing mandatory six-month baseline configuration reviews and dual-validation protocols to keep compliance strong. Vigilance underlies data security more than anything else, which is why branch staff receive ongoing training to deepen their understanding of the Personal Data Protection Act; 779 employees completed training on the Act and its reporting process this year, equipping front-line teams for early detection and clear on the escalation procedures needed to mitigate risk swiftly.

Managing Fraud Proactively

A real-time intercept model helps the Bank detect and prevent fraudulent transactions and scams proactively, upholding customers' trust. Advanced behavioural analytics monitor touch-navigation patterns and session anomalies, working alongside sophisticated electronic identity verification platforms that detect and block account takeover attempts and generative deepfake attacks instantly. Higher-risk transactions receive further reinforcement through automated transaction interventions and a dedicated, self-service digital "kill switch" within digital platforms, letting users suspend their own credentials immediately if compromise is suspected.

Should a scam occur, the 24/7 contact centre (03-7626 8899) follows specialised, structured playbooks to initiate out-of-band verification callbacks within thirty minutes, working closely with the Fraud Management Unit to secure assets, investigate thoroughly, and report telemetry directly to Group Risk (Technology Risk).

Prevention, Investigation and Monitoring of Frauds and Scams



PRIVACY, DATA PROTECTION AND CYBERSECURITY

Cyber Risk and Fraud Awareness

Data privacy and cybersecurity gain further strength from comprehensive education programmes, both internal and external, covering cybersecurity, fraud and scam prevention. Employees complete mandatory e-learning modules alongside ongoing communications, building understanding that stays current rather than static.

Customer awareness draws on a range of resources and support channels. A dedicated Security Alert and Scam Prevention section on the Bank's corporate website offers detailed guidance to help customers spot potential threats and protect themselves, whilst regular alerts published across the website, mobile app and social media platforms encourage customers to stay watchful.

Internal and external training programmes work in tandem to build a genuinely vigilant culture against evolving financial crime across operations. Internally, the workforce is equipped to detect and mitigate emerging scam tactics and data security risks, with mandatory training on privacy and data security extending to contract employees and part-timers alongside permanent staff, closing any operational gaps that might otherwise appear. Externally, the Branches, Marketing & Communications, and Fraud Management Unit ("FMU") teams champion public resilience through targeted educational campaigns, weaving fraud-prevention modules into community financial literacy initiatives such as the HLB DuitSmart programme, keeping both employees and customers well protected against cyber threats.

Cyber Risk Communications and Employee Awareness

- Emerging Cyber Threats Newsletter circulated to all staff to inform of the latest threat landscape.
- Phishing awareness session led by the Technology Risk department.



Annual Cybersecurity E-Learning

All employees are required to complete an annual online refresher course on cyber risk management, with a minimum passing score of 80%.

In FY2026, over 8,000 of employees successfully passed the cybersecurity e-learning with a minimum passing score of 80%.



Learn how to safeguard yourself from scams by scanning this QR code.

OUR PERFORMANCE

There were no material¹ data or security breach incidents substantiated² in FY2024, FY2025 and FY2026.

¹ Material breach refers to incidents that are likely to pose reputational risk to the Bank or adversely affect public confidence and trust.

² Substantial incidents refer to written notices received from regulators or similar authorities, identifying a material customer privacy breach that the Bank recognises as legitimate.



Workforce Transformation

Fostering a future-ready employee experience is central to our long-term institutional resilience. We strategically invest in human capital transformation—equipping our workforce with essential AI literacy, advanced technical proficiencies, and future-focused capabilities to navigate a rapidly digitising industry. Complementing this technological drive is an enduring commitment to corporate sustainability, ensuring our people actively advance environmental stewardship and social responsibility alongside business and digital progress.

TALENT DEVELOPMENT AND AI-READINESS

139

SUSTAINABILITY-DRIVEN CULTURE

155

TALENT DEVELOPMENT AND AI-READINESS

WHY IT MATTERS

Standing firm in a rapidly evolving global market means investing in people as much as anything else, and the Bank's People Ambition reflects exactly that: building a world-class, AI-ready talent pool and leadership team. Attracting, developing and retaining future-ready professionals remains an ongoing priority, achieved through AI upskilling, structured digital learning and agile career mobility within an environment built on diversity and inclusion. Together, these efforts equip the workforce to make the most of emerging technologies and grow alongside the Bank as it evolves.

RISK AND OPPORTUNITIES

Risks

- High employee turnover or inability to retain key talent may disrupt business continuity, reduce institutional knowledge and increase recruitment and onboarding costs.
- Inadequate investment in training, upskilling and employee development, or ineffective deployment of training resources, may result in critical skill gaps, inefficient use of resources, and an inability to build a future-ready workforce.

Opportunities

- Investing in talent development and retention strengthens attraction, reduces turnover costs, and supports employee skill development and career growth.

Strategy and Mitigation Plan

To address emerging skill gaps and preserve institutional knowledge, the Bank systematically enhances workforce capabilities and retention through structured AI upskilling, digital learning pathways, and transparent career development initiatives delivered via platforms such as HLB@Workday, Go1, and LEAP.

High employee turnover is mitigated and institutional knowledge preserved by promoting transparent career development pipelines. Internal talent ecosystems have expanded through initiatives such as HLB Career Week, weekly internal vacancy publications, and structured mentoring via monthly "Career Coach" platforms.

These workforce development programmes are reinforced by strict educational governance across core business divisions, including the "No Training, No Sales" policy for SME banking and "No Certification, No Sales" for PFS/PFS-i, reinforced by mandatory annual compliance e-learning and post-training retention assessments.

Metrics

- Total Annual Training Hours
- Internal Mobility and Placement Rate
- Turnover Rate
- Compliance Assessment Pass Rate

Contributions to UN-SDGs



TALENT DEVELOPMENT AND AI-READINESS

OUR APPROACH

Meaningful employee experiences run through how the Bank thinks about its people, built around several core pillars that guide this work:

Workplace Transformation	Workforce Transformation	Talent Management	Employee Wellbeing, Health, Safety & Environment
Reviewing, optimising and embedding initiatives that drive performance.	Building capabilities and leadership effectiveness to ensure readiness for change and transformation.	Building and maintaining strong and effective processes across the employee journey, from recruitment to succession planning.	Safeguarding our employees holistically, with a focus on mental and emotional health.

ATTRACTING HIGH-QUALITY TALENT

Focused Recruitment Strategies

To attract high-potential talent, the Bank leverages targeted recruitment channels—including structured internships, graduate trainee programmes, and protégé internships, each detailed below.



Internship Programme

A three-month placement gives students hands-on experience and genuine insight into the Bank's operations, a chance to immerse themselves in the organisational culture, build practical skills, and explore what a career in banking might look like.

Management Associate Programme

Nine months of intensive, fast-track development make up the HLB Management Associate Programme, designed to groom future banking leaders quickly. Rather than long rotations, the model is hands-on from day one, placing MAs directly into high-impact strategic projects. Exclusive mentorship and foundational training back this accelerated pathway, moving top talent swiftly into management roles.

TALENT DEVELOPMENT AND AI-READINESS

Graduate Trainee Programme

Fresh graduates gain in-depth exposure across multiple divisions within the Bank through the Graduate Trainee Programme, a structured 12-to-15-month initiative built for breadth of experience.

Protégé Programme

Targeted roles within the Bank become accessible more quickly through the Protégé Programme, an eight-month internship designed to fast-track graduates into these positions.

Beyond these programmes, the Bank collaborates actively with key universities through career fairs, on-campus events and virtual talks, engaging and attracting future talent well before graduation.

University Outreach Sessions



Left to Right: University of Wollongong Career Fair, APU University Career Fair and Cash Management Workshop at Monash University Malaysia

Month	Recruitment Initiatives	
July	Quest International University - Wealth Graduate Trainee Opportunities Sharing Session	- Tunku Abdul Rahman University ("UTAR") Kampar Career Fair - UTAR Sungai Long Internship Opportunities - Virtual Talk - UTAR Sungai Long Career Fair
August	Tunku Abdul Rahman University of Management and Technology ("TAR UMT") Johor - Wealth Graduate Trainee Opportunities Sharing Session	- TAR UMT Sabah Sharing Session - Multimedia University ("MMU") Melaka Career Fair
September	Monash Career Fair	INTI International University ("INTI") Nilai Career & Internship Fair
November	Universiti Malaya Career Fair	Taylors University Career Fair
April	- UNITAR International University Open Day - Monash University Future Forward Career Fair 2026	- MMU Melaka Career & Internship Fair 2026 - Monash University Investment Group ("MUIG") - Cash Management Workshop
May	Asia Pacific University Career Fair - ("AMCF") 2026	
June	MyStarjob Fair Penang @Setia SPICE Convention Centre	

TALENT DEVELOPMENT AND AI-READINESS



Chartered Financial Analyst ("CFA") Recognised Employer Partner 2026

For the year under review, the Bank was recognised for committing to talent development for employees through the CFA qualification in pursuit of the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

Onboarding Programme

New hires complete a structured, virtual onboarding programme within their first 60 days, built around mandatory training modules designed to instil a solid grasp of the Bank's core values, operational standards and regulatory expectations from the outset.

Self-directed e-learning modules make up part of this, alongside virtual training sessions covering topics such as "Introduction to Sustainability", "Brand Promise", "Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA 2001")", and "Islamic Banking and Finance". New employees and fresh graduates with fewer than two years' work experience must also complete the "Introduction to Ethics in Banking" course through the Asian Banking School ("ABS"), building the ethical grounding that responsible banking practice depends on.

Performance over the past five years (FY2022 - FY2026)

Over 7,000 new employees have participated in our new hire induction programme to date, including 1,218 who completed it during FY2026.

Over 7,000 employees have completed the Introduction to Sustainability and Brand Promise training sessions, with 1,208 participants recorded in FY2026 alone.

More than 1,200 employees have completed the Asian Banking School's Introduction to Ethics in Banking course, with 285 employees completing the course in FY2026.

TRANSFORMING LEARNING & DEVELOPMENT: FUTURE-PROOFING OUR WORKFORCE

A resilient, future-ready workforce takes deliberate cultivation, and the Bank's Learning & Development strategy reflects that, curating industry-aligned programmes, accelerating digital and AI competencies, and building structured leadership pathways into the organisation itself. Targeted frameworks and robust digital ecosystems give people the tools to navigate a shifting financial landscape with genuine agility and skill.

TALENT DEVELOPMENT AND AI-READINESS

Continuous improvement starts with ownership: employees are expected to complete a minimum of 40 training hours annually, taking charge of their own professional growth rather than waiting for it to be assigned. Structured development initiatives support this expectation across every level of the organisation, outlined below.

Curating Future Skills Framework ("FTS") Learning

Core training initiatives have been mapped deliberately to the national Future Skills Framework ("FSF"), ensuring the workforce builds capabilities systematically in line with emerging financial sector demands. The year's key achievements included the "Jewel Series" e-learning campaign, launched under HLB LEAP 2025, which curated 15 structured courses on the Go1 platform addressing five critical FSF Power Skill gaps: Critical Thinking, Digital Fluency, Innovative Thinking, Problem-Solving, and Communication.

AI and advanced data analytics capabilities received particular attention too, through a partnership with the Asian School of Business that sent key professionals through an intensive Certified AI Practitioner programme, integrating AI into core banking processes whilst employees were upskilled in parallel via Tableau Desktop Specialist tracks and Financial Analytics for Strategic Budgeting workshops.



Peer-to-peer knowledge sharing found a home through the internal Teachback Series, with the Group Risk Management's Data Mining Workshop and Growth Segment workshops among the highlights. Early talent acceleration and core professional growth also gained real momentum this year, through the launch of the HLB Accelerated Career Enrichment ("ACE") Programme in collaboration with the Asian Banking School.

Accelerating AI Fluency and Digital Integration

Alongside the deployment of Google productivity technologies across the Bank, scalable upskilling modules were rolled out to optimise operational effectiveness, drawing on the Bank's agile digital learning architecture to launch the "Mastering Google Gemini AI" course organisation-wide. Reflecting how central AI adoption has become to the Bank's strategy, completing these digital capability modules are applicable towards the annual mandatory Training Key Result Area ("KRA") goal for employees.

Delivering Structural Leadership Blueprints

Career progression is guided through outcome-driven, structured leadership content tailored for Leading Self, Leading Others, and Leading Managers. This leadership blueprint delivers focused modules ranging from Strategic Thinking and Executive Presence to Emotional Intelligence and Effective Delegation, drawing on premium material from institutes including Harvard Business Publishing, Harvard ManageMentor, and Emeritus.

High-Retention, Multi-Channel e-learning Ecosystem

Continuous, self-directed learning is encouraged through an expanded central digital repository hosted via Go1 @ Workday, giving employees on-demand access to industry-leading content from more than 200 global providers, including Coursera, Blinkist, Emeritus, Skillsoft, Hemsley Fraser, and Harvard ManageMentor. This content spans interactive, high-retention formats, e-books, video tracks, micro-articles, case studies, and fluidbooks, accommodating different learning styles and paired with internal knowledge checks that help lock in what's been learned.

TALENT DEVELOPMENT AND AI-READINESS

Learning & Development Programmes

Employees	Programme	Description
All	Digital Training using Go1 digital learning platform	- Promotes an 'anytime, anywhere' learning mindset by providing seamless access to training resources. - Offers employees access to 80,000 modules curated from over 200 content providers. - Expand development opportunities across a broad range of subjects and competencies (e.g. in alignment with Future Skills Framework). - Fully integrated into HLB@Workday, the Bank's people and performance management platform.
Role-Based	Cohen Brown Programme – Extraordinary Sales Leadership, Proactive Relationship Banking, Professional Sports Coaching	- We invested in Cohen Brown's Extraordinary Sales Leadership programme and Professional Sports Coaching to build sales leadership depth. We also invested in Proactive Relationship Banking to equip our Wealth Executives in delivering exceptional customer service. - This comprehensive training drive generated 551 learners demonstrating deep engagement across our teams.
	Professional Scrum Product Owner I ("PSPO I") certification	- To accelerate our digital evolution and embed agile methodologies deep within our operational fabric, four cohorts comprising 78 cross-functional participants across the Bank successfully obtained the Professional Scrum Product Owner I ("PSPO I") certification. - The certification equips professionals with advanced capabilities in bridging business strategy and technology execution—focusing on agile product management, value-driven product delivery, effective product backlog management, and seamless stakeholder collaboration. - A curated C-level PSPO session was also conducted to cultivate the agile approach at HLB.
	Islamic Finance Training Programme	- A comprehensive capacity-building programme with in-house training on Shariah and Islamic Finance, delivered by external trainers. - Mandatory for employees handling Islamic transactions. - Over the past five years, more than 8,000 employees have completed the Islamic Finance Training Programme, with 1,208 employees completed in FY2026.
People Managers	Coaching for Performance Programme	- Assist managers in becoming effective coaches, so they may effectively empower members of their team. - Over the past five years, more than 700 employees have completed the training, with 138 employees completed in FY2026.
	Driving The People Agenda ("DPA")	- Since 2019, 1,629 People Managers have participated online and in face-to-face workshops on how to build better teams. - In FY2025, DPA has been relaunched as an interactive online self-learning module with an assessment on HLB@Workday. The digital transition has driven strong adoption, with over 1,300 People Managers having completed the module since its relaunch, including 213 completions in FY2026.
Bank-Wide	"Lunch & Learn" Brown Bag Series	- Informal learning sessions, focusing on productivity and well-being topics. - In FY2026, we conducted 40 sessions, which were attended by more than 1,300 employees.

TALENT DEVELOPMENT AND AI-READINESS

Employee development follows the 70:20:10 Learning Framework: 70% through hands-on experience, 20% through interaction with others such as mentoring and coaching, and 10% through structured formal training.

Delivering Personalised Development

Comprehensive training programmes and hands-on experience give employees the tools to take charge of their own professional growth. Career trajectories are mapped through Individual Development Plans (“IDPs”), shaped by ongoing performance discussions with Line Managers across Goal Setting, Mid-Year and Year-End reviews. FY2026 bore this out in practice, with 1,438 employees transitioning to new roles or earning promotions during the year. Professional accreditation also receives active support from the Bank, alongside structured mentoring and coaching opportunities designed to build meaningful relationships and support career advancement over the long term.

Accredited Programme	Description	Progress
The Chartered Bankers Programme	This certification programme is a joint initiative by the Asian Institute of Chartered Bankers (“AICB”) and the Chartered Banker Institute in the UK. It’s designed to grow our pool of qualified chartered bankers by providing a recognised professional qualification that supports banking excellence and ethical standards.	As of FY2026, 32 employees have successfully earned their Chartered Banker certifications since FY2019, with 13 currently working toward completion.
AICB Certification in Risk, Audit, Compliance, Credit and AML/CFT	The AICB courses are mandatory for all key personnel handling critical functions such as risk, audit, compliance, credit, and AML/CFT. This requirement aligns with an industry-wide commitment made in October 2017 between the AICB and member banks of the ABM to uphold professional standards in the banking sector.	In FY2026, 230 employees enrolled in 235 AICB Certifications and are targeted to complete AICB courses by 2031. 25% of these enrolments are currently working towards completing their certifications, while 75% have already completed the required courses.
Islamic Accreditation on Programmes	The Islamic Finance Qualification (“IFIQ”) is a required certification for all professionals in the Islamic finance sector, ensuring they meet industry standards and have the necessary knowledge to operate in this specialised field.	Over the past five years, more than 971 employees have completed the training, with 131 employees bank-wide completed the IFIQ certification in FY2026 following the programme’s expansion across multiple divisions. This expansion, advised by our Shariah team, is a key initiative to enhance our organisation-wide Shariah competency.
	The Certified Shariah Advisor (“CSA”) and Certified Shariah Practitioner (“CSP”) programmes are professional certifications designed to strengthen knowledge and expertise in Shariah principles and their practical application in Islamic finance.	In FY2026, two HLB Islamic employees earned the CSA and CSP designations. These professional certifications are designed to deepen expertise in Shariah principles and their practical application within Islamic finance.

TALENT DEVELOPMENT AND AI-READINESS

TALENT REVIEW AND SUCCESSION PLANNING

Careers advance internally through both upward progression and lateral moves across divisions, with staff exploring internal job postings to see the full range of pathways available.

FY2026 saw strategic appointments and genuine career progression continue at pace. Twenty-two Senior Management were promoted this year, recognised for exceptional dedication, performance and leadership that continues to drive the Bank's success, whilst more than 750 team members across other levels of the organisation were promoted alongside them. These figures speak to the contributions employees have made towards the Bank's Transformation Plan, and to a culture built firmly around performance.

Internal career mobility receives active encouragement across the organisation, supported by monthly "career coach" sessions run through the Virtual Brown Bag

Lunch & Learn platform, covering topics such as building ambition, sharpening communication, and forming effective professional relationships. A weekly "Step Up to Your Next Role" newsletter reinforces this further, giving clear visibility into vacancies and advancement opportunities bank-wide.

Sustainability Knowledge Programme

Sustainability finds its way into corporate culture partly through the annual 'Introduction to Sustainability' e-learning course, mandatory for all employees, covering ESG fundamentals such as climate and human rights risks, corporate reporting requirements, global ESG indices, and the financial sector's role in driving long-term value. Group Sustainability runs monthly virtual onboarding sessions on top of this, ensuring new hires receive the training without delay. Learning of this kind builds shared responsibility across the workforce, giving employees a genuine stake in advancing the Bank's ESG goals.

Sustainability Training Key Highlights

FY2026 saw a suite of targeted learning initiatives delivered to strengthen sustainability knowledge and build ESG awareness across the organisation, as follows:

Bank-wide Mandatory e-learning

All employees are required to complete an annual e-learning course titled "Introduction to Sustainability" as well as a quiz at the end of the course to reinforce understanding of the topics covered. In FY2026, over 8,000 employees completed the mandatory Sustainability e-learning course.

External Training

In addition to internal learning initiatives, we support continuous development by enabling employees to participate in external training programmes. Selected team members involved in sustainability efforts at the Bank have attended specialised courses covering a wide range of topics, such as updates on the sustainability landscape and emerging trends, sustainable finance, calculating and reporting emissions, biodiversity and nature among others.

Digital Learning

To support flexible and continuous learning, we offer a range of digital sustainability modules on the Go1 platform. These include topics such as Introduction to Environmental Sustainability, Decarbonisation, ESG and Sustainable Investing, and Financial Materiality. Employees are encouraged to complete these courses at their own pace and convenience, reinforcing individual ownership of sustainability knowledge and practice. In FY2026, more than 2,000 employees completed these courses, a 24% increase from last year, indicating an increased interest from employees.

Division-Led Training

Business & Corporate Banking ("BCB")

- The Fundamental Account Sales Training ("FAST") is held 4 times annually for all new BCB front-line employees. In FY2026, a total of 188 employees received training in product knowledge, system familiarity, and business processes. The programme also includes an overview of BCB's ESG Policy, providing new employees with essential insights into our sustainability approach from the outset.
- Additionally, 260 existing BCB employees refreshed their knowledge of the ESG Policy and Assessment Framework via e-learning module.

TALENT DEVELOPMENT AND AI-READINESS

PROVIDING COMPETITIVE REMUNERATION & BENEFITS

Remuneration Strategy

A high-performance culture is the aim behind the Bank's remuneration strategy, designed in step with the vision of becoming a highly digital and innovative ASEAN financial services company. As a cornerstone of the Employee Value Proposition ("EVP"), the strategy drives the right behaviours, cultivating a workforce known for strong values, real integrity, a clear sense of responsibility and high ethical standards. The Remuneration Policy itself builds a competitive framework to attract and retain top talent, balancing performance outcomes carefully against prudent risk management.

Performance evaluation within this practice weighs non-financial key performance indicators ("KPIs") too, including alignment to the Code of Conduct and Ethics, risk management and compliance, meritocracy, prudent risk-taking, HLB values, and selected ESG measures.

Pay mix delivery for the Group Managing Director ("GMD"), Senior Management and employees more broadly comprises the following components:

Fixed and Variable Pay

Fixed pay is delivered at an appropriate level, taking into account employees' skills, experience, responsibilities, competencies, and performance. It is benchmarked against comparable organisations to ensure competitiveness for attraction and retention purposes.

Performance-linked variable pay, in the form of bonuses, is awarded at the end of the financial year, subject to the Bank's overall performance and in recognition of individual contributions and key achievements. It is designed to reward the achievement of objectives aligned with value creation for our shareholders and multiple stakeholders.

A robust KPI setting process is in place, incorporating risk management into scorecards to minimise excessive risk-taking behaviours and ensure sufficient control mechanisms. For individuals in Senior Management positions, variable bonus awards exceeding a defined threshold are deferred over a specified period.

Long-Term Incentives

The Bank recognises and rewards individuals for their contributions towards its long-term business achievements (both in qualitative and quantitative measures) through a combination of cash and non-cash (i.e. shares or share-linked instruments) elements that are subject to partial deferment over a period of time (typically over a few years) with a built-in clawback mechanism.

Clawback Provisions

The clawback mechanism can be triggered when there are non-compliances to regulations and policies and where Management deemed necessary due to achievements of performance targets that are not sustainable. Clawbacks are typically (and not limited to) applied in the case of Gross Misconduct, Financial Misstatements, Material Risks and/or Malfeasance of Fraud.

Employment Benefits and Programmes

Employee benefits (e.g. screening, health and medical, leave passage) are used to foster employee value proposition and wellness to ensure the overall wellbeing of our employees. These are being reviewed annually to ensure we remain competitive in the industry and that our employees are well taken care of.

TALENT DEVELOPMENT AND AI-READINESS

Sustainability-linked Remuneration

Sustainability-related KPIs have been built into employees' Key Result Areas ("KRAs"), grouped under the 'Here for the Long Term' pillar, which carries a 6% weighting. Every employee documents both qualitative actions and quantitative outcomes tied to their sustainability initiatives, building accountability and transparency into performance from the ground up.

Senior and middle management personnel responsible for embedding sustainability within divisional initiatives—including the Group Managing Director—are evaluated against performance scorecards linked to climate and sustainability objectives. The associated KRAs account for between 3.5% and 70% of total weightings, with the maximum allocation designated for the Chief Sustainability Officer.

Employee Benefits

A wide-ranging benefits package spans various leave entitlements, medical coverage, financial aid, scholarships and subsidies, an investment that reflects the Bank's focus on employee satisfaction and overall wellbeing.

FY2026 brought a new addition: 'Healthy Day Leave' rewarding employees who maintain continuous active work status over a six-month period. The benefit plays a genuine role in promoting wellness, easing burnout, and managing absenteeism before it becomes a bigger issue.

FY2026 Employee Benefits

Leave	
Annual Leave 22 to 26 days of leave annually, subject to the employee's years of service.	Marriage Leave 10 days consecutive of paid leave for first legal marriage while employed with the Bank.
Maternity Leave 120 consecutive days of paid leave for up to five surviving children.	Paternity Leave 5 consecutive working days of paid leave for up to five surviving children.
Pilgrimage Leave 10 consecutive working days of paid leave for one occasion after completing three years of service with the Bank.	Study & Examination Leave 4 working days of paid study leave per calendar year for Bank-approved examinations. - No cap on examination leave for actual exam date for Bank-approved examinations.
Sports Participation Leave 10 consecutive working days of paid leave for participation in official sporting events on behalf of the employee's state or home country.	Birthday Leave Half day of paid leave on the employee's actual date of birth if it falls on a working day.
Compassionate Leave 3 consecutive working days of paid leave upon the death of an employee's spouse, parent, parent-in-law or child. 2 consecutive working days of leave upon the death of an employee's brother, sister or grandparent.	CSR Leave 2 working days of paid leave per calendar year.

TALENT DEVELOPMENT AND AI-READINESS

Leave

Prolonged Illness Leave

- Leave of up to 24 months, with the first six months on full pay, the following 6 months on half pay and the remaining 12 months on unpaid leave, subject to recommendation by the Bank's panel doctor or a government hospital.

Medical

Medical Coverage

- Covers all employees and their dependents, including one legal spouse (if not covered by another employer*) and up to 5 surviving children (ages 15 days to 21 years, unmarried and unemployed).
- For unionised employees (Association of Bank Officers Peninsular Malaysia – ("ABOM")/ National Union of Bank Employees – ("NUBE")/Sabah and Sarawak), coverage includes the employee and their:
 - Legal spouse;
 - Children under 18 years;
 - Disabled children over 18 years who are not gainfully employed; and
 - Children up to 23 years if attending full-time education at a local institution.

* If both the employee and their spouse are employed by the Bank, only 1 set of medical benefits is provided.

Annual Medical Examination

- Eligible for:
 - Employees aged 45 and above at Grade M3 and above, after 12 months of continuous service.
 - Unionised employees aged 35 and above.

Financing Support

Housing & Car Financing

- Employee housing financing and car financing at preferential rates.

Sundry Loan/Financing

- Eligible for officers, clerical and non-clerical employees, subject to terms and conditions.

Festival Advance

- Eligible for employees at Grade E1 and below, as well as officers, clerical and non-clerical employees, subject to terms and conditions.

Study & Scholarship Awards

Employee Study Award

- Eligible for employees with at least one year of service wishing to pursue a professional courses certificate, diploma, advanced diploma, Bachelor's degree or MBA/Master's degree, subject to terms and conditions.

Hong Leong Group Scholarship Award

- Eligible for permanent Hong Leong Group employees who:
 - Have served for five consecutive years and whose child has not received other scholarships or grants (except National Higher Education Fund Corporation – ("PTPTN") study loans);
 - Are not in their final year of study;
 - Only one application is allowed per year; and
 - One child per application per annum can be financed for pre-university or tertiary-level education.

TALENT DEVELOPMENT AND AI-READINESS

Subsidy

Disability Care Subsidy

Unionised employees are entitled to:

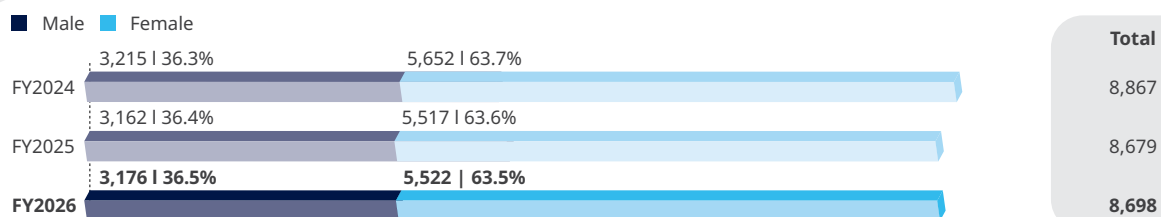
- RM150 monthly per family for one disabled spouse or child, or RM200 monthly for two or more disabled dependents.

Child-Friendly Facilities

- Access to fully equipped nursing rooms at HLT and PJ City Tower A for nursing mothers.

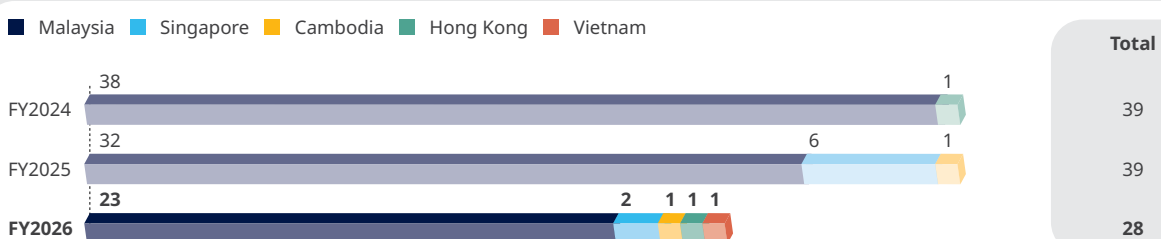
OUR PERFORMANCE

Gender Composition of Employees

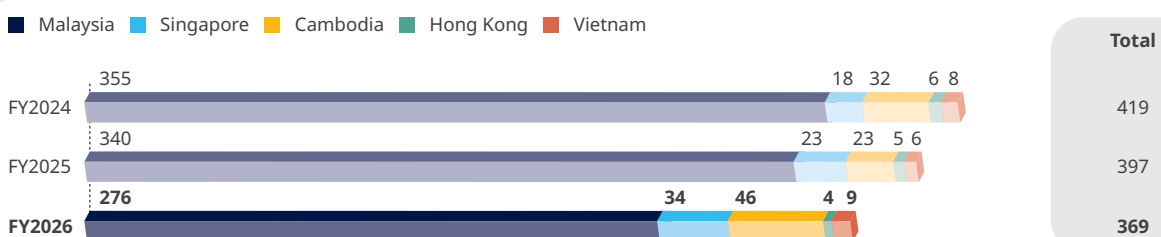


Total number of employee turnover by employee category

Senior Manager (Persons)



Manager (Persons)



TALENT DEVELOPMENT AND AI-READINESS

Executive (Persons)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

**Total**

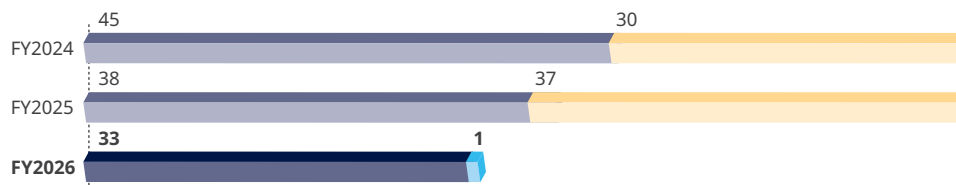
1,279

1,033

998

Non-Executive (Persons)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

**Total**

75

75

34

Total number of employee turnover by gender**Male (Person)**

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

**Total**

747

621

597

Female (Person)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam

**Total**

1,065

923

832

TALENT DEVELOPMENT AND AI-READINESS

Total number of employee turnover by age group

Under 30 years old (Person)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam



Total

760

760

548

30-50 years old (Person)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam



Total

919

647

754

Over 50 years old (Person)

■ Malaysia ■ Singapore ■ Cambodia ■ Hong Kong ■ Vietnam



Total

133

137

127

Total training hours by employee category

FY2024

FY2025

FY2026

Malaysia

Senior Manager	17,291	22,034	21,115
Manager	163,231	180,039	182,586
Executive	372,772	381,406	370,680
Non-Executive	73,678	77,218	70,857
Total training hours	626,972	660,697	645,238

Singapore

Senior Manager	299	411	492
Manager	3,400	4,425	5,642
Executive	1,775	2,199	2,616
Non-Executive	23	23	51
Total training hours	5,497	7,058	8,801

TALENT DEVELOPMENT AND AI-READINESS

Total training hours by employee category	FY2024	FY2025	FY2026
Cambodia			
Senior Manager	419	451	712
Manager	7,653	6,838	5,780
Executive	6,203	5,122	2,558
Non-Executive	0	18	3
Total training hours	14,275	12,429	9,053
Hong Kong			
Senior Manager	49	91	58
Manager	495	530	620
Executive	418	374	651
Non-Executive	0	0	0
Total training hours	962	995	1,329
Vietnam			
Senior Manager	124	92	125
Manager	4,326	4,810	4,572
Executive	8,623	10,054	8,764
Non-Executive	0	0	0
Total training hours	13,073	14,956	13,461
Grand Total	660,779	696,135	677,882
Average hours of training by employee category	FY2024	FY2025	FY2026
Malaysia			
Senior Manager (Hours/Employee)	68	86	80
Manager (Hours/Employee)	81	90	87
Executive (Hours/Employee)	82	86	86
Non-Executive (Hours/Employee)	54	58	55
Singapore			
Senior Manager (Hours/Employee)	21	34	38
Manager (Hours/Employee)	30	37	39
Executive (Hours/Employee)	32	35	43
Non-Executive (Hours/Employee)	8	8	25
Cambodia			
Senior Manager (Hours/Employee)	70	56	89
Manager (Hours/Employee)	70	68	61
Executive (Hours/Employee)	63	58	47
Non-Executive (Hours/Employee)	0	18	3

TALENT DEVELOPMENT AND AI-READINESS

Average hours of training by employee category	FY2024	FY2025	FY2026
Hong Kong			
Senior Manager (Hours/Employee)	25	91	29
Manager (Hours/Employee)	23	28	33
Executive (Hours/Employee)	26	23	38
Non-Executive (Hours/Employee)	0	0	0
Vietnam			
Senior Manager (Hours/Employee)	41	31	62
Manager (Hours/Employee)	82	86	51
Executive (Hours/Employee)	55	66	45
Non-Executive (Hours/Employee)	0	0	0
Average hours of training by gender	FY2024	FY2025	FY2026
Malaysia			
Male (Hours/Employee)	74	78	77
Female (Hours/Employee)	78	85	83
Total average hours of training (Hours/Employee)	77	82	82
Singapore			
Male (Hours/Employee)	27	34	40
Female (Hours/Employee)	33	41	42
Total average hours of training (Hours/Employee)	30	36	36
Cambodia			
Male (Hours/Employee)	65	61	61
Female (Hours/Employee)	68	65	54
Total average hours of training (Hours/Employee)	58	56	46
Hong Kong			
Male (Hours/Employee)	15	17	35
Female (Hours/Employee)	16	15	35
Total average hours of training (Hours/Employee)	30	31	42
Vietnam			
Male (Hours/Employee)	62	83	46
Female (Hours/Employee)	60	65	50
Total average hours of training (Hours/Employee)	61	71	58

SUSTAINABILITY-DRIVEN CULTURE

WHY IT MATTERS

The transition to a sustainable economy rests, in the end, on the capability and conviction of the Bank's people. A sustainability-driven culture gives the workforce a common purpose, turning what might otherwise be a compliance requirement into something closer to a catalyst for innovation. Employees who understand and embody ESG goals are better placed to advise customers, manage emerging climate risks, and develop financial products built for the future. A genuine culture of sustainability also lifts employee engagement, builds a sense of shared responsibility, and gives the Bank the institutional agility it needs to navigate a fast-changing global landscape.

RISK AND OPPORTUNITIES

Risks

- Failure to embed a sustainability-driven culture may result in weak ESG performance, lower employee engagement, increased reputational risk, and missed opportunities for long-term value creation.

Opportunities

- Embedding a sustainability-driven culture can enhance employee engagement, strengthen brand reputation, improve ESG performance, and unlock long-term value creation.

Strategy and Mitigation Plan

Building long-term resilience means embedding Environmental, Social and Governance ("ESG") principles deeply into the organisation itself, and the Bank's strategy centres on translating high-level corporate goals into tangible, day-to-day actions employees can actually take. The flagship "HLB Impact" programme drives this cultural shift, serving as the central framework for purpose-driven internal engagement and social stewardship.

Sustainability KPIs are woven into goals, continuous capability-building modules run across every business unit, and direct channels exist for employee-led volunteerism. Aligning the workforce's daily mindset with HLB Impact's objectives in this way helps guard against organisational inertia, closes the gap between policy and practice, and builds an inclusive workplace culture that champions sustainable finance and ethical corporate citizenship as a matter of course.

Metrics

- Knowledge Gain Rate.

Contributions to UN-SDGs



OUR APPROACH

HLB Impact, the Bank's sustainability outreach platform, has organised a range of engagement sessions to drive sustainability awareness and encourage sustainable practice both within the Bank and beyond it. In line with the core material topic 'Sustainability-driven Culture', the initiative has grown to place real emphasis on external engagement and community partnerships as well. Guided by the "Here for the Long Term" core value, these engagements feed into employees' sustainability-related performance metrics too.

Reception and learning outcomes have been strong, with participants reporting a 4.5 out of 5.0 Satisfaction Rate and an 80% Knowledge Gain Rate across our sessions (improving average knowledge scores from a pre-event baseline of 2.5 to 4.5). Programmes of this kind reinforce a broader commitment to raising ESG awareness, building sustainable habits both internally and externally, and creating a resilient, sustainable ecosystem across the Bank's entire value chain.

SUSTAINABILITY-DRIVEN CULTURE

“Bag It” Documentary Screening (3 and 4 July 2025)

International Plastic Bag Free Day provided the occasion for a special screening of the award-winning documentary “Bag It: A Film About Your Life in Plastic”, hosted by the Bank over two days. The event was designed to raise employee awareness of just how far-reaching single-use plastics’ impact can be, on ecosystems and human health alike, challenging viewers to reconsider their own daily reliance on plastic and, in doing so, energising the workforce to champion waste-reduction efforts. Sixty-two employees attended, marking a key step in the Bank’s ongoing internal campaign to eliminate single-use plastics, a campaign that supports broader strategic targets around minimising operational waste and building a culture of sustainability that reaches corporate life and employees’ personal lives alike.



Recycling Day (24 and 25 July 2025)

Waste diversion, responsible consumption and sustainable waste management took centre stage during Recycling Day, organised in partnership with Recircle across the HLT and PJCA locations. Employees took part in disposing of various waste streams responsibly, paper, plastic and e-waste among them, collecting 1,817.5 kg of recyclables in total: 183 kg from HLT and a striking 1,634.5 kg from PJCA. Routing these materials back into recycling rather than landfills, a tangible step forward in the Bank’s ongoing commitment to climate action and sustainability at the local level.



International Day of the World’s Indigenous People: Panel Talk and Pop-Up Market (6 and 7 August 2025)

HLB Impact marked the International Day of the World’s Indigenous Peoples with a two-day event honouring indigenous heritage and its role in sustainability and climate action. On 6 August 2025, a panel talk titled “The Role of Indigenous Communities in Sustainability” drew 129 participants, both in person and online, with speakers from social enterprises supporting indigenous communities, including Gerimis, Tanoti, SOLS Energy and Native Discovery, discussing how Orang Asli and Orang Asal traditions shape a sustainable future. The following day brought an Indigenous Pop-Up Market, showcasing handmade goods and cultural initiatives from vendors such as Asli Mak Intan, Gerai OA, The Asli Co. and Tanoti, generating sales and raising donations for SOLS Energy to power off-grid Orang Asli homes.

SUSTAINABILITY-DRIVEN CULTURE

The panel talk landed well with attendees: most surveyed rated the speakers' delivery a 4 or 5, and reported that the content met or exceeded expectations. Understanding of Orang Asli and Orang Asal communities deepened noticeably among participants, meeting the session's educational goals, with most respondents reporting improved knowledge and a strong willingness to recommend future sustainability events. Feedback of this kind translated into real action, too, with attendees committing to support indigenous businesses and attend the pop-up market that followed.

Sustainability Month

Weekly activities and a month-long recycling challenge marked Sustainability Month, a campaign designed to embed sustainable practice into corporate culture. The Social Enterprise Carnival brought proceedings to a close, a lively finale and pop-up market that brought together local social enterprises, interactive games and a prize-giving ceremony to celebrate the collective effort behind the month's activities.

The HLB Inter-Division Recycling Challenge stood out as a major highlight, run with recycling partner Recircle and drawing 10 participating teams into a competitive drive that diverted over 4,679 kg of recyclable waste from landfills. Two specialised workshops rounded out the month, designed to give staff practical skills and inspire further engagement:

Recycling Right (Zero Waste Malaysia)

Educated 28 participants on proper waste segregation and the "5R" principles.



A practical workshop conducted by Zero Waste Malaysia to educate staff on the correct and proper recycling method and demystify the often confusing and challenging parts of recycling through essential How-To's and Do's & Don'ts. This session was also organised to help prepare participating staff for the HLB Inter-Division Recycling Challenge.

Now I Can Mend (Stories We Wear)

Equipped 34 participants with hands-on clothing repair techniques to promote slow fashion and reduce textile waste.



This hands-on beginner-friendly workshop on mending and upcycling garments focused on teaching practical sewing and mending techniques to extend the life of garments, with the concept of responsible or slow fashion as a sustainable way-of-life. Participants learned to repair and upcycle their items as a creative alternative to disposal, which diverts textile waste from landfills and contributes to fight against climate change.

Post-event surveys indicated overwhelming success. Both workshops achieved a 100% recommendation rate, with participants demonstrating significant knowledge gains, praising speaker effectiveness, and expressing a strong demand for future sustainability programming.



SUSTAINABILITY-DRIVEN CULTURE

Annual Sustainability Expert Engagement Session

Board Members and Senior Management build capacity through the Annual Sustainability Expert Engagement Session, designed to keep them current on industry developments and trends. Facilitated by PwC Malaysia, the session covered three areas: green growth sectors, spanning policy drivers, market trends and shareholder responses; nature dependencies, including an introduction to the Taskforce on Nature-related Financial Disclosures ("TNFD") and the sectors most affected, alongside associated impacts, risks and opportunities; and the evolving legal and policy landscape, covering key International Court of Justice ("ICJ") developments shaping expectations around corporate and financier responsibility, and Malaysia's National Action Plan on Business and Human Rights ("NAPBHR") and its relevance to financial institutions. Senior Management, SWC Members and Board Members from across the financial group entities attended, finding the session both insightful and genuinely engaging.



HLB Mini EV Talk | EV for All: Moving Sustainably Towards a Cleaner Future

Sustainable lifestyles found a practical outlet through "EV for All", an educational panel featuring industry leaders from BMW, BYD, Proton and Kineta. Sixty-seven employees attended a session focused on the future of electric mobility, addressing topics such as charging infrastructure development and the environmental benefits of adopting EVs. A two-day Mini EV Autoshow ran alongside the talk at the HLT Lobby, turning awareness into something more tangible by giving employees direct access to modern vehicle technologies, home charging solutions, and exclusive incentive offers designed to encourage low-carbon commuting.



Sustainable automotive financing was the focus at the launch of the BYD Atto 2, where the Bank partnered with BYD to present an educational session on the topic. The presentation addressed Financed Emissions specifically, the indirect GHG emissions tied to investment and lending portfolios, and showed how the shift to EVs offers a genuine mechanism for reducing them.

Forty participants attended, industry stakeholders and prospective buyers among them, with discussion centring on how adopting green vehicles like the BYD Atto 2 lowers tailpipe carbon emissions directly, giving both financial institutions and consumers a way to shrink their environmental footprint.

SUSTAINABILITY-DRIVEN CULTURE

Garden for Impact

Garden For Impact runs monthly at Sayur In The City @ YWCA KL, a long-term workshop and CSR programme developed by social enterprise Eats, Shoots & Roots ("ESR") that contributes directly to the Sayur in the City urban farm whilst giving our employees vital knowledge in urban farming and environmental stewardship. Hands-on planting and garden management let participants help expand the edible garden that grows food for the community and benefits, in particular, the young women at the YWCA Vocational Training Opportunity Centre ("VTOC").



Sessions cover a range of urban farming practices, each designed to build lasting environmental awareness:

Syntropic Agroforestry	Plant Propagation & Replanting	Seed Saving & Plant Care
Understanding how to mimic nature's forests to create dense, productive, self-sustaining food systems.	Learning the science behind multiplying plants from existing stems, leaves or roots, and transferring them safely to ensure survival.	Discovering how to harvest, dry and store seeds for future seasons, alongside the daily maintenance that keeps plants thriving.
Rice Propagation in the City	Composting & Worms	Introduction to Garden Maintenance
Demystifying how to grow a staple crop within an urban landscape.	Harnessing organic waste and vermicomposting to regenerate soil health naturally.	Building the foundational skills needed to manage a backyard or community farm with confidence.

The programme's impact plays out across several fronts, delivering genuine social and environmental value to a range of beneficiaries:

Beneficiaries	Impact	Measurable outcomes
VTOC Culinary & Baking Students	Provided fresh, organic produce harvested directly for their culinary classes and daily meals, lowering food costs and raising nutritional value.	23 kgs of fresh vegetables harvested from 6 garden beds.
Sayur In The City Farm	Enhanced local biodiversity while diverting organic waste from landfills to regenerate the farm's soil ecosystem.	298 litres of compost harvested & 323 seedlings planted.
Supporting Social Enterprises	Meals created for participants directly supported the YWCA VTOC students' practical learning and contributed to the income of social enterprise Ibupreneur.	165 meals created.

OUR PERFORMANCE

In FY2026, we achieved an 80% Knowledge Gain Rate across all our internal sessions (improving average knowledge scores from a pre-event baseline of 2.5 to 4.5).

APPENDIX I: BURSA MALAYSIA PRESCRIBED TABLE

HONG LEONG BANK BHD IFRS S2

Date & Time: 2026-09-18_15:53:43
Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Climate Resilience	Total Green, Affordable and Green, and Affordable Property Financing - Disbursed and Committed	MYR (bil)	* 3.3	3.1	Mobilise RM20 billion in Sustainable Finance by FY2029	External (Limited)	The target applies to the Bank's entire sustainable financing
Footnote 2025	Restated to include material omitted eligible sustainable assets						
Climate Resilience	Total Green, Affordable and Green, and Affordable Property Financing - Outstanding	MYR (bil)	* 177	19.8	-	External (Limited)	-
Footnote 2025	Restated to include material omitted eligible sustainable assets						
Climate Resilience	Total Green Vehicles Financing - Disbursed and Committed	MYR (bil)	* 0.9	1.5	Mobilise RM20 billion in Sustainable Finance by FY2029	External (Limited)	The target applies to the Bank's entire sustainable financing
Footnote 2025	Restated due to reclassification of certain assets						
Climate Resilience	Total Green Vehicles Financing - Outstanding	MYR (bil)	1.8	2.7	-	External (Limited)	-
Climate Resilience	Total BCB Sustainable Financing - Disbursed and Committed	MYR (bil)	0.5	0.7	Mobilise RM20 billion in Sustainable Finance by FY2029	External (Limited)	The target applies to the Bank's entire sustainable financing
Climate Resilience	Total BCB Sustainable Financing - Outstanding	MYR (bil)	0.1	0.5	-	No assurance	-
Climate Resilience	Scope 1 Emissions	tCO2e	* 124	* 115	Net Zero operational emissions (Scope 1 and 2) for the Malaysia operations by FY2030	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote 2026	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						

APPENDIX I: BURSA MALAYSIA PRESCRIBED TABLE

HONG LEONG BANK BHD
 IFRS S2

 Date & Time: 2026-09-18_15:53:43
 Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Climate Resilience	Scope 2 Emissions (Location-Based)	tCO2e	* 25,336	* 23,741	Net Zero operational emissions (Scope 1 and 2) for the Malaysia operations by FY2030	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote 2026	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						
Climate Resilience	Scope 2 Emission (Market-Based Emissions)	tCO2e	-	16,252	Net Zero operational emissions (Scope 1 and 2) for the Malaysia operations by FY2030	* External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote Assurance	Confirmed assurance from auditor						
Footnote Remarks	Remark revised to exclude boundary						
Climate Resilience	Scope 3 Emissions - Excluding Financed Emissions	tCO2e	* 12,843	* 13,171	Net Zero emissions across Scope 1, 2 and 3 for Malaysia and regional operations by FY2050	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote 2026	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						
Climate Resilience	Scope 3 Emissions - Cat. 13 Downstream Leased Assets Emissions	tCO2e	* 783	750	Net Zero emissions across Scope 1, 2 and 3 for Malaysia and regional operations by FY2050	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						

APPENDIX I: BURSA MALAYSIA PRESCRIBED TABLE

HONG LEONG BANK BHD
 IFRS S2

 Date & Time: 2026-09-18_15:53:43
 Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Climate Resilience	Scope 3 Emissions - Cat. 6 Business Travel Emissions	tCO2e	* 1,937	* 2,110	Net Zero emissions across Scope 1, 2 and 3 for Malaysia and regional operations by FY2050	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote 2026	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						
Climate Resilience	Scope 3 Emissions - Cat. 7 Employee Commuting Emissions	tCO2e	* 10,123	* 10,311	Net Zero emissions across Scope 1, 2 and 3 for Malaysia and regional operations by FY2050	External (Limited)	* For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated from Malaysia operations to include regional operations						
Footnote 2026	Restated from Malaysia operations to include regional operations						
Footnote Remarks	Remark revised to exclude boundary						
Climate Resilience	Scope 3 Emissions - Cat. 15 Investments	tCO2e	* 8,262,360	* 7,437,539	Net Zero emissions across Scope 1, 2 and 3 for Malaysia and regional operations by FY2050	No assurance	Financed emissions is excluding LULUCF and is largely limited to Malaysia operations. Scope 1 and 2 emissions are disclosed for 6 out of the 7 PCAF asset classes while the remaining asset class is limited to Scope 1 emissions. For further details, please refer to Appendix II of the Sustainability Report FY2026
Footnote 2025	Restated due to the updates of the PCAF standard and database, as well as enhancements to our methodological approach and data quality						
Footnote 2026	Rectified casting error						

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE



Environmental Management

MM1: Climate Resilience

Indicators	FY2024	FY2025	FY2026
Total Green, Affordable and Green, and Affordable Property Financing for Malaysia Operations			
Disbursed and Committed (RM'bil)	Disclosure started in FY2025	3.3 (restated)^	3.1 [△]
Outstanding (RM'bil)	15.4 (restated)^	17.7 (restated)^	19.8 [△]
Total Green Vehicles Financing for Malaysia Operations			
Disbursed and Committed (RM'bil)	Disclosure started in FY2025	0.9	1.5 [△]
Outstanding (RM'bil)	1.2	1.8	2.7 [△]
Total BCB Sustainable Financing for Malaysia Operations			
Disbursed and Committed (RM'bil)	Disclosure started in FY2025	0.5	0.7 [△]
Outstanding* (RM'bil)		0.1	0.5

* Outstanding balances represent financing that has been disbursed since FY2025 only.

^ The FY2024 and FY2025 figures for Green, Affordable, and Green & Affordable Property Financing were restated to include material omitted eligible sustainable assets. This resulted in the increase in SFF mobilised financing of RM0.2 billion from RM3.1 billion to RM3.3 billion in FY2025 and the increase in outstanding financing of RM0.8 billion from RM14.6 billion to RM15.4 billion for FY2024 and of RM0.7 billion from RM17.0 billion to RM17.7 billion for FY2025.

Indicators	Baseline FY2019	FY2024	FY2025	FY2026
GHG Emissions (tCO ₂ eq)				
Scope 1 Emissions				
Malaysia	196	102	95	93 ^Δ
Singapore	5	9	9	8 ^Δ
Cambodia	11	21	20	14 ^Δ
Total Scope 1 Emissions	212	132	124	115 ^Δ
Scope 2 Emissions				
Malaysia	33,374	26,393	24,384	22,837 ^Δ
Singapore	259	241	192	196 ^Δ
Cambodia	282	422	376	353 ^Δ
Hong Kong	47	28	27	27 ^Δ
Vietnam	341	360	357	328 ^Δ
Total Scope 2 Emissions (Location-Based)	34,303	27,444	25,336	23,741 ^Δ
Total Scope 2 Emissions (Market-Based)	No Prior redemptions/offsets			16,252 ^Δ
Scope 3 Emissions (excluding financed emissions)				
Malaysia	12,307	13,254	12,451	12,817 ^Δ
Singapore	96	121	115	116 ^Δ
Cambodia	132	158	115	95 ^Δ
Hong Kong	54	32	26	32 ^Δ
Vietnam	79	106	136	111 ^Δ
Total Scope 3 Emissions (excluding financed emissions)	12,668	13,671	12,843	13,171 ^Δ
Scope 3 Emissions by Category				
Category 13 Downstream Leased Assets Emissions				
Malaysia	474	737	783	750 ^Δ
Total Downstream Leased Assets Emissions	474	737	783	750 ^Δ

△ This data has been independently assured. Refer to independent limited assurance report on page 207.

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	Baseline FY2019	FY2024	FY2025	FY2026
GHG Emissions (tCO₂eq)				
Category 6 Business Travel Emissions				
Malaysia	1,287	1,597	1,842	2,014 [△]
Singapore	14	13	17	16 [△]
Cambodia	81	76	34	32 [△]
Hong Kong	7	5	6	5 [△]
Vietnam	24	47	38	43 [△]
Total Business Travel Emissions	1,413	1,738	1,937	2,110 [△]
Category 7 Employee Commuting Emissions				
Malaysia	10,546	10,920	9,826	10,053 [△]
Singapore	82	108	98	100 [△]
Cambodia	51	82	81	63 [△]
Hong Kong	47	27	20	27 [△]
Vietnam	55	59	98	68 [△]
Total Employee Commuting Emissions	10,781	11,196	10,123	10,311 [△]

Indicators	FY2024	FY2025	FY2026
Biogenic Emissions (tCO₂eq)			
Malaysia	19	32	19

Notes:

- [△] This data has been independently assured. Refer to independent limited assurance report on page 207.
- Scope 2 market-based emissions incorporated Renewable Energy Certificates ("RECs") covering all operational sites in Malaysia (Peninsular Malaysia, Sabah and Sarawak) by using a weighted average grid emission factor.
- Scope 1 and 2 emissions of other investees are Nil because the Group has no operational control over them. In accordance with the Group's organisational boundary approach, these emissions are instead captured under Scope 3 (Category 15 – Investments) on a best-effort basis.
- The GHGs emitted by the Group are Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and Hydrofluorocarbons (HFCs) which are converted to CO₂ equivalent according to the terms set in 2021 IPCC Sixth Assessment Report.

Financed Emissions by Asset Classes

PCAF Asset Classes	Total Outstanding Loan and Investments Covered (RM mil)	Scope 1 + Scope 2 Financed Emissions (tCO ₂ eq)	Scope 3 Financed Emissions (tCO ₂ eq)	Scope 1 + Scope 2 Financed Emissions Intensity (tCO ₂ eq/RM mil)	Weighted Data Quality Score
FY2024 (Baseline)					
Residential Mortgages	92,253	731,450		7.9	5.0
Motor Vehicle Loans	18,669	596,180		31.9	3.4
Listed Equity & Corporate Bonds (restated)*	11,524*	2,811*	11,596	0.2	2.2
Commercial Real Estate	8,437	338,731		40.1	4.0
Sovereign Debt					
Excluding LULUCF	29,138	1,558,851		53.5	2.0
Including LULUCF		558,399		19.2	
Business Loans & Unlisted Equity	53,441	3,646,167	4,623,820	68.2	4.4
Total					
Excluding LULUCF	213,462	6,874,190		32.2	
Including LULUCF		5,873,738	4,635,416	27.5	

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Financed Emissions by Asset Classes

PCAF Asset Classes	Total Outstanding Loan and Investments Covered (RM mil)	Scope 1 + Scope 2 Financed Emissions (tCO ₂ e)	Scope 3 Financed Emissions (tCO ₂ e)	Scope 1 + Scope 2 Financed Emissions Intensity (tCO ₂ e/RM mil)	Weighted Data Quality Score
FY2025					
Residential Mortgages	98,210	809,148		8.2	5.0
Motor Vehicle Loans	20,514	630,761		30.7	3.3
Listed Equity & Corporate Bonds (restated)*	11,213*	2,053*	10,464	0.2	2.2
Commercial Real Estate	8,777	334,966		38.2	4.0
Sovereign Debt					
Excluding LULUCF	24,702	1,484,035		60.1	2.0
Including LULUCF		530,580		21.5	
Business Loans & Unlisted Equity	59,714	5,001,397	6,636,702	83.8	4.0
Total					
Excluding LULUCF	223,130	8,262,360	6,647,166	37.0	
Including LULUCF		7,308,905		32.8	
FY2026					
Residential Mortgages	104,787	795,287 [△]		7.6	5.0
Motor Vehicle Loans	21,943	660,853 [△]		30.1	3.3
Listed Equity & Corporate Bonds	14,512	22,766	56,900	1.6	2.7
Commercial Real Estate	9,603	326,528		34.0	4.0
Sovereign Debt					
Excluding LULUCF	20,901	1,114,581 [△]		53.3	2.0
Including LULUCF		398,689 [△]		19.1	
Business Loans & Unlisted Equity	63,844	4,517,524	7,115,406	70.8	4.0
Total					
Excluding LULUCF	235,590	7,437,539	7,172,306	31.6	
Including LULUCF		6,721,647		28.5	

Notes:

- [△] This data has been independently assured. Refer to independent limited assurance report on page 207.
- Estimated financed emissions disclosed are as at 30 June 2024 as the baseline, as at 30 June 2025 and as at 30 June 2026.
- Emissions and outstanding balances are derived from on-balance-sheet investments, loans and/or financing in Malaysia. Operational markets for financed emissions are largely limited to Malaysia at this juncture, unless otherwise stated, given the materiality of operations to the Bank.
- Sovereign Debt and Listed Equity & Corporate Bonds comprise of Malaysian and regional investments.
- Sovereign Debt financed emissions and emission intensity are limited to Scope 1.
- The Project Finance asset class is not applicable due to the exclusion of Available-for-Sale and Held-for-Trading assets. Previously this asset class comprised bonds that were deemed to be of a Project Finance nature. Consequently, previously reported Scope 1 and 2 emissions of 30.6 ktCO₂e (FY2024) and 8.7 ktCO₂e (FY2025), along with outstanding balances of RM0.4 billion (FY2024) and RM0.1 billion (FY2025), have been removed.
- * The FY2024 and FY2025 figures for Listed Equity and Corporate Bonds were restated following updates to the PCAF standard, database, and the exclusion of Available-for-Sale and Held-for-Trading assets. This reduced reported Scope 1 and 2 emissions for the asset class by 159.2 ktCO₂e from 162.0 ktCO₂e to 2.8 ktCO₂e in FY2024 and by 144.4 ktCO₂e from 146.5 ktCO₂e to 2.1 ktCO₂e in FY2025. Outstanding exposure reduced by RM5.8 billion from RM17.3 billion to RM11.5 billion (FY2024) and by RM5.8 billion from RM17.0 billion to RM11.2 billion (FY2025).
- The methodologies and data applied are subject to ongoing improvements in industry guidance, market practices and regulation and may be revised as new information becomes available.
- To refer to Appendix II: Sustainability Performance Data Table - Methodologies and Assumptions to GHG Emissions for further details.

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

An analysis of the overall Scope 1 and 2 emission intensity change is as follows:

	FY2026 vs FY2024 Baseline Intensity Change	FY2026 vs FY2025 Intensity Change
Overall Emissions Intensity (Excluding LULUCF)	-2.0%	-14.7%

Overall emissions intensity exhibited an encouraging decline, although movement varied across the asset classes due to portfolio adjustments, increased client disclosures and enhancements in methodology.

Methodologies and Assumptions to GHG Emissions

The Group applies the operational control criterion to define the organisational boundary for GHG emissions reporting in accordance with the GHG Protocol. Under this approach, an entity, asset, or operation falls within the reporting scope if the Group possesses the authority to establish and implement its operational policies and procedures. This criterion was selected to align GHG reporting with the Group's direct operational authority and environmental impact management, providing a more accurate reflection of operational influence than equity ownership alone. The Group also uses the GHG Protocol Corporate Value Chain Standard 2011 (Scope 3 Standard) to define the 15 categories of Scope 3, and Global GHG Accounting and Reporting Standard for Financed Emissions, Part A issued by the PCAF.

We align our reporting of GHG emissions with the requirements of IFRS S2 - Climate-related Disclosures, issued by ISSB, and GRI in respect of Scope 1, Scope 2, and Scope 3 Category 6, Category 7, and Category 13.

Emissions are calculated using operational data (i.e. activity data) together with relevant emission factors that convert these activities into tonnes of CO₂ equivalent ("tCO₂e"). Detailed information of the Group's methodology, assumptions, activity data and emission factors used for the Scope 1, 2 and 3 (non-financed) GHG emissions are as follows:

GHG Scope	Methodology and Assumptions	Activity data	Emissions factors
Scope 1 GHG Emissions			
Mobile Combustion (Malaysia, Singapore and Cambodia)	- Direct emissions from the motor vehicles owned or leased by the Group - In the event that actual fuel consumption data was not retrievable for a certain month, an average fuel consumption estimation will be applied for that month.	Fuel consumption based on monthly fuel card statements	2006 IPCC Guidelines for National Greenhouse Gas Inventories - IPCC Sixth Assessment Report (AR6), 2021 - Third party published product specification sheet
Stationary Combustion (Malaysia, Singapore and Cambodia)	- Direct emissions from the generators owned or controlled by the Group - In the event that actual fuel consumption data was not retrievable for a certain month, an average fuel consumption estimation will be applied for that month.	Fuel consumption based on monthly invoices from third-party vendors	2006 IPCC Guidelines for National Greenhouse Gas Inventories - IPCC Sixth Assessment Report (AR6), 2021
Fugitive Emissions (Malaysia, Singapore and Cambodia)	- Sales-based method: Activity data based on purchase records and service records - Direct emissions from the air-conditioning units owned or controlled by the Group - In the event that actual refrigerant recharge and annual leakage rate data was not retrievable for a certain month/branch, an estimation will be applied for that month/branch by using the highest refrigerant recharge and average annual leakage rate available from the cited sources. The equipment type used for this is domestic refrigeration.	Amount of refrigerant recharge retrieved from third-party vendors	2006 IPCC Guidelines for National Greenhouse Gas Inventories - IPCC Sixth Assessment Report (AR6), 2021 - The Heating, Refrigeration and Air Conditioning Institute of Canada ("HRAI") - UN Environment Programme Workshop on Hydrofluorocarbon Management (2015)
Scope 2 GHG Emissions			
Emissions from purchased energy	- Location-based method: Uses the national emission factors for the electricity grids - Market-based method: Takes into account the redemption of RECs when calculating Scope 2 emissions. Uses average weighted grid emission factor to derive market based emissions.	- Electricity consumption and purchased cooling data by buildings owned/operated by the Group - RECs redemption - Electricity consumption for certain Malaysia branches and months was based on estimates provided in the billings issued by the utility providers.	- Malaysia: Grid Emission Factor by Malaysia Energy Commission - Market-based: Using average weighted grid emission factor to derive market based emissions. - Singapore: Energy Market Authority ("EMA") - Cambodia: Global Environmental Strategies ("IGES") - Hong Kong: Hong Kong Electric Investments Sustainability Report - Vietnam: Global Environmental Strategies ("IGES")

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

GHG Scope	Methodology and Assumptions	Activity data	Emissions factors
Scope 3 GHG Emissions			
Category 6: Business Travel	- Distance-based method: Distance travelled by employees for business-related purposes - Fuel-based method: Fuel consumption by non-Group-owned vehicles for business-related purposes - Spend-based method: Amount spent by employees for business-related purposes	- Road Travel: i) Fuel consumption by non-Group-owned vehicles ii) Distance travelled by car or motor vehicles claimed by employee - Flight Travel: Distance travelled by employee using flight - Train Travel: Distance travelled by employee using train - Ferry Travel: Distance travelled by employee using ferry	2006 IPCC Guidelines for National Greenhouse Gas Inventories - UK Government GHG Conversion Factors - Malaysia Stocktaking Report on Sustainable Transport and Climate Change: Data, Policy and Monitoring - United Nations Framework Convention on Climate Change ("UNFCCC") Clean Development Mechanism ("CDM") Tool 18 - Baseline emissions for modal shift measures in urban passenger transport - IPCC Sixth Assessment Report (AR6), 2021 - Third party published product specification sheet - Energy Consumption Indicators and Benchmarks for Commercial Buildings in Hong Kong
Category 7: Employee Commuting	Average-data method: Estimation of distance travelled and mode of transport based on employee commuting survey	- Employee commuting survey (e.g. distance travelled and transport modes) - Number of employees - Number of working days per year	2006 IPCC Guidelines for National Greenhouse Gas Inventories - Natural Gas Vehicle ("NGV"), Hybrid & Train: UK Government GHG Conversion Factors - IPCC Sixth Assessment Report (AR6), 2021 - UNFCCC CDM Tool 18 - Baseline emissions for modal shift measures in urban passenger transport - Vodovozov, V.; Raud, Z.; Petlenkov, E. Review of Energy Challenges and Horizons of Hydrogen City Buses. Energies 2022 - Malaysia Stocktaking Report on Sustainable Transport and Climate Change - Data, Policy, and Monitoring - Malaysia Energy Commission - Third party published product specification sheet
Category 13: Downstream Leased Assets	- Uses estimates and the national emission factors for the electricity grids - Certain unit of floors or assets and months use estimates provided in the billings issued by the utility providers.	Electricity consumption data for unit of floors or assets leased out by the Bank	- Grid Emission Factor by Malaysia Energy Commission - IPCC Sixth Assessment Report (AR6), 2021 - Published product specification sheets - UNFCCC CDM Tool 18 - Baseline emissions for modal shift measures in urban passenger transport - Vodovozov, V.; Raud, Z.; Petlenkov, E. Review of Energy Challenges and Horizons of Hydrogen City Buses. Energies 2022 - Malaysia Stocktaking Report on Sustainable Transport and Climate Change - Data, Policy, and Monitoring

Note: For avoidance of doubt, the latest emission factor as of 30 June of every financial year end shall be applied accordingly.

The Group's financed emissions measurement methodology is based on the Global GHG Accounting and Reporting Standard for Financed Emissions, Part A (Third Edition, December 2025) issued by the PCAF.

The detailed information of the Group's methodology, assumptions, activity data and emission factors used for the Scope 3 category 15 GHG emissions are as follows:

Asset Class	Methodology and Assumptions	Activity data	Source
Residential Mortgages	- Financed emissions = Attribution factor x Average annual energy consumption per building type x Grid emission factors - Attribution factor is the ratio of the outstanding amount to the property value at origination - Emissions are derived from residential mortgage loans with known building types	- Building emissions (tCO₂e) - Average annual energy consumption data by building type (kWh) - Outstanding loan amount (RM) - Property value at origination (RM)	- The Bank's internal data - Grid Emission Factor by Malaysia Energy Commission

APPENDIX II:

SUSTAINABILITY PERFORMANCE DATA TABLE

Asset Class	Methodology and Assumptions	Activity data	Source
Motor Vehicle Loans	- Financed emissions = Attribution factor x Vehicle emissions - Attribution factor is the ratio of the outstanding amount to the purchase price of the vehicle. - The Bank uses the average annual national distance travelled per person. - Proxy data is used to map the vehicle's engine size and engine type to determine the vehicle's emission factor. - As the Bank does not collect individual car data on the split between electricity and fuel distances for PHEVs, an average ratio was taken. - Emissions are derived from passenger vehicles and limited to loans with fixed interest rates. Disclosure will include more vehicle types as data availability improves. - Accounts which have matured, with zero or negative balances, non-passenger vehicles, undefined vehicle types and floor stock have been excluded. - Engine size and type is estimated by the vehicle's make and model description. The year of manufacture is not considered.	- Vehicle emission factors for ICE vehicles (tCO₂e/km) - Vehicle efficiency (kWh/km) and emission factors (tCO₂e/km) for EVs - Outstanding loan amount (RM) - Purchase price of the vehicle (RM) - Average annual distance travelled per person (km)	- The Bank's internal data - Grid Emission Factor by Malaysia Energy Commission - Malaysian Green Technology & Climate Change Corporation ("MGTC") - UK's Department for Energy Security & Net Zero - The International Council on Clean Transportation Whitepaper - U.S Department of Energy EV Database (https://ev-database.org/) - Publicly disclosed vehicle efficiency
Commercial Real Estate	- Financed emissions = Attribution factor x Floor area x Building emissions per floor area by building type - Attribution factor is the ratio of the outstanding amount to the property value at origination. - Emissions are derived from known building types and excludes land, vacant buildings. Currently comprises only PFS assets.	- Building emissions per floor area by building type (tCO₂e/m²) - Outstanding loan amount (RM) - Property value at origination (RM) - Building floor area (m²)	- The Group's internal data - PCAF CEDA database
Listed Equity & Corporate Bonds	- Financed emissions = Attribution factor x Company's emissions - Attribution factor is the ratio of the outstanding amount to enterprise value including cash ("EVIC") for listed companies and total debt and equity for bonds to private companies. - For customers that do not have primary data, the Group refers to publicly available data, including databases such as Bloomberg. - Exclusions include (i) Available-for-Sale and Held-for-Trading, per PCAF standard (ii) unquoted securities, (iii) Portfolio Investment Accounts, (iv) Unit Trust, (v) Derivative Financial Products held by the Group.	- Outstanding amount (RM) - Financial data (RM) - Scope 1,2 & 3 absolute emissions data (tCO₂e) of companies - Sectoral proxy data (tCO₂e/RM)	- The Bank's internal data - Publicly disclosed information from customers - Bloomberg - PCAF CEDA database
Business Loans & Unlisted Equity	- Financed emissions = Attribution factor x Company's emissions - Attribution factor is the ratio of the outstanding amount to enterprise value including cash ("EVIC") for listed companies and total debt and equity for private companies and unlisted equity. - For customers that do not have primary data, the Bank refers to publicly available data, including databases such as Bloomberg. - In the absence of borrower specific emissions data, the Bank shall utilise proxies sourced from PCAF CEDA database. - Outstanding amount from Renewable Energy ("RE") exposures remains included in the denominator, while emissions are set to zero where a zero-emissions assumption for RE activities is applied.	- Outstanding amount (RM) - Financial data (RM) - Scope 1,2 & 3 absolute emissions data (tCO₂e) of companies with publicly available disclosures - Sectoral proxy data (tCO₂e/RM)	- The Bank's internal data - Publicly disclosed information from customers - Bloomberg - PCAF CEDA database

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Asset Class	Methodology and Assumptions	Activity data	Source
Project Finance	The asset class is not applicable due to the exclusion of Available-for-Sale and Held-for-Trading assets, per the PCAF standard. Previously this asset class comprised of bonds that were deemed to be of a Project Finance nature.		
Sovereign Debt	- Financed emissions = Attribution factor x Sovereign emissions - Attribution factor is the ratio of the outstanding amount to the PPP-adjusted Gross Domestic Product ("GDP"). - Excludes unquoted securities, Portfolio Investment Accounts, wholesale funds, unit trust, assets classified as Held-for-Trading and Available-for-Sale.	- Outstanding amount (RM) - Sovereign emissions (tCO₂e) - Purchasing Power Parity ("PPP") adjusted GDP - Current International Dollar million	- The Group's internal data - World Bank - Publicly disclosed country emissions (UNFCCC, DOSM)

Note: For avoidance of doubt, the latest emission factor as of 30 June of every financial year end shall be applied accordingly.

Indicator	Baseline FY2019	FY2024	FY2025	FY2026
Electricity Consumption (kwh)				
Malaysia	46,326,629	36,018,862	33,274,628	32,493,053
Singapore	633,767	584,379	467,196	488,714
Cambodia	451,401	674,011	600,695	564,413
Hong Kong	57,695	47,265	45,325	45,664
Vietnam	382,393	390,917	388,260	356,907
Total Electricity Consumption	47,851,885	37,715,434	34,776,104	33,948,751
Fuel Consumption (Litres)				
Malaysia	41,838	37,875	34,700	34,391
Singapore	2,096	3,810	3,740	3,442
Cambodia	4,064	8,147	7,770	5,305
Total Fuel Consumption	47,998	49,832	46,210	43,138
Energy Consumption (GJ)				
Malaysia	168,184	130,960	120,974	118,145 [△]
Singapore	2,352	2,231	1,807	1,875 [△]
Cambodia	1,781	2,726	2,446	2,227 [△]
Hong Kong	208	170	163	164 [△]
Vietnam	1,377	1,407	1,398	1,285 [△]
Total Energy Consumption	173,901	137,495	126,788	123,696
HLB Energy Intensity (GJ) per employee				
Total Intensity (GJ/headcount)	20	16	15	14

Indicator	FY2024	FY2025	FY2026
Waste Generation for Malaysia (kg)			
Total Waste Directed to Disposal	18,745	112,886	100,569
Total Waste Diverted from Disposal	19,069	24,300	31,390
Total Waste Generated	37,814	137,186	131,959
Percentage of Waste Diverted	50.4%	17.7%	23.8%
Paper Consumption for Malaysia			
Total Office Paper Purchased (in reams) for Entire Malaysia Operations	68,262	69,986	64,885
Total Paper Recycled (kg) for HLT and PJCA (office buildings) only	19,069	19,752	24,944
Water Consumption for Malaysia (m³)			
Total Water Consumption	228,039	145,450	138,377 [△]

△ This data has been independently assured. Refer to independent limited assurance report on page 207.

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE



Socially Responsible Business

MM2: Good Governance and Ethical Business Conduct

Indicators	FY2024	FY2025	FY2026
Anti-corruption			
Confirmed incidents of corruption and action taken	0	0	0
Anti-Corruption and Bribery Communications and Training			
Senior Manager	100%	100%	100%
Manager	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	96%	86%

MM3: Sustainable Products and Services

Indicators	FY2024	FY2025	FY2026
Managing ESG Risk and Portfolio Exposure			
Before EDD Assessment			
Low and Medium Risks	64%	64%	63% [△]
Inherently High Risk	36%	36%	37% [△]
After EDD Assessment for Inherently High Risk			
Low and Medium Risks	31%	26%	27% [△]
High with Mitigation (based on near to medium term improvement plans)	3%	5%	6% [△]
High without Mitigation	2%	5%	4% [△]
Inherently High Risk - Portfolio Exposure			
Selected Manufacturing	18%	18%	17%
Selected Construction	8%	9%	11%
Agriculture, forestry, palm oil (upstream), fishing	5%	4%	4%
Transportation	3%	3%	3%
Electric, gas, steam, and air conditioning supply	2%	2%	2%
Mining & quarrying	<1%	<1%	<1%
BCB ESG Risk			
Percentage of Corporate Loans Assessed Using ESG Criteria	100%	100%	100%

MM4: Sustainable Supply Chain

Indicators	FY2024	FY2025	FY2026
Vendors			
Local vendors	RM 511,282,939 (93.9 %)	RM 483,149,225 (92.8%)	RM658,729,774 (87.9%) [△]
Foreign vendors	RM 32,930,419 (6.1%)	RM37,767,522 (7.2%)	RM90,705,207 (12.1%)
New Vendors - Rating Category			
Best-in-Class		83 (47%)	37 (16%)
Satisfactory	Disclosure started in FY2025	34 (19%)	62 (27%)
Improvement Needed		20 (11%)	107 (47%)
Exit within Duration		42 (23%)	23 (10%)
ESG Due Diligence Assessment			
Coverage for all new and existing vendors (Percentage)	Disclosure started in FY2025	100%	100%

[△] This data has been independently assured. Refer to independent limited assurance report on page 207.

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Existing Vendors (2026)			
Rating Category	Tier 1	Tier 2	Tier 3
Best-in-Class	42	14	6
Satisfactory	60	24	11
Improvement Needed	37	46	26
Exit within Duration	5	8	5
Assessment Not Required	-	3	3

MM5: Human and Labour Rights

Indicators	FY2024	FY2025	FY2026
Human Rights Violations			
Number of substantiated complaints concerning human rights violations	0	0	0
Number of Employees Trained on Health and Safety Standards			
Bank-wide OSH e-learning module	9,287	8,708	8,718
Employees			
Total No. of Employees	8,867	8,679	8,698
Gender Composition of Employees			
Male	3,215 (36.3%)	3,162 (36.4%)	3,176 (36.5%)
Female	5,652 (63.7%)	5,517 (63.6%)	5,522 (63.5%)
Racial Composition of Employees (Malaysia-based operations)			
Chinese	53.8%	53.6%	53.4%
Malay	34.4%	34.7%	34.9%
Indian	8.8%	8.6%	8.5%
Others	3.0%	3.1%	3.2%
Board Gender Diversity			
Male	63.0%	67.0%	62.5%
Female	37.0%	33.0%	37.5%
Standing Against Discrimination			
Incidents of Discrimination	Disclosure started in FY2025	0	0
Gender Diversity by Employee Category			
Senior Manager			
Male			
Malaysia	147 (58.1%)	141 (56.6%)	147 (56.5%)
Singapore	14 (63.6%)	14 (66.7%)	14 (60.9%)
Cambodia	3 (50.0%)	5 (62.5%)	5 (62.5%)
Hong Kong	1 (100%)	1 (100%)	0 (0%)
Vietnam	3 (100%)	3 (100%)	2 (100%)
Female			
Malaysia	106 (41.9%)	108 (43.4%)	113 (43.5%)
Singapore	8 (36.4%)	7 (33.3%)	9 (39.1%)
Cambodia	3 (50.0%)	3 (37.5%)	3 (37.5%)
Hong Kong	0 (0%)	0 (0%)	1 (100%)
Vietnam	0 (0%)	0 (0%)	0 (0%)

APPENDIX II:

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	FY2024	FY2025	FY2026
Gender Diversity by Employee Category			
Manager			
Male			
Malaysia	817 (40.5%)	818 (40.5%)	822 (38.9%)
Singapore	50 (49.0%)	50 (45.5%)	62 (46.3%)
Cambodia	56 (51.4%)	49 (49.0%)	49 (52.1%)
Hong Kong	6 (37.5%)	6 (42.9%)	8 (50.0%)
Vietnam	19 (35.2%)	19 (33.9%)	25 (35.7%)
Female			
Malaysia	1,202 (59.5%)	1,203 (59.5%)	1,291 (61.1%)
Singapore	52 (51.0%)	60 (54.5%)	72 (53.7%)
Cambodia	53 (48.6%)	51 (51.0%)	45 (47.9%)
Hong Kong	10 (62.5%)	8 (57.1%)	8 (50.0%)
Vietnam	35 (64.8%)	37 (66.1%)	45 (64.3%)
Executive			
Male			
Malaysia	1,536 (33.7%)	1,514 (34.2%)	1,504 (34.7%)
Singapore	19 (32.2%)	19 (29.2%)	33 (37.5%)
Cambodia	29 (29.6%)	24 (27.3%)	18 (32.7%)
Hong Kong	7 (46.7%)	10 (58.8%)	9 (60.0%)
Vietnam	51 (32.1%)	46 (30.1%)	46 (28.6%)
Female			
Malaysia	3,018 (66.3%)	2,908 (65.8%)	2,828 (65.3%)
Singapore	40 (67.8%)	46 (70.8%)	55 (62.5%)
Cambodia	69 (70.4%)	64 (72.7%)	37 (67.3%)
Hong Kong	8 (53.3%)	7 (41.2%)	6 (40.0%)
Vietnam	108 (67.9%)	107 (69.9%)	115 (71.4%)
Non-Executive			
Male			
Malaysia	448 (32.9%)	433 (32.8%)	419 (32.6%)
Singapore	2 (66.7%)	2 (66.7%)	2 (100%)
Cambodia	7 (20.6%)	8 (29.6%)	11 (28.2%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
Female			
Malaysia	912 (67.1%)	888 (67.2%)	866 (67.4%)
Singapore	1 (33.3%)	1 (33.3%)	0 (0%)
Cambodia	27 (79.4%)	19 (70.4%)	28 (71.8%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	FY2024	FY2025	FY2026
Age Group by Employee Category			
Senior Manager			
Under 30 years old			
Malaysia	0 (0%)	0 (0%)	0 (0%)
Singapore	0 (0%)	0 (0%)	0 (0%)
Cambodia	0 (0%)	0 (0%)	0 (0%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
30-50 years old			
Malaysia	149 (58.9%)	142 (57.0%)	158 (60.8%)
Singapore	9 (40.9%)	8 (38.1%)	7 (30.4%)
Cambodia	6 (100%)	8 (100%)	7 (87.5%)
Hong Kong	1 (100%)	1 (100%)	0 (0%)
Vietnam	2 (66.7%)	1 (33.3%)	1 (50.0%)
Over 50 years old			
Malaysia	104 (41.1%)	107 (43.0%)	102 (39.2%)
Singapore	13 (59.1%)	13 (61.9%)	16 (69.6%)
Cambodia	0 (0%)	0 (0%)	1 (12.5%)
Hong Kong	0 (0%)	0 (0%)	1 (100%)
Vietnam	1 (33.3%)	2 (66.7%)	1 (50.0%)
Manager			
Under 30 years old			
Malaysia	48 (2.4%)	59 (2.9%)	77 (3.6%)
Singapore	1 (1.0%)	3 (2.7%)	1 (0.7%)
Cambodia	15 (13.8%)	10 (10.0%)	4 (4.3%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	1 (1.9%)	0 (0%)	0 (0%)
30-50 years old			
Malaysia	1,621 (80.3%)	1,595 (78.9%)	1,642 (77.7%)
Singapore	74 (72.5%)	80 (72.7%)	105 (78.4%)
Cambodia	93 (85.3%)	89 (89.0%)	90 (95.7%)
Hong Kong	5 (31.3%)	5 (35.7%)	6 (37.5%)
Vietnam	52 (96.3%)	55 (98.2%)	68 (97.1%)
Over 50 years old			
Malaysia	350 (17.3%)	367 (18.2%)	394 (18.7%)
Singapore	27 (26.5%)	27 (24.6%)	28 (20.9%)
Cambodia	1 (0.9%)	1 (1.0%)	0 (0%)
Hong Kong	11 (68.7%)	9 (64.3%)	10 (62.5%)
Vietnam	1 (1.8%)	1 (1.8%)	2 (2.9%)
Executive			
Under 30 years old			
Malaysia	1,984 (43.6%)	1,882 (42.6%)	1,824 (42.1%)
Singapore	6 (10.2%)	5 (7.7%)	32 (36.3%)
Cambodia	74 (75.5%)	62 (70.5%)	42 (76.4%)
Hong Kong	1 (6.7%)	3 (17.7%)	3 (20.0%)
Vietnam	65 (40.9%)	43 (28.1%)	40 (24.8%)

APPENDIX II:

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	FY2024	FY2025	FY2026
Age Group by Employee Category			
Executive			
30-50 years old			
Malaysia	2,360 (51.8%)	2,322 (52.5%)	2,286 (52.8%)
Singapore	39 (66.1%)	44 (67.7%)	40 (45.5%)
Cambodia	24 (24.5%)	26 (29.5%)	13 (23.6%)
Hong Kong	8 (53.3%)	9 (52.9%)	8 (53.3%)
Vietnam	94 (59.1%)	110 (71.9%)	121 (75.2%)
Over 50 years old			
Malaysia	210 (4.6%)	218 (4.9%)	222 (5.1%)
Singapore	14 (23.7%)	16 (24.6%)	16 (18.2%)
Cambodia	0 (0%)	0 (0%)	0 (0%)
Hong Kong	6 (40.0%)	5 (29.4%)	4 (26.7%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
Non-Executive			
Under 30 years old			
Malaysia	0 (0%)	0 (0%)	0 (0%)
Singapore	0 (0%)	0 (0%)	0 (0%)
Cambodia	33 (97.1%)	26 (96.3%)	38 (97.4%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
30-50 years old			
Malaysia	1,050 (77.2%)	962 (72.8%)	863 (67.2%)
Singapore	0 (0%)	0 (0%)	0 (0%)
Cambodia	1 (2.9%)	1 (3.7%)	1 (2.6%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
Over 50 years old			
Malaysia	310 (22.8%)	359 (27.2%)	422 (32.8%)
Singapore	3 (100%)	3 (100%)	2 (100%)
Cambodia	0 (0%)	0 (0%)	0 (0%)
Hong Kong	0 (0%)	0 (0%)	0 (0%)
Vietnam	0 (0%)	0 (0%)	0 (0%)
Gender Pay Ratio			
Senior Manager			
Male	1.00	1.00	1.00
Female	0.92	0.91	0.92
Manager			
Male	1.00	1.00	1.00
Female	0.91	0.90	0.89
Executive			
Male	1.00	1.00	1.00
Female	0.99	0.99	0.98
Non-Executive			
Male	1.00	1.00	1.00
Female	1.12	1.13	1.13

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	FY2024	FY2025	FY2026
Health and Safety Performance (Absenteeism Rate %)			
Malaysia	2.65	2.72	2.72
Singapore	0.91	0.91	1.11
Cambodia	0.44	0.76	0.37
Hong Kong	0.7	2.1	2.26
Vietnam	0.1	0.2	0.25
Total fatalities from work-related injuries (Cases)			
Malaysia	0	0	0
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0
Number of days lost due to accidents inside workplace premises (Days)			
Malaysia	34	39	70
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0
Lost Time Incident Rate ("LTIR") (Cases/200,000 hours worked)			
Malaysia	0.025	0.06	0.04
Singapore	0	0	0
Cambodia	0	0	0
Hong Kong	0	0	0
Vietnam	0	0	0



Community Investment

MM6: Social Enterprises and Communities

Indicator	FY2024	FY2025	FY2026
Number of training programmes on financial education	73	133	100
Number of participants in financial literacy initiatives for schools, customers and SMEs	7,772	19,121	16,155
Total volunteer hours	3,091	10,804	7,399
Number of employees who contributed to volunteerism	1,214	1,805	2,229
Total investment in social enterprises and communities (RM)	399,000	817,410	1,049,163
Total number of beneficiaries impacted	10,548	30,074	28,020

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE



Digital Intelligence

MM7: AI-Enhanced Customer and Client Experience

Indicator	FY2024	FY2025	FY2026
Customer Satisfaction			
Number of customers who responded to the survey, N=	1,640	3,233	2,814
NPS	+21	+15	+20
CSAT - Top 2 box ("T2B") score	82%	74%	78%
CSAT - Mean score	4.2	4.0	4.1
CES - Top 2 box ("T2B") score	81%	75%	77%
CES - Mean score	4.2	4.1	4.1
Customer Complaints			
Complaints received and resolved (Cases)	1,794	1,897	2,448
Digital products for All Customers			
HLB Pocket Connect			
New 3-in-1 Junior accounts opened	Over 99,300	Over 49,757	Over 88,500
HLB/HLISB Junior Debit Cards	Over 62,000	Over 31,326	Over 61,700
Pocket Connect app sign-ups	Disclosure started in FY2025	Over 2,496	Over 3,900
Apply@HLB			
New account registered	Over 27,200	55,114	49,937
HLB Connect Online			
Retail transaction value for retail internet banking	RM108.5 billion	Over RM100 billion	Over RM285 billion
Total number of retail internet banking users	Approx 2.9 million	Over 3.0 million	Over 3.3 million
HLB Connect App			
Financial transactional value for retail mobile banking	RM127.2 billion	Over RM150 billion	Over RM285 billion
Users for retail mobile banking	Over 1.79 million	Over 2.8 million	Over 3.3 million
Total HLB Connect users are now HLB Connect App users	89%	92%	93%
All transactions are mobile banking transaction	69%	76%	81%
HLB ConnectPro, HLB ConnectFirst & HLB ConnectBiz			
Users registered on HLB's corporate internet banking platform	Over 100,000	Over 163,000	Over 190,000
Accounts opened digitally	Disclosure started in FY2026		Over 50,000
Profiles are active on Corporate Digital Banking	Disclosure started in FY2026		Nearly 50%
HLB BizBuddy App			
Total number of users	Approx 61,000	Approx 106,000	Approx 150,000
New merchants acquired	Over 44,000	Over 45,000	Over 50,000
Transaction value	Over RM450 million	Over RM1.5 million	Over RM2.1 million
Digital Products			
Total number of digital retail users (Unit)	2,906,092	3,120,151	3,320,499
Digital retail financial transaction value (RM Billion)	235.99	259.62	285.31
Total number of digital business users (Unit)	830,000	919,027	968,476
Digital business financial transaction value (RM Billion)	255.30	301.11	337.00

MM8: Privacy, Data Protection and Cybersecurity

Indicator	FY2024	FY2025	FY2026
Privacy, Data Protection and Cybersecurity			
Number of substantiated material data or security breach	0	0	0

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE



Workforce Transformation

MM9: Talent Development and AI-Readiness

Indicator	FY2024	FY2025	FY2026
Gender composition of employees			
Male	3,215 (36.3%)	3,162 (36.4%)	3,176 (36.5%)
Female	5,652 (63.7%)	5,517 (63.6%)	5,522 (63.5%)
Total number of employee turnover by employee category			
Senior Manager (Person)			
Malaysia	38 (2.3%)	32 (2.4%)	23 (1.9%)
Singapore	0 (0.0%)	6 (16.7%)	2 (3.6%)
Cambodia	0 (0.0%)	1 (1.3%)	1 (1.2%)
Hong Kong	1 (7.7%)	0 (0.0%)	1 (14.3%)
Vietnam	0 (0.0%)	0 (0.0%)	1 (2.3%)
Total Senior Manager	39	39	28
Manager (Person)			
Malaysia	355 (21.9%)	340 (24.9%)	276 (22.3%)
Singapore	18 (54.5%)	23 (63.9%)	34 (60.7%)
Cambodia	32 (40.0%)	23 (30.3%)	46 (55.4%)
Hong Kong	6 (46.2%)	5 (55.6%)	4 (57.1%)
Vietnam	8 (12.3%)	6 (10.0%)	9 (20.5%)
Total Manager	419	397	369
Executive (Person)			
Malaysia	1,183 (73.0%)	953 (69.9%)	907 (73.2%)
Singapore	15 (45.5%)	7 (19.4%)	19 (33.9%)
Cambodia	18 (22.5%)	15 (19.7%)	36 (43.4%)
Hong Kong	6 (46.1%)	4 (44.4%)	2 (28.6%)
Vietnam	57 (87.7%)	54 (90.0%)	34 (77.2%)
Total Executive	1,279	1,033	998
Non-Executive (Person)			
Malaysia	45 (2.8%)	38 (2.8%)	33 (2.6%)
Singapore	0 (0.0%)	0 (0.0%)	1 (1.8%)
Cambodia	30 (37.5%)	37 (48.7%)	0 (0.0%)
Hong Kong	0 (0.0%)	0 (0.0%)	0 (0.0%)
Vietnam	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total Non-Executive	75	75	34
Total number of employee turnover by gender			
Male (Person)			
Malaysia	667 (41.1%)	543 (39.8%)	516 (41.6%)
Singapore	17 (51.5%)	20 (55.6%)	25 (44.6%)
Cambodia	38 (47.5%)	32 (42.1%)	35 (42.2%)
Hong Kong	7 (53.8%)	5 (55.6%)	4 (57.1%)
Vietnam	18 (27.7%)	21 (35.0%)	17 (38.6%)
Total number of Male Employee Turnover	747	621	597

APPENDIX II:

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	FY2024	FY2025	FY2026
Total number of employee turnover by gender			
Female (Person)			
Malaysia	954 (58.9%)	820 (60.2%)	723 (58.4%)
Singapore	16 (48.5%)	16 (44.4%)	31 (55.4%)
Cambodia	42 (52.5%)	44 (57.9%)	48 (57.8%)
Hong Kong	6 (46.2%)	4 (44.4%)	3 (42.9%)
Vietnam	47 (72.3%)	39 (65.0%)	27 (61.4%)
Total number of Female Employee Turnover	1,065	923	832
Total number of employee turnover by age group			
Under 30 years old (Persons)			
Malaysia	687 (42.4%)	685 (50.2%)	509 (41.1%)
Singapore	6 (18.2%)	2 (5.6%)	1 (1.8%)
Cambodia	44 (55.0%)	47 (61.8%)	29 (34.9%)
Hong Kong	3 (23.1%)	2 (22.2%)	0 (0.0%)
Vietnam	20 (30.8%)	24 (40.0%)	9 (20.5%)
Total number of employee turnover under 30 years old	760	760	548
30-50 years old (Persons)			
Malaysia	808 (49.8%)	553 (40.6%)	621 (50.1%)
Singapore	23 (69.7%)	26 (72.2%)	41 (73.2%)
Cambodia	36 (45.0%)	29 (38.2%)	53 (63.9%)
Hong Kong	7 (53.8%)	4 (44.5%)	5 (71.4%)
Vietnam	45 (69.2%)	35 (58.3%)	34 (77.3%)
Total number of employee turnover 30-50 years old	919	647	754
Over 50 years old (Persons)			
Malaysia	126 (7.8%)	125 (9.2%)	109 (8.8%)
Singapore	4 (12.1%)	8 (22.2%)	14 (25.0%)
Cambodia	0 (0.0%)	0 (0.0%)	1 (1.2%)
Hong Kong	3 (23.1%)	3 (33.3%)	2 (28.6%)
Vietnam	0 (0.0%)	1 (1.7%)	1 (2.2%)
Total number of employee turnover over 50 years old	133	137	127
Total training hours by employee category			
Malaysia			
Senior Manager	17,291 (2.8%)	22,034 (3.3%)	21,115 (3.3%)
Manager	163,231 (26.0%)	180,039 (27.3%)	182,586 (28.3%)
Executive	372,772 (59.5%)	381,406 (57.7%)	370,680 (57.4%)
Non-Executive	73,678 (11.7%)	77,218 (11.7%)	70,857 (11.0%)
Total training hours	626,972	660,697	645,238
Singapore			
Senior Manager	299 (5.4%)	411 (5.8%)	492 (5.6%)
Manager	3,400 (61.9%)	4,425 (62.7%)	5,642 (64.1%)
Executive	1,775 (32.3%)	2,199 (31.2%)	2,616 (29.7%)
Non-Executive	23 (0.4%)	23 (0.3%)	51 (0.6%)
Total training hours	5,497	7,058	8,801

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	FY2024	FY2025	FY2026
Total training hours by employee category			
Cambodia			
Senior Manager	419 (2.9%)	451 (3.6%)	712 (7.9%)
Manager	7,653 (53.6%)	6,838 (55.0%)	5,780 (63.8%)
Executive	6,203 (43.5%)	5,122 (41.2%)	2,558 (28.3%)
Non-Executive	0 (0.0%)	18 (0.2%)	3 (0.0%)
Total training hours	14,275	12,429	9,053
Hong Kong			
Senior Manager	49 (5.1%)	91 (9.1%)	58 (4.4%)
Manager	495 (51.5%)	530 (53.3%)	620 (46.7%)
Executive	418 (43.4%)	374 (37.6%)	651 (48.9%)
Non-Executive	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total training hours	962	995	1,329
Vietnam			
Senior Manager	124 (0.9%)	92 (0.6%)	125 (0.9%)
Manager	4,326 (33.1%)	4,810 (32.2%)	4,572 (34.0%)
Executive	8,623 (66.0%)	10,054 (67.2%)	8,764 (65.1%)
Non-Executive	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total training hours	13,073	14,956	13,461
Grand Total	660,779	696,135	677,882
Average hours of training by employee category			
Malaysia			
Senior Manager (Hours/Employee)	68	86	80
Manager (Hours/Employee)	81	90	87
Executive (Hours/Employee)	82	86	86
Non-Executive (Hours/Employee)	54	58	55
Singapore			
Senior Manager (Hours/Employee)	21	34	38
Manager (Hours/Employee)	30	37	39
Executive (Hours/Employee)	32	35	43
Non-Executive (Hours/Employee)	8	8	25
Cambodia			
Senior Manager (Hours/Employee)	70	56	89
Manager (Hours/Employee)	70	68	61
Executive (Hours/Employee)	63	58	47
Non-Executive (Hours/Employee)	0	18	3
Hong Kong			
Senior Manager (Hours/Employee)	25	91	29
Manager (Hours/Employee)	23	28	33
Executive (Hours/Employee)	26	23	38
Non-Executive (Hours/Employee)	0	0	0
Vietnam			
Senior Manager (Hours/Employee)	41	31	62
Manager (Hours/Employee)	82	86	51
Executive (Hours/Employee)	55	66	45
Non-Executive (Hours/Employee)	0	0	0

APPENDIX II: SUSTAINABILITY PERFORMANCE DATA TABLE

Indicator	FY2024	FY2025	FY2026
Average hours of training by gender			
Malaysia			
Male (Hours/Employee)	74	78	77
Female (Hours/Employee)	78	85	83
Total average hours of training (Hours/Employee)	77	82	82
Singapore			
Male (Hours/Employee)	27	34	40
Female (Hours/Employee)	33	41	42
Total average hours of training (Hours/Employee)	30	36	36
Cambodia			
Male (Hours/Employee)	65	61	61
Female (Hours/Employee)	68	65	54
Total average hours of training (Hours/Employee)	58	56	46
Hong Kong			
Male (Hours/Employee)	15	17	35
Female (Hours/Employee)	16	15	35
Total average hours of training (Hours/Employee)	30	31	42
Vietnam			
Male (Hours/Employee)	62	83	46
Female (Hours/Employee)	60	65	50
Total average hours of training (Hours/Employee)	61	71	58

MM10: Sustainability-Driven Culture

Indicator	FY2024	FY2025	FY2026
Knowledge Gain Rate			
Internal Sessions	Disclosure started in FY2026		80.0%

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
Board Policy on Credit Risk Governance	The Credit Risk Governance Board Policy (“Board Policy”) provides guidance in ensuring that credit risk management is part of an integrated approach to the enterprise-wide risk management.	May 2022 (Latest review as of June 2026)	7.8 Environment, Social and Governance (“ESG”) The Bank integrates ESG and sustainability considerations within its business practices to ensure creation of long-term socioeconomic benefits for the communities it serves. The HLBG’s Sustainability Risk Governance Framework is developed to align with the Bank’s overall Risk Management Framework. It provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG risks. It acts as a guide for the Bank to adopt pragmatic measures to ensure sustainable value to our stakeholders whilst generating a positive impact to the communities and the environment in which we operate. Going forward, enhancements to the Bank’s credit risk assessment methods shall consider the effects of climate-related risks as well as its impact on the ability and willingness of customers/counterparties to honour their credit obligations. Assessments should be conducted at the inception of contractual relationships and subsequently reviewed on an on-going basis. The Bank’s ESG Framework incorporates ESG considerations in the Bank’s credit evaluation of its corporate customers as the transition to a low carbon and climate-resilient economy. The ESG Framework is enhanced to include an internal Environmental, Social and Governance risk rating system and additional guidelines to deal with high-risk sectors such as forestry, metals and mining/quarrying, non-renewable energy and palm oil. The Bank’s sustainability related strategies, practices, processes and procedures are reviewed in relation to domestic and global standards, and management determinations are made with respect to the appropriateness of application, and appropriate time of application to the bank’s business activities. The Bank recognises that climate-related risks namely physical and transition risks are evolving in nature and need to be identified, analysed, measured and mitigated. In particular, the Bank seeks to facilitate the transition of the Bank’s customers to lower ESG risks, as we recognise that the ESG impact of the Bank’s customers on society and the environment are far larger than the direct ESG footprint of the Bank.
		April 2021 (Latest review as of June 2026)	6.3 Credit Evaluation and Approval 6.3.1 Credit Evaluation a. f. The Bank must observe the requirements and adhere to the processes/procedures as laid out in the Bank’s Environmental, Social and Governance (“ESG”) policies, which include identifying and assessing business customers’ considerations to climate change risks and the broader environmental risks; and to assess and highlight if their business activities fall within HLB’s general exclusions (i.e. prohibited activities). j.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section						
Board Policy on BCB Credit	The credit policies outlined in this policy are fundamental standards which are applied to various functions of the credit chain of the Bank with the ultimate objective of building a healthy and cohesive credit culture.	August 2020 (Latest review as of March 2026)	6.6 Environmental, Social and Governance Framework The Bank recognises that ESG issues pose financial and reputational risks for customers and the Bank. With the increasing threats of climate change and the broader environmental degradation such as biodiversity loss, it is appropriate for the Bank to address these issues by incorporating ESG standards into the day-to-day business operations. In alignment to ESG standards and best practices, the Bank seeks to fulfil three key visions:- a) To shift small and medium-sized enterprises (“SMEs”) & corporate customers out from the high/medium environmental & social (“E&S”) risk category to the medium/low risk category, hence promoting sustainability; b) To foster a cultural shift, thus making ESG a business as usual (“BAU”) consideration among Bank staff; and c) To create the best product & service offerings in the market when it comes to promoting sustainable business practices. The Bank will adopt an inclusion approach whereby the Bank will guide customers in environmentally and socially sensitive sectors towards better ESG standards and practices, through supporting them in mitigation plans and nurturing programmes. The Bank also recognises that financial institutions play an enabling role in promoting economic sectors that are better aligned to lower carbon emissions and/or better climate-related outcomes. Therefore, the Bank is also committed to supporting customers in green sectors, starting with the renewable energy and energy efficiency sectors. In developing the ESG standards and practices, the Bank will take into consideration international and national frameworks and standards such as the United Nation’s Sustainable Development Goals (“SDGs”) framework, Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”), Bank Negara Malaysia’s (“BNM”) Climate Change and Principle-based Taxonomy paper and International Finance Corporation (“IFC”) standards.						
PFS Credit Management Policy (Secured Products)	To set out policies governing PFS Credit lending and credit underwriting practices in order to maintain healthy credit asset quality whilst supporting loan growth strategies.	June 2022 (Latest review as of June 2026)	8.1.6 (9) Financing including Solar Panel Application meeting conditions below is eligible for Solar Panel Financing with maximum xx% in additional LTV (all in LTV including Insurance, Legal and Solar up to xx%). <i>Conditions have been omitted for this report</i>						
		June 2023 (Latest review as of June 2026)	8.2.4 (2) New Car In order to mitigate recovery risk and enhance operational efficiency, the following to impose maximum allowable MOF for new vehicle based on car brands and customer risk profile, i.e. Risk Band (“RB”). <table> <tr> <th>Type</th><th>Vehicle Category</th><th>Risk Band</th><th>MOF%</th></tr> <tr> <td>.....</td><td>.....</td><td>.....</td><td>.....</td></tr> </table> <i>Car brands include vehicles that are BEV, PHEV and HEV</i>	Type	Vehicle Category	Risk Band	MOF%		
Type	Vehicle Category	Risk Band	MOF%						
.....									

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
PFS Credit Management Policy (Secured Products)	To set out policies governing PFS Credit lending and credit underwriting practices in order to maintain healthy credit asset quality whilst supporting loan growth strategies.	June 2023 (Latest review as of June 2026)	10 Environmental, Social, and Governance (“ESG”) 10.1 Introduction To incorporate ESG principles into our lending policy to ensure we contribute to the country’s sustainability initiatives and in doing so, to achieve HLB Value of ‘Here for the Long Term.’ ESG issues pose a financial, business viability and reputational risk for our clients and for us. Furthermore, with the increasing threats of climate change and the broader environmental degradation such as biodiversity loss, we have a fiduciary duty as a financial institution to address these issues by incorporating ESG standards into our day-to-day business operations. In committing to ESG principles and best practices, we hope to fulfil five key visions: - To “Engage” and “Walk the Talk” with our panel developers on Bank’s belief on the importance of contributing towards “Sustainability”; - To build and inculcate a “Culture of Best Practices” among panel developers; - recognise the “Risks” and “Impacts” of climate change on economy, social economy, business operations and financial system; - To introduce “Environmentally Friendly - Green Projects” concept as the 1st step into executing our ESG strategy; and - To increase “ESG Awareness” and create a cultural shift among The Bank staff in daily processes and operations. This policy, procedures, guidelines, and practices serves as an essential guide on the Bank’s expectation for all departments/ units and staff personnel engaged in the mortgage financing business. The said guidelines outline our ESG philosophy and approach driving the ESG journey with the Bank’s panel developers. 10.2 ESG policy philosophy and approach Sustainability is a component of our “PFS” strategy. Our ESG philosophy is that we will work responsibly with our panel developers to encourage sustainability practices and enable economic activities that create shared prosperity for current and future generations. We believe that actively engaging and working in partnership with our stakeholders is crucial to addressing sustainability concerns, whilst promoting ESG best practices. The financial sector has an important role to play in addressing the need to transition to a sustainable, low-carbon economy that balances the environmental, social, and economic needs of society. This can be achieved by establishing an objective standard of measurement for green developments, which promotes efficient use of resources such as energy, water and other building materials and thus lowering the carbon footprint of the built environment. In developing this PFS ESG policy, we referred to international and national frameworks such as United Nation’s Sustainable Development Goals (“SDGs”), Bank Negara Malaysia’s (“BNM”) Climate Change and Principle-based Taxonomy paper (Appendix 1), Green Building Index rating system (“GBI”) and Green Real Estate rating tools (“GreeRE”) and Leadership in Energy & Environmental Design (“LEED”).

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
			The PFS Environmentally Friendly “Green Projects” is depicted in Diagram 1, and consists of three assessment stages for under-construction projects: i) Initial screening ii) Assess the project against “Green Certification” obtained iii) Classification of project under 3 categories as per following: a. Category 1 (GP1/ GP2), b. Category 2 (GP3/ GP4), and c. Category 3 (GP5) <i>Diagram 1 has been omitted for this report.</i> We have also embedded BNM’s climate change framework and guiding principles (“GP”) within the PFS ESG policy, aligning with BNM’s directions in supporting the greening of economic activities. 10.3 ESG assessment stages The ESG assessment is applied to under-construction projects within Malaysia. This will be conducted during the End Financing empanelment process for new to bank developers and/ or existing panel developers when a new project is assessed for empanelment. This section outlines the ESG assessment stages in detail, which consists of: i) Initial screening ii) Assess the project against ESG rating criteria guideline and certification iii) Classification of project under 3 categories 10.3.1 Initial screening for under construction EF projects The purpose of initial screening is to identify the developer which is new to the bank or existing panel developer to categorise respectively based on the under-construction project developed by them. As a general guideline, the initial screening process is to classify the project into 3 categories. 10.3.2 Assess the project against ESG rating criteria guidelines and checklist The second stage is to assess the project against ESG rating criteria guidelines outlined in Table 2. <i>Table 2: ESG rating criteria guidelines have been omitted for this report.</i> 10.4 Roles & Responsibilities The internal stakeholders involved in the ESG assessments are Developer Management Unit (“DMU”), MSC sales team and PF credit officers as outlined in Table 3. <i>Table 3: Roles & Responsibilities has been omitted for this report.</i>

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section																														
			10.5 Climate Change and Principle-based Taxonomy - BNM guiding principles BNM guiding principles <table><tr><th>Guiding Principles</th><th>Examples/evidence (non-exhaustive)</th></tr><tr><td>Guiding Principle 1 (GP1): Climate change mitigation</td><td> • Increase contribution of renewable energy in power generation • Optimise energy consumption • Encourage low carbon mobility • Promote green buildings </td></tr><tr><td>Guiding Principle 2 (GP2): Climate change adaptation</td><td> • Implement measures to increase own resilience • Contribute to the adaptation of other economic activities to mitigate physical effects of climate change </td></tr><tr><td>Guiding Principle 3 (GP3): No significant harm to the environment</td><td> • Prevent and control pollution (air, water and land); • Protect healthy ecosystem and biodiversity; and • Sustainable and efficient use of energy, water, and other natural resources. </td></tr><tr><td>Guiding Principle 4 (GP4): Remedial efforts to promote transition</td><td> • Remedial efforts and improvement programmes undertaken by the business, • Commitment or willingness demonstrated by the business. </td></tr><tr><td>Guiding Principle 5 (GP5): Prohibited activities</td><td> • HLB/PFS’s general exclusions </td></tr></table> 10.5.1 Comparison of BNM’s prohibited activities and HLB/HLB Islamic’s general exclusions Comparison of BNM’s prohibited activities and HLB/PFS’s general exclusions list. <table><tr><th>BNM’s prohibited activities</th><th>HLB/HLB Islamic - PFS’s general exclusions</th></tr><tr><td>1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal);</td><td>1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal).</td></tr><tr><td>2. Operations which use fire for land clearance;</td><td>2. Over extraction of limestone and granite.</td></tr><tr><td>3. Operations involving illegal deforestation;</td><td>3. Operations which use fire for land clearance.</td></tr><tr><td>4. Activities within, adjacent to, or upstream of designated protected areas and habitats of rare/endangered species; and</td><td>4. Operations involving illegal deforestation.</td></tr><tr><td>5. Operations which practice drift net fishing or fishing with the use of explosives.</td><td>5. Activities within, adjacent or upstream of designated protected areas and habitats of rare/ endangered species.</td></tr><tr><td></td><td>6. Non compliance of regulatory requirements (i.e. illegal land acquisition & etc).</td></tr><tr><td></td><td>7. Worker welfare - poor accommodation</td></tr><tr><td></td><td>8. Illegal activities - illegal worker, exceed working hour</td></tr></table>	Guiding Principles	Examples/evidence (non-exhaustive)	Guiding Principle 1 (GP1): Climate change mitigation	• Increase contribution of renewable energy in power generation • Optimise energy consumption • Encourage low carbon mobility • Promote green buildings	Guiding Principle 2 (GP2): Climate change adaptation	• Implement measures to increase own resilience • Contribute to the adaptation of other economic activities to mitigate physical effects of climate change	Guiding Principle 3 (GP3): No significant harm to the environment	• Prevent and control pollution (air, water and land); • Protect healthy ecosystem and biodiversity; and • Sustainable and efficient use of energy, water, and other natural resources.	Guiding Principle 4 (GP4): Remedial efforts to promote transition	• Remedial efforts and improvement programmes undertaken by the business, • Commitment or willingness demonstrated by the business.	Guiding Principle 5 (GP5): Prohibited activities	• HLB/PFS’s general exclusions	BNM’s prohibited activities	HLB/HLB Islamic - PFS’s general exclusions	1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal);	1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal).	2. Operations which use fire for land clearance;	2. Over extraction of limestone and granite.	3. Operations involving illegal deforestation;	3. Operations which use fire for land clearance.	4. Activities within, adjacent to, or upstream of designated protected areas and habitats of rare/endangered species; and	4. Operations involving illegal deforestation.	5. Operations which practice drift net fishing or fishing with the use of explosives.	5. Activities within, adjacent or upstream of designated protected areas and habitats of rare/ endangered species.		6. Non compliance of regulatory requirements (i.e. illegal land acquisition & etc).		7. Worker welfare - poor accommodation		8. Illegal activities - illegal worker, exceed working hour
Guiding Principles	Examples/evidence (non-exhaustive)																																
Guiding Principle 1 (GP1): Climate change mitigation	• Increase contribution of renewable energy in power generation • Optimise energy consumption • Encourage low carbon mobility • Promote green buildings																																
Guiding Principle 2 (GP2): Climate change adaptation	• Implement measures to increase own resilience • Contribute to the adaptation of other economic activities to mitigate physical effects of climate change																																
Guiding Principle 3 (GP3): No significant harm to the environment	• Prevent and control pollution (air, water and land); • Protect healthy ecosystem and biodiversity; and • Sustainable and efficient use of energy, water, and other natural resources.																																
Guiding Principle 4 (GP4): Remedial efforts to promote transition	• Remedial efforts and improvement programmes undertaken by the business, • Commitment or willingness demonstrated by the business.																																
Guiding Principle 5 (GP5): Prohibited activities	• HLB/PFS’s general exclusions																																
BNM’s prohibited activities	HLB/HLB Islamic - PFS’s general exclusions																																
1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal);	1. Illegal waste management including release of untreated toxic and hazardous industrial waste (generate, storage, treatment, and disposal).																																
2. Operations which use fire for land clearance;	2. Over extraction of limestone and granite.																																
3. Operations involving illegal deforestation;	3. Operations which use fire for land clearance.																																
4. Activities within, adjacent to, or upstream of designated protected areas and habitats of rare/endangered species; and	4. Operations involving illegal deforestation.																																
5. Operations which practice drift net fishing or fishing with the use of explosives.	5. Activities within, adjacent or upstream of designated protected areas and habitats of rare/ endangered species.																																
	6. Non compliance of regulatory requirements (i.e. illegal land acquisition & etc).																																
	7. Worker welfare - poor accommodation																																
	8. Illegal activities - illegal worker, exceed working hour																																

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
Board Policy on Liquidity Management (“BPLM”)	The Board Policy sets out the policy governing the funding liquidity management. Liquidity risk is defined as the inability to raise required funds to meet financial obligations as they fall due. The inability to raise fund includes: (i) Inability to liquidate securities - The inability to convert securities into cash without significant haircut to the securities nominal value (ii) Inability to raise funding from the wholesale market - The inability to raise reasonably priced deposits or interbank borrowings from the wholesale market.	July 2022 (Latest review as of June 2026)	4.6 Environment, Social and Governance (“ESG”) The Bank integrates ESG, sustainability and Value-based Intermediation Financing (“VBIAF”) considerations within its business practices to ensure creation of long-term socioeconomic benefits for the communities it serves. The Bank’s Sustainability Risk Governance Framework is developed to align with the Bank’s overall Risk Management Framework. It provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG risks. The Bank recognises the potential for a cyclical reduction in deposits from higher ESG risk depositors, thus going forward the Bank will enhance its ESG metrics for Liquidity Risk Management through: - Progressive enhancement of depositor data to incorporate ESG ratings. - Establish additional ratios to enhance visibility of ESG related risks (e.g. High ESG Risk customer concentration). - As data collection matures and methodological refinements are developed, these will provide a basis for the Bank to establish baselines from which targets/controls can be ascertained. Liquidity risk assessment methods shall consider the effects of climate-related risks, as well as, its impact on the stability of funding, potential outflows and adequacy of liquidity buffers. Assessments shall be conducted at a portfolio level taking into account the profile of asset holdings, potential shifts in the operating environment and susceptibility to sudden deposit withdrawals arising from climate-related risks. The Bank’s sustainability related strategies, practices, processes and procedures are reviewed in relation to domestic and global standards, and management determinations are made with respect to the appropriateness of application, and appropriate time of application to the Bank’s business activities.
Board Policy on Internal Capital Adequacy Assessment Process	To clearly articulate the governance structure and the approach taken for the assessment and review of Internal Capital Adequacy Assessment Process (“ICAAP”).	June 2023 (Latest review as of June 2026)	9 Environment, Social and Governance (“ESG”) The Bank integrates ESG and sustainability considerations within its business practices to ensure creation of long-term socioeconomic benefits for the communities it serves. The HLBG’s Sustainability Risk Governance framework is developed to align with the Bank’s overall Risk Management Framework. It provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG risks. It acts as a guide for the Bank to adopt pragmatic measures to ensure sustainable value to our stakeholders whilst generating a positive impact to the communities and the environment in which we operate. The Bank recognises that climate-related risks namely physical and transition risks are evolving in nature and need to be identified, analysed, measured and mitigated. In particular, the Bank seeks to facilitate the transition of the Bank’s customers to lower ESG risks, as we recognise that the ESG impact of the Bank’s customers on society and the environment are far larger than the direct ESG footprint of the Bank. As part of the Bank’s ICAAP in evaluating the impact of climate-related risks over relevant time horizons that may negatively affect its capital position/adequacy, the Bank shall leverage the outcome of the stress testing as per stipulated in the Board Policy on Stress Testing.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
Board Policy on Stress Testing	To highlight the governance structure of the stress testing and reverse stress testing programmes, which are an integral part of the Internal Capital Adequacy Assessment Process (“ICAAP”) and are pertinent requirements of an effective and robust stress testing programme.	June 2024 (Latest review as of June 2026)	9 Climate Risk Stress Testing (“CRST”) (a) Climate change and its effect on the environment and economy could present significant risks to the stability and health of financial institutions, leading to wider consequences for the economy and financial system. (b) The Bank shall perform climate risk stress testing to evaluate its susceptibility to various climate-related scenarios. (c) The Bank must conduct the CRST exercise by employing the following three long-term adverse climate scenarios to capture the impact from a range of different permutations of physical and transition risks. The following climate scenarios are based on internationally recognised scenarios developed by the Network for Greening the Financial System (“NGFS”): (i) Net Zero 2050 (“NZ 2050”) (ii) Divergent Net Zero (“DNZ 2050”); and (iii) Nationally Determined Contributions (“NDCs”) In addition, the Bank shall conduct a short-term acute physical risk scenario that considers a one-off 1-in-200-years flood event in Malaysia. An overview of each NGFS scenario and selected climate and macroeconomic variables as prescribed by BNM for the CRST exercise are outlined in Addendum 5. (d) CRST time horizon includes long-term climate scenarios that will span over a 27-year period from December 2023 (starting position) until 2050. (e) The Bank shall adopt a quantitative approach when assessing the credit risk portfolio as outlined in the Methodology Paper. While a qualitative approach can be adopted for market risk, liquidity risk and operational risk portfolios. (f) The Bank is required to report its CRST to BNM on an annual basis from 2024 until 2029, followed by a 5-year interval throughout the stress horizon.
		June 2024 (Latest review as of June 2026)	Addendum 5: Climate Scenarios and Variables Climate Scenarios Orderly: Net Zero 2050 (“NZ 2050”) This climate scenario rests on strong climate policies and significant green technology breakthroughs to rapidly reduce greenhouse gas (“GHG”) emissions, limiting global warming to 1.5°C. It reflects key features of an early and orderly transition to a low carbon world. To achieve this goal, stringent climate policies are applied immediately across all sectors of the economy, while significant innovation and technology breakthrough will have to take place. This includes major strides in the carbon dioxide removal (“CDR”) technology and a sharp shift toward renewable energy production, resulting in high transition risk.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section									
		June 2024 (Latest review as of June 2026)	Addendum 5: Climate Scenarios and Variables <u>Climate Scenarios</u> <i>Disorderly: Divergent Net Zero 2050 (“DNZ 2050”)</i> The scenario differs from the NZ 2050 scenario in several aspects. Here, global climate policies are much more stringent in selected economic sectors, reflecting a quicker phase-out of fossil fuels and the impact thereof. The distributional impacts from climate policies are uneven, with some sectors being affected even more relative to the rest suggesting varied focus of climate policies being introduced at different points in time. This could result from the imposition of differentiated carbon taxes or carbon prices across certain economic sectors. Moreover, technology advancements in CDR and renewable energy are lower relative to NZ 2050 reflecting inherent limitations of adequate financial funding and constraints within existing economic structure. The combination of these factors is expected to result in a medium to higher transition risks, relative to the NZ 2050 scenario, while impact from physical risk on the economy will be lower than the NDCs scenario. <i>Hot House World: Nationally Determined Contributions (“NDCs”)</i> The NDCs scenario assumes both implemented and pledged policy measures are fully implemented but remains inadequate to facilitate an orderly transition. While emissions decline, the limited policy actions taken are insufficient and will lead to an approximately 2.5°C increase in temperatures, and a materialisation of moderate to severe physical risks. Compared to the other two scenarios, impact from transition risk is expected to be lower for this scenario. <u>Climate Variables</u> These climate variables, embodying physical risk and transition risk are based on the high-level global and regional pathways as simulated by the NGFS and have been downscaled and calibrated to Malaysia via the National Institute Global Econometric Model. Consequently, the impact from these climate variables under the above scenarios on the rest of the company are reflected in the macroeconomic and financial market data provided by the Bank. <table><tr><th>Climate Variables</th><th>Macroeconomic Variables</th><th>Financial Market Variables</th></tr><tr><td>Physical - Near-surface temperature </td><td> - GDP - Gross value added (“GVA”) by selected sectors </td><td> - Central Bank policy interest rate 3-year, 5-year, 10-year and 15-year Malaysia Government Securities yield </td></tr><tr><td>Transition - Shadow carbon price pathway - Emissions pathway - Global and domestic energy prices - Energy consumption and energy mix </td><td> - Private/ government consumption - Private/ government investment - Exports and imports (goods and services) - Headline inflation - Unemployment rate - House price index (residential, 2015=100) </td><td> 3-year, 5-year, 10-year and 15-year private debt security yield (by rating) - Real effective exchange rate (index; 2017=100) - Equity prices (index; 2017=100) </td></tr></table>	Climate Variables	Macroeconomic Variables	Financial Market Variables	Physical Near-surface temperature	- GDP - Gross value added (“GVA”) by selected sectors	- Central Bank policy interest rate 3-year, 5-year, 10-year and 15-year Malaysia Government Securities yield	Transition - Shadow carbon price pathway - Emissions pathway - Global and domestic energy prices - Energy consumption and energy mix	- Private/ government consumption - Private/ government investment - Exports and imports (goods and services) - Headline inflation - Unemployment rate - House price index (residential, 2015=100)	3-year, 5-year, 10-year and 15-year private debt security yield (by rating) - Real effective exchange rate (index; 2017=100) - Equity prices (index; 2017=100)
Climate Variables	Macroeconomic Variables	Financial Market Variables										
Physical Near-surface temperature	- GDP - Gross value added (“GVA”) by selected sectors	- Central Bank policy interest rate 3-year, 5-year, 10-year and 15-year Malaysia Government Securities yield										
Transition - Shadow carbon price pathway - Emissions pathway - Global and domestic energy prices - Energy consumption and energy mix	- Private/ government consumption - Private/ government investment - Exports and imports (goods and services) - Headline inflation - Unemployment rate - House price index (residential, 2015=100)	3-year, 5-year, 10-year and 15-year private debt security yield (by rating) - Real effective exchange rate (index; 2017=100) - Equity prices (index; 2017=100)										

All variables are for Malaysia only unless otherwise indicated.

All variables are for Malaysia only unless otherwise indicated.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
		June 2023 (Latest review as of June 2026)	7 Environment, Social and Governance (“ESG”) The Bank integrates ESG and sustainability considerations within its business practices to ensure creation of long-term socioeconomic benefits for the communities it serves. The HLBG’s Sustainability Risk Governance framework is developed to align with the Bank’s overall Risk Management Framework. It provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG risks. It acts as a guide for the Bank to adopt pragmatic measures to ensure sustainable value to our stakeholders whilst generating a positive impact to the communities and the environment in which we operate. The Bank recognises that climate-related risks namely physical and transition risks are evolving in nature and need to be identified, analysed, measured and mitigated. In particular, the Bank seeks to facilitate the transition of the Bank’s customers to lower ESG risks, as we recognise that the ESG impact of the Bank’s customers on society and the environment are far larger than the direct ESG footprint of the Bank. Given the complexity and continued evolution of climate-related risks, the Bank shall develop scenario analysis to determine the resilience of its business strategies as part of the stress testing exercise in managing climate-related risks and opportunities. This includes identifying and defining a range of climate-related scenarios over both short-term and long-term horizons.
		June 2022 (Latest review as of June 2026)	6 Stress Testing Approaches (a) (f) The assessment of material risks includes, but not limited to, the following major risk categories or activities: i. Credit risk; ii. market risk; iii. IRRBB/RORBB; iv. liquidity risk; v. risk arising from securitisation activities; vi. operational risk; vii. Shariah Non-Compliance (“SNC”) risk; viii. financial group risk; and ix. sustainability risk / climate-related risks (g) An assessment of Sustainability Risk / Climate-related Risk is to be conducted as part of the stress testing exercise. Recognition is given to the fact that the impacts arising from this risk is dynamic and subject to change as such, the Bank is to be guided by regulatory policy documents in assessment of this risk (o)

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
Board Policy on Shariah Governance	To establish a Shariah governance (“SG”) structure for Hong Leong Islamic Bank. The Board Policy on Shariah Governance (“the Policy”) will be reviewed on an annual basis.	December 2021 (Latest review as of January 2026)	4.3 Shariah Policy Making 4.3.2 Value-Based Intermediation (“VBI”) agenda Principles of VBI are integrated at both levels: transactions and overall HLB Islamic operations. HLB Islamic has on boarded VBI agenda driven and is dedicated to enhance further by focusing on the impact of Islamic banking to both people and the planet whilst also ensuring that profit returns for shareholders remain a priority with Shariah propositions embedded. HLB Islamic has three key visions in VBI for 3P (Prosperity, People and Planet) strategic commitment namely; Innovation, Efficiency and Effective Ecosystem. In line with the VBI agenda, HLB Islamic fully supports HLB’s sustainability directions by adopting relevant frameworks such as HLB’s BCB Credit ESG Policy that had incorporated BNM’s Climate Change and Principle-based Taxonomy (“CCPT”), which is consistent with BNM’s VBI. For this VBI agenda, the VBI unit shall coordinate, manage, assist, guide, monitor and report on VBI initiatives to be in line with HLB Islamic’s VBI strategy.
Management Policy on Shariah Compliance	To encapsulate the essence of Shariah compliance aspects.	Jan 2022 (Latest review as of August 2025)	4.6 Value-Based Intermediation (“VBI”) HLB Islamic is expected to generate positive and sustainable impacts to ‘3P’ in Triple Bottom Line (“TBL”) namely economy (‘prosperity’), community/social (‘people’) and environment (‘planet’). HLB Islamic articulates integration of VBI principles and implementation strategies towards a sustainable financial ecosystem and these VBI initiatives are to be consistent with Shariah principles. The details of VBI Core Principles can be referred to in Appendix J.
Board Policy on Code of Conduct & Ethics	i. A fundamental value of the Hong Leong Bank Group (“HLBG” or the “Bank”) is that we are ‘Here for the Long Term’. In upholding this value, the Bank commits to a high standard of professionalism and ethics in the conduct of our business and professional activities as set out in this Board Policy on Code of Conduct & Ethics (“Code”). ii. This Code is designed to ensure that employees, and the organisation, observe and comply with all applicable laws, regulations and regulatory requirements. Employees of the Bank located outside Malaysia are expected to know and comply with the laws, regulations and Codes of Conduct that apply to you in your respective jurisdictions as well as provisions in this Code of Conduct & Ethics Policy. If compliance to some provisions of this policy are not practical or possible, due to customs in your particular country, approval from the Policy Owner of this policy is required.	June 2018 (Latest review as of October 2025)	8.3 Sustainability 8.3.1 The Bank is committed to reduce the effect of our operations on the environment so that we are able to build our franchise in a safe and healthy environment. The Bank aims to do this by managing the resources we use across the Bank and raising staff awareness about the importance of caring for the environment. The Bank will be mindful of its activities with employees, business partners and the community we operate within to ensure human rights are safeguarded. Where there are adverse impacts, we are committed to addressing these. 8.3.2 The Bank is committed to creating positive social impact by embedding social responsibility throughout our operations and supply chain. We aim to minimise any potential negative impacts on human rights, including children’s rights, and to contribute positively wherever possible. If we become aware of any situations where human rights may be affected, we are committed to address those concerns.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section												
Management Policy on Counterparty Credit and Issuer Risk (“CCIR”)	To outline the principles, policies and methodologies in managing counterparty credit and issuer risk (“CCIR”) in Hong Leong Bank Group (the Bank).	June 2021 (Latest review as of August 2025)	8.2 Additional Credit Caveats (i) (iv)Exposure to 3rd Generation of IPPs Financing of 3rd Generation IPPs may be considered (though without the 100% offtake of power generation by TNB) on a case to case basis depending on the merits of the Issuer/ borrower, subject to the satisfactory assessment on the cashflow and project viability. In promoting a strong ESG culture and sustainable finance and climate action, GM shall adopt the following commitments: • Cease financing any new coal-fired power plants effective 1 July 2021. • Cease financing all coal-fired power plants effective 1 July 2026. (v)												
Management Policy on Reputational Risk	To document the key principles to be upheld by the Bank in managing the reputational risks of the Bank.	March 2022 (Latest review as of March 2026)	5.2 Sources of reputational risk 5.2.2 The table below illustrates the sources of reputational risk which occur as a result of a mismatch between stakeholders’ expectation and their actual experience. <table><tr><th>Key Stakeholders</th><th>Expectations</th><th>Sources of reputational risk</th></tr><tr><td>Customers</td><td> • </td><td> • • Financing businesses in the high/ medium environmental & social risk category instead of the medium/ low environmental & social risk category • </td></tr><tr><td>Staff</td><td> • </td><td> • Discrimination/ harassment • Strained staff relations/ labour unrest & strikes • Homogenous workforce which does not promote diversity • Working environment that is unsafe, hazardous and disregard of employees’ well-being </td></tr><tr><td>Employee Unions</td><td> • </td><td> • </td></tr></table>	Key Stakeholders	Expectations	Sources of reputational risk	Customers	•	• • Financing businesses in the high/ medium environmental & social risk category instead of the medium/ low environmental & social risk category •	Staff	•	• Discrimination/ harassment • Strained staff relations/ labour unrest & strikes • Homogenous workforce which does not promote diversity • Working environment that is unsafe, hazardous and disregard of employees’ well-being	Employee Unions	•	•
Key Stakeholders	Expectations	Sources of reputational risk													
Customers	•	• • Financing businesses in the high/ medium environmental & social risk category instead of the medium/ low environmental & social risk category •													
Staff	•	• Discrimination/ harassment • Strained staff relations/ labour unrest & strikes • Homogenous workforce which does not promote diversity • Working environment that is unsafe, hazardous and disregard of employees’ well-being													
Employee Unions	•	•													

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section																								
			<table><tr><th>Key Stakeholders</th><th>Expectations</th><th>Sources of reputational risk</th></tr><tr><td>Shareholders/ Investors</td><td> • • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. • Achieving sustainability agenda and deepening adoption of sustainability practices • Being recognised by global sustainability indices and assessments </td><td> • • Inability to identify and address material ESG topics of the Bank and its stakeholder • Practices that are not socially or environmentally friendly </td></tr><tr><td>Suppliers/ Vendors/ OSP</td><td> • • Fair and sustainable approach in procuring goods and services </td><td> • </td></tr><tr><td>Business Partners</td><td> • </td><td> • </td></tr><tr><td>Rating Agencies/ Analysts</td><td> • • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. </td><td> • • Practices that are not socially or environmentally friendly • </td></tr><tr><td>Regulators</td><td> • • Compliance with ESG requirements • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. </td><td> • • Violation of ESG requirements • </td></tr><tr><td>Community</td><td> • • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. </td><td> • • Practices that are not socially or environmentally friendly </td></tr><tr><td>General Public</td><td> • </td><td> • </td></tr></table>	Key Stakeholders	Expectations	Sources of reputational risk	Shareholders/ Investors	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. • Achieving sustainability agenda and deepening adoption of sustainability practices • Being recognised by global sustainability indices and assessments	• • Inability to identify and address material ESG topics of the Bank and its stakeholder • Practices that are not socially or environmentally friendly	Suppliers/ Vendors/ OSP	• • Fair and sustainable approach in procuring goods and services	•	Business Partners	•	•	Rating Agencies/ Analysts	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Practices that are not socially or environmentally friendly •	Regulators	• • Compliance with ESG requirements • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Violation of ESG requirements •	Community	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Practices that are not socially or environmentally friendly	General Public	•	•
			Key Stakeholders	Expectations	Sources of reputational risk																						
			Shareholders/ Investors	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes. • Achieving sustainability agenda and deepening adoption of sustainability practices • Being recognised by global sustainability indices and assessments	• • Inability to identify and address material ESG topics of the Bank and its stakeholder • Practices that are not socially or environmentally friendly																						
			Suppliers/ Vendors/ OSP	• • Fair and sustainable approach in procuring goods and services	•																						
			Business Partners	•	•																						
			Rating Agencies/ Analysts	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Practices that are not socially or environmentally friendly •																						
			Regulators	• • Compliance with ESG requirements • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Violation of ESG requirements •																						
			Community	• • Promoting economic sectors that are better aligned to lower carbon emissions and/ or better climate-related outcomes.	• • Practices that are not socially or environmentally friendly																						
General Public	•	•																									

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section										
			5.3.6 Strong Enterprise Risk Management The Bank continuously reviews and enhances its enterprise risk management policies and procedures to ensure that the controls for the management of reputational risks are adequate. Some of the Bank’s key enterprise risk management policies are as follows: Hong Leong Bank Group Sustainability Risk Governance Framework The Hong Leong Bank Group Sustainability Risk Governance Framework was developed to address the ESG risks that may arise as the Bank implements its business strategies, policies and initiatives. The Bank is guided by the Framework in taking pragmatic steps to ensure it delivers sustainable value to our stakeholders whilst creating a positive impact to the communities and environments we operate in. The framework provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting of ESG risks. 										
Board Policy on Outsourcing	To set out policies governing the Bank’s outsourcing arrangements to maintain adequate internal governance and to manage outsourcing risk according to the scale and complexity of the outsourcing arrangements.	September 2023 <i>(Latest review as of October 2025)</i>	6.2 Assessment of OSP (Outsource Service Provider) 6.2.2 The due diligence must take into consideration the following factors regarding the OSP: a. r. sustainability considerations such as human rights protection in the workplace, sound occupational health and safety practices, sustainable environmental performance as well as ethical business practices. These considerations may be substantiated by OSP having in place policies, employee code of conduct and ethics, certifications, commitment statements, Corporate Social Responsibility (CSR) activities and sustainability training to its staff, among others. s. 6.2.3 BPO (<i>Business Process Owner</i>) shall assess the impact of climate-related events on internal operations as a whole, including material outsourcing activities and OSP’s ability to quickly recover capacity to continue providing critical services at an optimum level. The outcome of the assessment, if significant to the critical business functions, shall be reflected in the BCP accordingly. 6.2.4 BPO shall assess the susceptibility of OSP’s primary site, alternate site and data centre (both primary and alternate) locations to severe weather events. 6.12 Risk Assessment 6.12.2Key Outsourcing Risks <table><tr><th>Risk</th><th>Concerns</th></tr><tr><td>(1)</td><td>.....</td></tr><tr><td>(7) Sustainability Risk</td><td>OSP’s business conduct and impact in terms of environment, social and governance factors (“ESG”).</td></tr><tr><td>(8) Climate Risk</td><td>Potential risk that may arise from climate change, related impacts and economic and financial consequences.</td></tr><tr><td>(19)</td><td>.....</td></tr></table>	Risk	Concerns	(1)		(7) Sustainability Risk	OSP’s business conduct and impact in terms of environment, social and governance factors (“ESG”).	(8) Climate Risk	Potential risk that may arise from climate change, related impacts and economic and financial consequences.	(19)	
Risk	Concerns												
(1)													
(7) Sustainability Risk	OSP’s business conduct and impact in terms of environment, social and governance factors (“ESG”).												
(8) Climate Risk	Potential risk that may arise from climate change, related impacts and economic and financial consequences.												
(19)													

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
		September 2022 (Latest review as of October 2025)	6.10 Proposal Paper 6.10.1 Business Proposal Paper Requirements a. b. All proposals for outsourcing a specified function must take into consideration the following factors, among others: (i) (xi) Sustainability Review
Board Policy on Product Risk Approval	The Board Policy on Product Risk Approval is a policy to: (i) protect customer's interest in the bank products/services; (ii) ensure the risk of products is appropriate for the bank; (iii) ensure the bank complies with regulatory requirements relating to product requirements.	August 2019 (Latest review as of September 2025)	4 Principles 4.1 4.7 Sustainability – The Bank shall work towards advancing sustainability principles in its value propositions of new business initiatives, products and services designs and implementation. 4.8
Board Policy on Procure To Pay, Fixed Assets & General Ledger Controls	To provide an end-to-end view and better control of the Enterprise Resource Planning (‘ERP’) of the Bank.	April 2024 (Latest review as of April 2026)	4.2 Applicability for Procurement a) Eliminate waste and promote controlled usage To achieve the objective of optimising procurement costs, improving efficiency the Bank shall • Eliminate the use of items wherever possible, for instance reduction in usage of paper, pre-printed forms, plastic water bottles, etc. • Controlled usage shall be in place leading to a reduction in quantities or man-hour rates, standardisation of material specifications and finding alternative solutions whenever possible. To minimise the Environmental, Social & Corporate Governance (‘ESG’) negative impacts, by performing vendor ESG assessment via the Vendor Due Diligence process which covers fair labour practices, occupational health and safety, environment, ethical business practices, IT & data security and management. b) g) Assessment of Suppliers/Vendors Onboarding and management of our panel suppliers and vendors include comprehensive due diligence assessment of the background, financial standing and reputation of our suppliers and vendors, quality control of products and services and compliance with the Bank's code of conduct and sustainability requirements. Such as human rights protection, fair labour practices and sustainable environment performance. h) Sustainable Practices The principle of ensuring that all purchases, service requests, repair and maintenance processes align with the Bank's commitment to reduce the impact of its operations on the environment through its sustainability initiatives and to promote efficient utilisation of energy and water while effectively managing waste without compromising safety, comfort and reliability.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
			4.2.5 Vendors a) b) Evaluation and Selection of Vendors (i) (x) Demonstrate policies and practices that promote human rights protection, equal opportunities, fair employment practices and non-discrimination, including: • Gender, marital status, nationality, age and disability; • Fair and human treatment of staff • Do not engage in child labour law requirements, including the provision of fair wages, safe and reasonable working environment; and • Promotion of occupational health and safety values (xi) Demonstrate adoption of environmental policies and management systems sufficient to ensure continuous improvement in environmental performance which includes: • Practice “Reduce, Reuse and Recycle” efforts. • Practice energy efficient consumption efforts. • minimise environmental pollution. (xii) Demonstrate the existence of management systems and procedures to implement appropriate staff guidelines and code of conduct to ensure the prevention of: • Money laundering; • Fraud, bribery and corruption and other improper payments or gifts; • Unauthorised access to personal and business information. (xiii)
Board Policy on Purification Fund	To set forth the principles and standards for Hong Leong Islamic Bank Berhad (“HLB Islamic” or “the Bank”) in respect of the controls in managing the Bank’s Purification Fund.	March 2018 (Latest review as of November 2025)	6. Recipient of Purification Fund 6.1 The recipients of Purification Fund could include the following: - Baitul Mal (division within the Zakat Authorities that manage the distribution of the Purification Fund to the eligible recipients); or - Charitable bodies or organisations, to fund their charitable activities such as: - Aids for the poor and needy; - Educational, training, research programmes which are in compliance with Shariah; - Health programmes or ailing treatments; - Any other charitable activities that comply with Shariah as recommended by Senior Management and endorsed by HLB Islamic SC; or - Any other recipients as recommended by Senior Management and endorsed by HLB Islamic SC.
Board Policy on Zakat	To set forth the principles and standards for Hong Leong Islamic Bank Berhad (“HLB Islamic” or “the Bank”) in respect of the controls in zakat payment and distribution of zakat.	March 2012 (Latest review as of November 2025)	6. Legality of Zakat 6.2 Asnaf of Zakat (Recipients) 6.2.1 Based on Surah at-Taubah verse 60, zakat may be distributed to any of the eight (8) asnaf listed below: - Fuqara’ (The destitute) One who has neither material possession nor means of livelihood; or one who suffers and has no means to sustain daily needs. - Masakin (The needy) One with insufficient means of livelihood to meet basic needs. ‘Amilin (Those who are deputed to collect and administer zakat) These are the people or institutions who are appointed by the government to collect and administer zakat.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
			d) Muallafat al-Qulub (Those who hearts are to be reconciled) Those people whom it may be necessary to give money to seek support for Islam or to prevent them from opposing Islam. This also includes those who recently embraced Islam. If a person by leaving his community of unbelievers and then joining the ranks of Muslims becomes unemployed or recorded destitute, it is, of course, incumbent on Muslims to help him but if he is a wealthy person even then zakat can be given to him so that his heart becomes firm in Islam. e) Al-Riqab (For the emancipation of slaves) Those who want to free themselves from bondage or shackles of slavery. f) Al-Gharimin (For relieving one from the burden of debt) Those people who are in debt, being confident of receiving zakat to clear off his debt. The Shariah scholars have also said that it is not advisable to give zakat to a person who has fallen in debt due to extravagance and illicit habits. g) Fi Sabilillah (In the cause of Allah) This is a common word used in relation to all good deeds but, in particular, it means rendering help to an endeavour on to raise the banner of Islam. h) Ibnu Sabil (Wayfarer) Stranded traveller on a permissible journey. A wayfarer may have money in his home but if he does not have enough money to go back to his hometown, he is eligible to receive zakat.
Management Policy on Sustainable Financing	To establish guidance in the provision of sustainable financing to Hong Leong Bank’s clients under the Sustainable Finance Framework (“Framework”) to support their transition journey towards an environmentally sustainable future.	October 2025	3.0 Policy Statement The Bank is committed to supporting our clients to transition journey towards an environmentally sustainable future. To put into practice our commitments, this Policy and the Framework is thus formulated to serve two (2) principal objectives: - To guide future development of green and sustainable finance products or solutions that meet eligibility criteria that is consistent with - Climate change mitigation; - Climate change adaptation; - Positive social impact - To provide the basis for evaluating and monitoring business or economic activities that are eligible for sustainable financing The framework sets out the guidelines for sustainable financing by adopting both domestic and global principles and standards, including but not limited to: - The Loan Market Association (“LMA”)’s Green, Social and Sustainability-linked Loan Principles; - The International Capital Market Association (“ICMA”)’s Green, Social and Sustainability Bond Principles; - The ASEAN Taxonomy for Sustainable Finance (Version 3); - The Securities Commission Malaysia’s Principles-based Sustainable and Responsible Investment (“SRI”) Taxonomy for the Malaysian Capital Market; - The Bank Negara Malaysia (“BNM”)’s Climate Change and Principles-based Taxonomy (“CCPT”); and - BNM’s Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) In formulating the Framework, HLBB has also taken into consideration the global agenda for sustainable development as set out in the United Nations Sustainable Development Goals (“UN SDGs”) and will integrate the goals in its strategy and decision-making process, wherever possible.

APPENDIX III: HLB POLICIES WITH INTEGRATION OF ENVIRONMENT AND SOCIAL (“E&S”) ELEMENTS

Policy Name	Purpose	Date of “E&S” Inclusion	Extracted Section
			4.0 Use of Proceeds The use of proceeds from any sustainable finance products or instruments issued under the Framework shall only be used to finance businesses and projects that support the transition to a clean, energy-efficient, and environmentally sustainable economy, hereby collectively known as Green Project. For HLB Islamic, in order to fulfill VBI AF vis-à-vis Shariah requirement, the use of proceeds shall be used to finance Shariah-compliant businesses and projects. 4.1 Eligibility Criteria The following Eligibility Criteria details the economic sectors and activities that would generally qualify for HLBB’s Green Projects a) Renewable Energy (RE) b) Energy Efficiency (EE) c) Green Building (GB) d) Affordable Properties e) Waste Management (WM) f) Transportation and Logistics (TL)
Management Policy on Social Finance	To set out the general direction in the utilisation of Corporate Social Responsibility funds for Social Finance programme of HLB Islamic (“Social Finance Programme” or “the Programme”)	September 2024 (<i>Latest review as of September 2025</i>)	5.0 General Policy on Social Finance 5.1 Social Finance Programme a) To support the underserved community economic growth and part of the Bank’s corporate social responsibility ecosystem. The Bank will provide funding to the Platform Partners to run the programme. b)

APPENDIX IV: STAKEHOLDER ENGAGEMENT

We consistently engage with our various key stakeholder groups to understand their evolving needs and priorities in sustainability. This enables us to progressively evolve our strategies and develop initiatives that create lasting, shared value.



Employees

Their Expectations

- Acknowledgement of employee concerns by management, alongside transparent communication of business priorities
- Access to upskilling and professional development opportunities
- Employee retention programmes
- Creation of a conducive workplace environment
- Implementation of a systematic rewards programme based on meritocracy to recognise and reward initiatives, contributions and achievements

Bank-wide Communications

Engagement Channel	Frequency
Town hall sessions	Minimum twice yearly
Group Managing Director ("GMD") messages on email (Tone From the Top)	Monthly and as required
HR Communications ("HR Comms") emails	Ongoing

HR Initiatives

Engagement Channel	Frequency
Performance management process	Goal setting, mid-year review and year-end appraisal, supported by individual development plan discussions
Learning and development	Ongoing, via Bank-wide and role-based training
Curated, bite-sized learning	Weekly
Internal job opportunities	Weekly
Plusvibes newsletter	Weekly
Workday Assistant chatbot	24/7

My Thoughts, Our Future ("MTOF") Employee Engagement Activities

Engagement Channel	Frequency
Appreciation Month and e-Touch appreciation platform	Annually and quarterly, respectively
Breast Cancer Awareness Month	Annually
International Women's Day	
HLB Fitness Activities and Games	As per our annual engagement calendar
Brown Bag Virtual and Physical Lunch and Learn	Monthly
Driving the People Agenda	Automatically assigned upon appointment of people managers

APPENDIX IV: STAKEHOLDER ENGAGEMENT



Employees (continued)

Employee Engagements – Others

Engagement Channel	Frequency
Sustainability Month	Annually
HLB Expert Engagement sessions	
Our Group Scholarship Programme	

Others

Engagement Channel	Frequency
Whistleblowing channel	Upon initiation of whistleblowing cases. Contact information is available on the HLB website.



Customers and Clients

Their Expectations

- Protection of personal data and secure service delivery
- Easy accessibility to banking services for convenience
- Secure experiences in both physical and digital interactions with the Bank

Engagement Channel	Frequency
Our branches	Daily
Self-Service Terminals (“SSTs”)	18/7
Internet and mobile banking	24/7
Customer surveys	Daily
Telephone and email	24/7
Social media (HLB Facebook, X, LinkedIn and YouTube)	
Customer events	Ongoing, especially during festive seasons
Our whistleblowing channel	Upon initiation of whistleblowing cases. Contact information is available on the HLB website.



Investors

Their Expectations

- Our financial stability and growth prospects
- Continuous enhancement of stakeholder value
- Provide regular financial and sustainability-related updates
- Clear goals and ongoing progress of strategic initiatives

Engagement Channel	Frequency
Annual General Meetings (“AGMs”)	Annually
Meetings and briefings with investors and analysts	Ongoing
Quarterly results briefings	Quarterly

APPENDIX IV: STAKEHOLDER ENGAGEMENT



Regulators, Associations and Governments

Their Expectations

- Strong capital base and liquidity ratios to sustain our operations across economic cycles
- Full compliance with relevant laws, regulations and Shariah requirements, where applicable

Engagement Channel	Frequency
Bank Negara Malaysia ("BNM")	As and when required
Bursa Malaysia	
Perbadanan Insurans Deposit Malaysia ("PIDM")	
Securities Commission Malaysia	
Federation of Investment Managers Malaysia ("FIMM")	
Personal Data Protection ("PDP") Commissioner	
Financial Markets Ombudsman Service ("FMOS")	
Securities Industry Dispute Resolution Centre ("SIDREC")	
Malaysian Anti-Corruption Commission ("MACC")	
Labuan Financial Services Authority	
Shariah Advisory Council ("SAC")	
Inland Revenue Board ("LHDN")	
Accountant General's Department	
Royal Malaysian Police ("PDRM")	
Royal Malaysian Customs Department	
Department of Insolvency	
Association of Banks Malaysia ("ABM")	
Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM")	



Vendors and Suppliers

Their Expectations

- Transparency in our procurement process
- Fulfilment of our service level agreements
- Proactive discussion of issues and actions for resolution
- Commitment to meeting contractual and service-level commitments

Engagement Channel	Frequency
e-Bidding sessions (live auction)	As and when required
Tender processes	
Proof of concept ("POC") engagements	Ongoing, based on the particular project
Supplier onboarding programme	Ongoing
Supplier due diligence reviews	Annually or on contract renewal basis
Supplier performance reviews	
Outsourcing service provider onboarding programme	Ongoing
Outsourcing service provider due diligence reviews	Annually
Outsourcing service provider performance reviews	
Supplier and outsourcing service provider whistleblowing channel	Upon initiation of whistleblowing cases. Contact information is available on the HLB website
HLB Impact For Suppliers	Annually

APPENDIX IV: STAKEHOLDER ENGAGEMENT



Communities

Their Expectations

- Availability and accessibility of support programmes for those in need
- Opportunities to collaborate with the Bank on CSR or community activities

HLB Jumpstart

Engagement Channel	Frequency
Programmes for social enterprises	Monthly

HLB DuitSmart

Engagement Channel	Frequency
Social media (bite-sized content)	Minimum two social media postings a month
Engagements with: • Schools • Visually impaired community • Other marginalised and underserved communities • Members of the public	As per the HLB DuitSmart annual calendar

NGOs and Civil Society Organisations

Engagement Channel	Frequency
Volunteering, contribution in cash or kind	Monthly
HLB Impact For Communities	Annually



Media

Their Expectations

- Utilisation of adequate communication platforms for media engagement
- Proactive engagement with the media
- Prompt, detailed and transparent responses to media queries

Engagement Channel	Frequency
Press conferences and media briefings	• Financial results announcements: Twice a year • Products/services launches: As and when applicable • CSR initiatives: As and when applicable
Interviews	
Media get-togethers (appreciation luncheons and dinners)	As and when applicable
Festive greetings and care pack deliveries	

APPENDIX V:

GRI CONTENT INDEX WITH ALIGNMENT TO KEY STANDARDS

Statement of use	Hong Leong Bank Berhad has reported the information cited in this GRI content index for the period of 1 July 2025 to 30 June 2026, with reference to the GRI Standards
GRI used	GRI 1: Foundation 2021

GRI Standard	Description	Section	Page Number
GRI 2: General Disclosures (2021)			
GRI 2-1	Organisational Details	About this Report - Reporting Scope and Boundary	Pg. 2
GRI 2-2	Entities included in the organisation's sustainability reporting	About this Report - Reporting Scope and Boundary	Pg. 2
GRI 2-3	Reporting period, frequency and contact point	About this Report - Reporting Scope and Boundary	Pg. 2
GRI 2-4	Restatements of information	Our Performance	Restatements of data compared to prior years are noted in the respective section(s) where they appear
GRI 2-5	External assurance	About this Report - Board Approval and External Assurance	Pg. 2
GRI 2-6	Activities, value chain and other business relationships	About Hong Leong Bank	Pg. 6
GRI 2-7	Employees	Human and Labour Rights - Gender Composition of Employees	Pg. 93
GRI 2-9	Governance structure and composition	Our Sustainability Governance	Pg. 19
GRI 2-10	Nomination and selection of the highest governance body	Our Sustainability Governance	Pg. 22
GRI 2-11	Chair of the highest governance body	Hong Leong Bank Annual Report 2026 - Corporate Governance Overview, Risk Management and Internal Control Statement	Pg. 127 - 157
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Our Sustainability Governance	Pg. 20
GRI 2-13	Delegation of responsibility for managing impacts	Our Sustainability Governance	Pg. 20
GRI 2-14	Role of the highest governance body in sustainability reporting	Our Sustainability Governance - Role of the Sustainability Committee	Pg. 21
GRI 2-15	Conflicts of interest	1. Hong Leong Bank Annual Report 2026 - Board of Directors' Profile - Board Audit Committee Report 2. Good Governance and Ethical Business Conduct - Code of Conduct and Ethics	Pg. 110 - 113 Pg. 121 Pg. 53 - 54
GRI 2-16	Communication of critical concerns	Good Governance and Ethical Business Conduct	Pg. 53 - 54
GRI 2-17	Collective knowledge of the highest governance body	Our Sustainability Governance - Board Skills Development and Board Evaluation	Pg. 23
GRI 2-18	Evaluation of the performance of the highest governance body	Our Sustainability Governance - Role of the Sustainability Committee; Board Skills Development and Board Evaluation	Pg. 21; Pg. 23
GRI 2-19	Remuneration policies	1. Hong Leong Bank Annual Report 2026 - Corporate Governance Overview, Risk Management & Internal Control Statement 2. Our Sustainability Governance - Board Selection	Pg. 127 - 157 Pg. 22
GRI 2-20	Process to determine remuneration	Hong Leong Bank Annual Report 2026 - Corporate Governance Overview, Risk Management & Internal Control Statement	Pg. 127 - 157
GRI 2-22	Statement on sustainable development strategy	1. Group Managing Director/Chief Executive Officer's Statement 2. Chairman of the Sustainability Committee and Chief Financial Officer's Statement	Pg. 8 - 11
GRI 2-23	Policy commitments	1. Good Governance and Ethical Business Conduct - Code of Conduct and Ethics 2. Our Approach to Sustainability - Our Sustainability Framework 3. Appendix III - HLB Policies with Integration of Environment and Social ("E&S") Elements	Pg. 53 - 54 Pg. 13 Pg. 181 - 197

APPENDIX V: GRI CONTENT INDEX WITH ALIGNMENT TO KEY STANDARDS

GRI Standard	Description	Section	Page Number
GRI 2-24	Embedding policy commitments	1. Ethical Business Conduct - Code of Conduct and Ethics 2. Sustainability and Climate Approach - Our Sustainability Framework 3. Appendix III - HLB Policies with Integration of Environment and Social ("E&S") Elements	Pg. 53 - 54 Pg. 13 Pg. 181 - 197
GRI 2-25	Processes to remediate negative impacts	Good Governance and Ethical Business Conduct	Pg. 53 - 58
GRI 2-26	Mechanisms for seeking advice and raising concerns	Good Governance and Ethical Business Conduct	Pg. 53 - 58
GRI 2-27	Compliance with laws and regulations	Good Governance and Ethical Business Conduct	Pg. 53 - 58
GRI 2-28	Membership associations	Organisations and Associations	Pg. 5
GRI 2-29	Approach to stakeholder engagement	Appendix IV - Stakeholder Engagement	Pg. 198 - 201
GRI 2-30	Collective bargaining agreements	Human and Labour Rights	Pg. 95
GRI 3: Material Topics 2021			
GRI 3-1	Process to determine material topics	Our Approach to Sustainability - Materiality	Pg. 15
GRI 3-2	List of material topics	Our Approach to Sustainability - Materiality	Pg. 16 - 18
GRI 3-3	Management of material topics	Our Approach to Sustainability - Materiality	Pg. 16 - 18
GRI 101: Biodiversity (2024)			
GRI 101-8	Ecosystem services	Climate Resilience	Pg. 40 - 42
GRI 201: Economic Performance (2016)			
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate Resilience	Pg. 36
GRI 203: Indirect Economic Impacts (2016)			
GRI 203-1	Infrastructure investments and services supported	1. Climate Resilience 2. Sustainable Products and Services 3. Social Enterprises and Communities	Pg. 35 - 46 Pg. 59 - 73 Pg. 103 - 120
GRI 203-2	Significant indirect economic impacts	1. Climate Resilience 2. Sustainable Products and Services 3. Social Enterprises and Communities	Pg. 35 - 46 Pg. 59 - 73 Pg. 103 - 120
GRI 204: Procurement Practices (2016)			
GRI 204-1	Proportion of spending on local suppliers	Sustainable Supply Chain	Pg. 74 - 78
GRI 205: Anti-corruption (2016)			
GRI 205-1	Operations assessed for risks related to corruption	Good Governance and Ethical Business Conduct - Anti-Bribery and Corruption	Pg. 54 - 55
GRI 205-2	Communication and training about anti-corruption policies and procedures	Good Governance and Ethical Business Conduct - Anti-Corruption and Bribery Communication and Training	Pg. 57 - 58
GRI 205-3	Confirmed incidents of corruption and actions taken	Good Governance and Ethical Business Conduct - Anti-Bribery and Corruption	Pg. 57
GRI 302: Energy (2016)			
GRI 302-1	Energy Consumption within the organisation	Climate Resilience	Pg. 50
GRI 302-3	Energy Intensity	Climate Resilience	Pg. 50
GRI 302-4	Reduction of energy consumption	Climate Resilience	Pg. 50
GRI 303: Water and Effluents (2018)			
GRI 303-5	Water consumption	Climate Resilience	Pg. 51
GRI 305: Emissions (2016)			
GRI 305-1	Direct (Scope 1) GHG emissions	Climate Resilience	Pg. 48
GRI 305-2	Energy Indirect (Scope 2) GHG emissions	Climate Resilience	Pg. 48
GRI 305-3	Other indirect (Scope 3) GHG emissions	Appendix II - Sustainability Performance Data Table, Environmental Management (MM1: Climate Resilience)	Pg. 163 - 169
GRI 305-5	Reduction of GHG emissions	Climate Resilience	Pg. 48
GRI 306: Waste (2020)			
GRI 306-3	Waste generated	Climate Resilience	Pg. 51
GRI 306-4	Waste diverted from disposal	Climate Resilience	Pg. 51
GRI 306-5	Waste directed to disposal	Climate Resilience	Pg. 51

APPENDIX V:

GRI CONTENT INDEX WITH ALIGNMENT TO KEY STANDARDS

GRI Standard	Description	Section	Page Number
GRI 308: Supplier Environmental Assessment (2016)			
GRI 308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	Pg. 78
GRI 401: Employment 2016			
GRI 401-1	New employee hires and employee turnover	Talent Development and AI-Readiness - Our Performance	Pg. 150 - 152
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Development and AI-Readiness - Employee Benefits	Pg. 148
GRI 403: Occupational Health and Safety 2018			
GRI 403-1	Occupational health and safety management system	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 80 - 81
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 80
GRI 403-3	Occupational health services	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 80 - 92
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 80 - 92
GRI 403-5	Worker training on occupational health and safety	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 81
GRI 403-6	Promotion of worker health	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 81 - 84
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 80 - 81
GRI 403-9	Work-related injuries	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 101
GRI 403-10	Work-related ill health	Human and Labour Rights - Employee Wellbeing, Health and Safety	Pg. 101
GRI 404: Training and Education (2016)			
GRI 404-1	Average hours of training per year per employee	Talent Development and AI-Readiness - Our Performance	Pg. 153 - 154
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Development and AI-Readiness	Pg. 142 - 145
GRI 405: Diversity and Equal Opportunity (2016)			
GRI 405-1	Diversity of governance bodies and employees	Human and Labour Rights	Pg. 93; Pg. 96 - 100
GRI 405-2	Ratio of basic salary and remuneration of women to men	Human and Labour Rights	Pg. 100
GRI 406: Non-Discrimination (2016)			
GRI 406-1	Incidents of discrimination and corrective actions taken	Human and Labour Rights	Pg. 94
GRI 414: Supplier Social Assessment (2016)			
GRI 414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain	Pg. 76
GRI 418: Customer Privacy (2016)			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy, Data Protection and Cybersecurity - Our Performance	Pg. 137

APPENDIX VI: SASB CONTENT INDEX

SASB Code	Metric	Section	Page Number
FN-CB-230a.1	(1) Number of data breaches, (2) Percentage that are personal data breaches, (3) number of account holders affected)	Privacy, Data Protection and Cybersecurity	Pg. 137
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Privacy, Data Protection and Cybersecurity	Pg. 134 - 137
FN-CB-240a.1	Amount of loans outstanding that qualify for programmes designed to promote small business and community development	Sustainable Products and Services	Pg. 59 - 73
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Social Enterprises and Communities	Pg. 112 - 118
FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Sustainable Products and Services	Pg. 60 - 62
FN-CB-410b.1	Absolute gross financed emissions	Appendix II - Sustainability Performance Data Table, Environmental Management (MM1: Climate Resilience)	Pg. 163 - 169
FN-CB-410b.4	Description of the methodology used to calculate financed emissions	Appendix II - Sustainability Performance Data Table, Environmental Management (MM1: Climate Resilience)	Pg. 163 - 169
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Good Governance and Ethical Business Conduct - Anti-Bribery and Corruption	Pg. 54 - 55
FN-CB-510a.2	Description of whistleblower policies and procedures	Good Governance and Ethical Business Conduct - Whistleblowing	Pg. 56 - 57

APPENDIX VII:

IFRS S2 CONTENT INDEX

Core Element	Recommended Disclosures	Reference to Hong Leong Bank's Annual Report 2026 - Sustainability Statement	Page Number
Governance			
Understand the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities	Board Oversight	Pg. 83
		Role of the Sustainability Committee	Pg. 84
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Role of the Sustainability Committee	Pg. 84
		Sustainability Risk Management	Pg. 85
		Resilience of the Bank's strategy and business model in relation to climate-related risks	Pg. 97
Strategy			
Understand an entity's strategy for managing climate-related risks and opportunities	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Description of climate-related risks	Pg. 87 - 89
	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Effect on business model and value chain	Pg. 89 - 90
	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	Effect on strategy and decision-making	Pg. 91 - 92
		Overall decarbonisation target and Climate Transition Plan	Pg. 103 - 108
	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	Financial Effects	Pg. 92 - 93
		Sustainable Finance	Pg. 108
	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	Resilience of the Bank's strategy and business model in relation to climate-related risks	Pg. 93 - 97
Risk management			
Understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	Sustainability Risk Management	Pg. 85 - 86
		Resilience of the Bank's strategy and business model in relation to climate-related risks	Pg. 97
	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	Materiality Assessment	Pg. 81 - 83
		Resilience of the Bank's strategy and business model in relation to climate-related risks	Pg. 93 - 94 Pg. 97
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Sustainability Risk Management	Pg. 85 - 87
Metrics and Targets			
Understand a company's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation	Information relevant to the cross-industry metric categories	Metrics and Targets (non-GHG emissions)	Pg. 98
		Metrics and Targets (GHG Emission)	Pg. 98 - 99 Pg. 102 - 103
	Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry	Metrics and Targets (GHG Emission)	Pg. 100 - 102
		Sustainable Finance	Pg. 108
	Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets	Metrics and Targets (GHG Emission)	Pg. 98 - 99
		Overall decarbonisation target and Climate Transition Plan	Pg. 104 - 107

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026

Limited assurance report on Selected Sustainability Information

We have conducted a limited assurance engagement on the selected sustainability information as defined below, of Hong Leong Bank Berhad ("HLB" or "the Bank"), identified by the symbol "Δ", in the Bank's Sustainability Report ("Sustainability Report") and as defined in the section below, for the year then ended 30 June 2026 ("Selected Sustainability Information").

Selected Sustainability Information

The Selected Sustainability Information needs to be read and understood together with the Reporting Criteria, which the Bank is solely responsible for selecting and applying.

The Selected Sustainability Information and the Reporting Criteria subject to assurance are set out below:

Selected Sustainability Information	Reporting Criteria		Scope	2026 Figures disclosed
	Section in the Sustainability Report	Sub-section in the Sustainability Report		
Other environmental indicators				
Total Energy Consumption	Climate Resilience	Total Energy Consumption	Malaysia operations	118,145 GJ
			Singapore operations	1,875 GJ
			Cambodia operations	2,227 GJ
			Hong Kong operations	164 GJ
			Vietnam operations	1,285 GJ
Total Water Consumption	Climate Resilience	Water Consumption	Malaysia operations	138,377 m³
Greenhouse Gases (“GHG”) emissions				
Scope 1 GHG Emissions	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	93 tCO ₂ e
			Singapore operations	8 tCO ₂ e
			Cambodia operations	14 tCO ₂ e
			Hong Kong operations	-
			Vietnam operations	-
			Total	115 tCO ₂ e

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146),
Chartered Accountants, Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192,
50706 Kuala Lumpur, Malaysia.
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Selected Sustainability Information	Reporting Criteria		Scope	2026 Figures disclosed
	Section in the Sustainability Report	Sub-section in the Sustainability Report		
Greenhouse Gases (“GHG”) emissions (cont’d)				
Scope 2 GHG Emissions (location-based)	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	22,837 tCO ₂ e
			Singapore operations	196 tCO ₂ e
			Cambodia operations	353 tCO ₂ e
			Hong Kong operations	27 tCO ₂ e
			Vietnam operations	328 tCO ₂ e
			Total	23,741 tCO ₂ e
Scope 2 GHG Emissions (market-based)	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Total	16,252 tCO ₂ e
Scope 3 Category 6 Business Travel Emissions	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	2,014 tCO ₂ e
			Singapore operations	16 tCO ₂ e
			Cambodia operations	32 tCO ₂ e
			Hong Kong operations	5 tCO ₂ e
			Vietnam operations	43 tCO ₂ e
			Total	2,110 tCO ₂ e
Scope 3 Category 7 Employee Commuting Emissions	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	10,053 tCO ₂ e
			Singapore operations	100 tCO ₂ e
			Cambodia operations	63 tCO ₂ e
			Hong Kong operations	27 tCO ₂ e
			Vietnam operations	68 tCO ₂ e
			Total	10,311 tCO ₂ e

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Selected Sustainability Information	Reporting Criteria		Scope	2026 Figures disclosed
	Section in the Sustainability Report	Sub-section in the Sustainability Report		
Greenhouse Gases (“GHG”) emissions (cont’d)				
Scope 3 Category 13 Downstream Leased Assets Emissions	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	750 tCO ₂ e
			Total	750 tCO ₂ e
Scope 3 Emissions (excluding financed emissions)	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	12,817 tCO ₂ e
			Singapore operations	116 tCO ₂ e
			Cambodia operations	95 tCO ₂ e
			Hong Kong operations	32 tCO ₂ e
			Vietnam operations	111 tCO ₂ e
			Total	13,171 tCO ₂ e
Scope 3 GHG Financed Emissions: Motor Vehicle Loans	Appendix II: Sustainability Performance Data Table	Methodologies and Assumptions to GHG Emissions	Malaysia operations	660,853 tCO ₂ e
Scope 3 GHG Financed Emissions: Residential Mortgages			Malaysia operations	795,287 tCO ₂ e
Scope 3 Financed Emissions: Sovereign Debt - Excluding LULUCF - Including LULUCF			Malaysia, Singapore, Cambodia, Hong Kong and Vietnam operations	<u>Excluding LULUCF</u> 1,114,581 tCO ₂ e <u>Including LULUCF</u> 398,689 tCO ₂ e
Loan/financing portfolio exposures				
Total Green Vehicles Financing – Disbursed and Committed	Climate Resilience	Accelerating Sustainable Finance	Malaysia operations	RM 1.5 billion
Total Green, Affordable and Green, and Affordable Property Financing – Disbursed and Committed	Climate Resilience	Accelerating Sustainable Finance	Malaysia operations	RM 3.1 billion
Total Green Vehicles Financing - Outstanding	Climate Resilience	Accelerating Sustainable Finance	Malaysia operations	RM 2.7 billion

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Selected Sustainability Information	Reporting Criteria		Scope	2026 Figures disclosed
	Section in the Sustainability Report	Sub-section in the Sustainability Report		
Loan/financing portfolio exposures (cont'd)				
Total Green, Affordable and Green, and Affordable Property Financing - Outstanding	Climate Resilience	Accelerating Sustainable Finance	Malaysia operations	RM 19.8 billion
Total BCB Sustainable Financing – Disbursed and Committed	Climate Resilience	Accelerating Sustainable Finance	Malaysia operations	RM 0.7 billion
BCB portfolio exposures breakdown by high environmental and social (“E&S”) risk sectors	Sustainable Products and Services	Managing ESG Risk and Portfolio Exposure	Malaysia operations	<u>Before Environmental and Social Due Diligence (“EDD”) assessment:</u> Low and medium risk: 63% Inherently high risks: 37% <u>After EDD assessment</u> Low and medium risks: 27% High with mitigation: 6% High without mitigation: 4%
Sustainable Supply Chain				
Proportion of spending on local vendors	Sustainable Supply Chain	Spending on Local Vendors	Malaysia operations	87.9%

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information has not been prepared, in all material respects, in accordance with the applicable criteria set out in the "Selected Sustainability Information and Reporting Criteria" section above.

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Practitioner's responsibilities" section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Selected Sustainability Information

Management of the Bank is responsible for:

- The preparation of the Selected Sustainability Information in accordance with the Reporting Criteria.
- The design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Selected Sustainability Information, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error.
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Responsibilities for the Selected Sustainability Information (cont'd)

Those charged with governance are responsible for overseeing the Bank's sustainability reporting process.

Inherent limitations in preparing the Selected Sustainability Information

- As discussed in GHG Emissions Methodologies and Assumptions under the Appendix II Sustainability Performance Data Table of the Sustainability Report, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

It is generally acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance by the Company on proxy data.

The Selected Sustainability Information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

It is anticipated that the principles and methodologies used to measure and report the Selected Sustainability Information will develop over time and may be subject to change in line with market practice and regulation, impacting comparability year-on-year.

- As discussed in Climate Resilience section to the Sustainability Report, the Bank has estimated consumption for water and energy for which no primary usage data is available. In accordance with the requirements of reporting criteria, management has used historical data to estimate the information required to be reported related to the period ended 30 June 2026.
- As discussed in GHG Emissions Methodologies and Assumptions under the Appendix II Sustainability Performance Data Table to the Sustainability Report, the Bank has estimated consumption for Scope 1 GHG emissions (Fugitive Emissions), Scope 2 GHG emissions, Scope 3 Category 7 Employee Commuting emissions, and Scope 3 Category 13 Downstream Leased Assets for which no primary usage data is available. In accordance with the requirements of reporting criteria, management has used historical data to estimate the information required to be reported related to the period ended 30 June 2026.

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Bank's use of Reporting Criteria as the basis for the preparation of the Selected Sustainability Information.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Bank's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Selected Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Evaluated the suitability in the circumstances of Hong Leong Bank Berhad's Reporting Criteria as the basis for preparing the Selected Sustainability Information;
- Obtained an understanding of Hong Leong Bank Berhad's control environment, processes and systems relevant to the preparation of the Selected Sustainability Information at Hong Leong Bank Berhad's level by performing inquiries of management. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Bank, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Bank's estimates;

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Summary of work performed (cont'd)

In conducting our limited assurance engagement, we: (cont'd)

- Performed analytical procedures on Selected Sustainability Information based on our scoping for consistency of data with trends and our expectation;
- Performed limited substantive testing on a sampling basis on balances included in the Selected Sustainability Information as at the reporting date which involved agreeing data points to/from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
- Checked mathematical formulas used in the Selected Sustainability Information against Hong Leong Bank Berhad's Reporting Criteria; and
- Evaluated the appropriateness of the disclosures and presentation of the Selected Sustainability Information based on the Reporting Criteria.

Our assurance procedures specifically did not extend to the remaining parts of the Sustainability Report and the information included therein, other than the Selected Sustainability Information. Nor did we perform procedures on financial information extracted from the audited financial statements of the Bank and used in the calculation of the Selected Sustainability Information.

Other Matters

Our conclusion on the current period addresses the Selected Sustainability Information described in the "Limited assurance conclusion" section of our report.

The comparative Selected Sustainability Information presented as at 30 June 2025 and as at 30 June 2024, and for the years then ended was subject to a different engagement scope.

The comparative Selected Sustainability Information presented as at 30 June 2025 and as at 30 June 2024, and for the years then ended relating to Scope 3 Category 15 Financed Emissions (Sovereign Debt) was not subject to assurance.

Our conclusion is not modified in respect of these matters.

APPENDIX VIII: PWC LIMITED ASSURANCE REPORT



Independent Practitioner's Limited Assurance Report to the Board of Directors of Hong Leong Bank Berhad on the selected sustainability information disclosed in the Sustainability Report 2026 (cont'd)

Restriction on distribution and use, and disclaimer of liability to third parties and for any other purpose

Our report, including our conclusion, has been prepared solely for the Board of Directors of the Bank in accordance with the agreement between us dated 14 August 2026 (the "agreement"). We consent to the inclusion of this report in the Sustainability Report 2026 of the Bank which will be accessible at www.hlb.com.my in connection with the Bank's responsibilities under paragraph 6.2(e) of Practice Note 9 of the Main Market Listing Requirements in respect of the disclosure of a statement on whether the listed issuer has sought independent assurance on the Selected Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Bank for our work or this report except where terms are expressly agreed between us in writing. Any reliance on this report by any third party is entirely at its own risk.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
18 September 2026

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



INDEPENDENT ASSURANCE STATEMENT

To: The Board of Directors and Stakeholders of HONG LEONG BANK BERHAD

Introduction and Objectives of Work

BUREAU VERITAS CERTIFICATION (M) SDN. BHD. (“Bureau Veritas” or “BV”) has been engaged by **HONG LEONG BANK BERHAD** (“HLB”) to provide independent limited assurance over selected sustainability information for the reporting period from **1 July 2025 to 30 June 2026** (“FY2026”). The selected information is presented in HLB’s **Sustainability Report 2026**.

The objective of the engagement is to express a limited assurance conclusion on whether the Selected Sustainability Information described below has been prepared and presented, in all material respects, in accordance with the applicable reporting criteria.

Scope of Work

The engagement covers the following quantitative and qualitative **FY2026** information, including the related definitions, methodologies, boundaries, assumptions, and explanatory notes necessary to understand that information (collectively, the “Selected Sustainability Information”). The exact assured items are those identified in the final approved subject-matter and criteria matrix and tied to the controlled final report.

Area	Selected FY2026 Sustainability Information
Workforce and diversity	Workforce composition by gender, employee category and age; Malaysia ethnicity disclosures; Board gender diversity; and employee turnover within the stated populations.
Community and engagement	Selected community and employee-engagement programmes, participation, beneficiaries, expenditure, donations, volunteer inputs and related outputs.
Occupational safety and health	Selected fatalities, lost days, lost time incident rate, absenteeism, OSH training, and coordinator information.
Remuneration and labour practices	Selected gender-pay ratios, collective-bargaining coverage, living wage and overtime disclosures, and specified benefit-entitlement information.
Human rights and grievances	Selected human rights, grievance, harassment and discrimination information, including specified nil or zero claims.
Training and development	Total and average training hours and selected programme completion or participation counts.
Waste management	Waste generated, waste diverted from disposal, diversion rate, electronic waste, and selected treatment-route information.

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



Reporting Boundary

HLB's Sustainability Report 2026 includes HLB, Hong Leong Islamic Bank Berhad, and selected regional operations. The assurance boundary is not the report boundary as a whole. For each selected item, it comprises only the entity, geography, site, employee, contractor, or programme population identified in the final approved subject-matter and criteria matrix.

For FY2026, the Selected Sustainability Information covered by this statement is limited to HLB's Malaysia operations and the specific populations identified in the final approved subject-matter and criteria matrix.

Applicable Reporting Criteria

The criteria used to evaluate the Selected Sustainability Information (the "Criteria") comprise HLB's stated definitions, organisational and operational boundaries, consolidation and cut-off rules, measurement bases, calculation methodologies, assumptions, estimates, unit conversion conventions, and presentation basis, as set out in the controlled final report and the final controlled methodology and calculation records. The Criteria also include, only where expressly mapped to a selected item:

- the Global Reporting Initiative ("GRI") Standards applicable to the selected topics adopted by HLB;
- Bursa Malaysia sustainability reporting requirements and guidance applicable to the reporting period; and
- the controlled HLB definitions, policies, calculation methods, and source records identified for each selected item.

The entity-developed components of the Criteria were prepared for the information needs of HLB's intended stakeholders. Consequently, the Selected Sustainability Information may not be suitable for another purpose.

Responsibilities of Management

Management of HLB is responsible for measuring or evaluating the underlying sustainability subject matter against the Criteria and for preparing and fairly presenting the Selected Sustainability Information. This responsibility includes selecting suitable Criteria and making them available to intended users; defining the reporting boundary for each selected item; applying appropriate consolidation and cut-off rules; designing, implementing, and maintaining internal control relevant to the preparation of information that is free from material misstatement, whether due to fraud or error; making reasonable estimates and judgements; and maintaining sufficient supporting records. Management is also responsible for the other information in the report.

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



Bureau Veritas' Responsibilities

Our responsibility is to plan and perform the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement and to express an independent negative-form conclusion based on the procedures performed and evidence obtained. The procedures vary in nature and timing from, and are less extensive than, those for reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limitations and Exclusions

The engagement did not extend to other information in the Sustainability Report 2026, including greenhouse gas emissions, energy, water, financed emissions, sustainable or transition finance information, data privacy and cybersecurity, targets, forward-looking statements, scenario analysis, financial information, or any disclosure not expressly identified in the final approved subject-matter and criteria matrix.

The following limitations should be noted:

- Non-financial sustainability information is subject to inherent limitations arising from the nature of the information and the methods used to measure, estimate, calculate, or evaluate it.
- The procedures were risk-based and performed on selected items. A limited assurance engagement is substantially less extensive than a reasonable assurance engagement and does not test every transaction, location, system, or control. The level of assurance obtained is therefore lower than for reasonable assurance.
- Assumptions, estimates, allocations, emission factors, and other accepted measurement techniques may affect comparability between entities and reporting periods.
- Our conclusion relates only to the Selected Sustainability Information and does not constitute an opinion on the design or operating effectiveness of internal controls, overall sustainability performance, strategy, achievement of targets, or future performance.
- The engagement does not constitute an audit of financial statements, prudential or regulatory reporting, capital adequacy, credit risk, liquidity, solvency, insurance liabilities, Shariah governance or internal controls over financial reporting, except to the extent that a specific item is expressly included in the Selected Sustainability Information.

Methodology

The engagement included a virtual waste verification session on 12 August 2026, on-site verification sessions on 17 and 18 August 2026, and follow-up evidence review documented in

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



the engagement records. The nature, timing, and extent of procedures were determined by the assessed risk of material misstatement. The procedures performed included, as applicable:

- reviewing the engagement scope, reporting period, Selected Sustainability Information, reporting boundaries, and Criteria;
- assessing the suitability and consistent application of definitions, measurement bases, consolidation and cut-off rules, calculation methods, and significant assumptions relevant to the selected information;
- conducting interviews and process walkthroughs with personnel responsible for preparing, reviewing, and approving the selected information;
- performing analytical review and internal-consistency checks over selected figures, movements, units, rounding, classifications, narrative statements, and cross-references;
- performing risk-based tests of selected source records, system extracts, registers, and controlled workbooks to assess completeness, accuracy, cut-off, classification, and traceability;
- reperforming selected formulae, aggregations, rates, percentages, conversions, consolidation steps, and investigating identified variances or corrections;
- assessing evidence supporting selected nil, zero, and not-applicable disclosures across the relevant reporting channels and populations; and
- reviewing controlled workforce, learning, payroll or rewards, incident, grievance, programme and waste populations, and tracing selected items through calculations to the related disclosures;
- assessing metric-specific boundaries, the treatment of blank and zero values, and the distinction between Malaysia and any regional information included in the final assurance scope; and
- tracking agreed corrections and reconciling the final controlled information to its presentation in the report, together with obtaining written representations from management.

Assurance Standards and Level

We conducted the engagement in accordance with International Standard on Assurance Engagements (“ISAE”) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. These standards require us to plan and perform the engagement to obtain sufficient appropriate evidence for a limited assurance conclusion.

Inherent Limitations

The engagement was planned and performed using a risk-based approach. Misstatements, including omissions and inappropriate presentation were considered material if they could reasonably be expected, individually or in aggregate, to influence the decisions of intended users made on the basis of the Selected Sustainability Information. Materiality was considered using quantitative and qualitative factors appropriate to each selected item, including the nature of the information, stakeholder sensitivity, legal or regulatory significance, boundary

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



and estimation uncertainty, and the risk that a nil, zero, or not-applicable value could be misleading.

Conclusion

The procedures described above were completed, including resolution of the findings arising from the engagement, reconciliation of the final controlled information to its presentation in the report and receipt of management's written representations. We consider the evidence obtained sufficient and appropriate to provide a basis for our limited assurance conclusion.

Based on the procedures performed and the evidence obtained, **nothing has come to our attention that causes us to believe** that HLB's Selected Sustainability Information for FY2026 has not been prepared and presented, in all material respects, in accordance with the Criteria described in this statement.

This independent limited assurance statement should not be relied upon to detect all errors, omissions, or misstatements that may exist.

Note: Appendix A1 provides details of the indicators and figures within the scope of our limited assurance.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company specialising in quality, health, safety, social, and environmental management. Bureau Veritas Certification (M) Sdn. Bhd. applies the Bureau Veritas Group system of quality management for assurance engagements, including policies and procedures concerning ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the Bureau Veritas Code of Ethics and applicable independence and impartiality requirements. No member of the assurance team has a business relationship with HLB, its Directors or Managers beyond that required for this engagement, and no conflict of interest was identified. The engagement team has the appropriate competence and experience in sustainability assurance, relevant environmental and social information, data systems, and assurance methodology to perform this limited assurance engagement.

Bureau Veritas complies with ISO 17021–1:2015 Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems, which establishes the principles of independence, competence, impartiality, confidentiality, and professional behaviour of assessors.

Bureau Veritas was not involved in preparing the Selected Sustainability Information. This independent assurance opinion statement has been prepared solely for the stakeholders of HLB for the purpose described in the Scope detailed above.

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



Restriction of Liability

This independent assurance statement has been prepared for HLB for inclusion in HLB's Sustainability Report FY2026 and for the information of its intended stakeholders. It relates only to the Selected Sustainability Information described in this statement. It should not be reproduced in part or used for another purpose without the prior written consent of Bureau Veritas.

Our responsibility for the engagement and this statement is to HLB in accordance with the terms of our engagement; we do not assume or accept responsibility or liability to anyone other than HLB, for our work, for this report, or for the conclusion we have reached. We do not accept responsibility to any other party except where expressly agreed in writing.

For and on behalf of Bureau Veritas Certification (M) Sdn. Bhd.

Issue Date: 10 September 2026

Terence Ang Wai Sheng
Sustainability Manager



Bureau Veritas Certification (M) Sdn. Bhd.

Level 19, CIMB Hub
No. 26, Jalan Sultan Ismail, 50250,
Kuala Lumpur, MALAYSIA

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



BUREAU
VERITAS

Appendix A1 – Details of HLB's Key Data FY2026

Key Performance Indicators	Units	Values
Waste Management		
Total waste generated	Metric tonnes	132.0
Total waste diverted from disposal	Metric tonnes	31.4
Total waste directed to disposal	Metric tonnes	100.6
Community / Society		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	1,049,163
Total number of beneficiaries of the investment in communities	Number	28,020
Percentage of directors by gender and age group		
• Male	%	62.5
• Female	%	37.5
• < 30 years old	%	0.0
• 30 – 50 years old	%	0.0
• > 50 years old	%	100.0
Percentage of employees by gender and age group, for each employee category		
Malaysia		
Senior Managers		
• Male	%	56.5
• Female	%	43.5
• < 30 years old	%	0.0
• 30 – 50 years old	%	60.8
• > 50 years old	%	39.2
Managers		
• Male	%	38.9
• Female	%	61.1
• < 30 years old	%	3.6
• 30 – 50 years old	%	77.7
• > 50 years old	%	18.7
Executives		
• Male	%	34.7
• Female	%	65.3
• < 30 years old	%	42.1
• 30 – 50 years old	%	52.8
• > 50 years old	%	5.1
Non-Executives		
• Male	%	32.6
• Female	%	67.4
• < 30 years old	%	0.0
• 30 – 50 years old	%	67.2
• > 50 years old	%	32.8
Singapore		
Senior Managers		
• Male	%	60.9
• Female	%	39.1
• < 30 years old	%	0.0

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



**BUREAU
VERITAS**

• 30 – 50 years old	%	30.4
• > 50 years old	%	69.6
Managers		
• Male	%	46.3
• Female	%	53.7
• < 30 years old	%	0.7
• 30 – 50 years old	%	78.4
• > 50 years old	%	20.9
Executives		
• Male	%	37.5
• Female	%	62.5
• < 30 years old	%	36.3
• 30 – 50 years old	%	45.5
• > 50 years old	%	18.2
Non-Executives		
• Male	%	100.0
• Female	%	0.0
• < 30 years old	%	0.0
• 30 – 50 years old	%	0.0
• > 50 years old	%	100.0
Hong Kong		
Senior Managers		
• Male	%	0.0
• Female	%	100.0
• < 30 years old	%	0.0
• 30 – 50 years old	%	0.0
• > 50 years old	%	100.0
Managers		
• Male	%	50.0
• Female	%	50.0
• < 30 years old	%	0.0
• 30 – 50 years old	%	37.5
• > 50 years old	%	62.5
Executives		
• Male	%	60.0
• Female	%	40.0
• < 30 years old	%	20.0
• 30 – 50 years old	%	53.3
• > 50 years old	%	26.7
Non-Executives		
• Male	%	0.0
• Female	%	0.0
• < 30 years old	%	0.0
• 30 – 50 years old	%	0.0
• > 50 years old	%	0.0
Cambodia		

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



BUREAU
VERITAS

Senior Managers		
• Male	%	62.5
• Female	%	37.5
• < 30 years old	%	0.0
• 30 – 50 years old	%	87.5
• > 50 years old	%	12.5
Managers		
• Male	%	52.1
• Female	%	47.9
• < 30 years old	%	4.3
• 30 – 50 years old	%	95.7
• > 50 years old	%	0.0
Executives		
• Male	%	32.7
• Female	%	67.3
• < 30 years old	%	76.4
• 30 – 50 years old	%	23.6
• > 50 years old	%	0.0
Non-Executives		
• Male	%	28.2
• Female	%	71.8
• < 30 years old	%	97.4
• 30 – 50 years old	%	2.6
• > 50 years old	%	0.0
Vietnam		
Senior Managers		
• Male	%	100.0
• Female	%	0.0
• < 30 years old	%	0.0
• 30 – 50 years old	%	50.0
• > 50 years old	%	50.0
Managers		
• Male	%	35.7
• Female	%	64.3
• < 30 years old	%	0.0
• 30 – 50 years old	%	97.1
• > 50 years old	%	2.9
Executives		
• Male	%	28.6
• Female	%	71.4
• < 30 years old	%	24.8
• 30 – 50 years old	%	75.2
• > 50 years old	%	0.0
Non-Executives		
• Male	%	0.0
• Female	%	0.0

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



**BUREAU
VERITAS**

• < 30 years old	%	0.0
• 30 – 50 years old	%	0.0
• > 50 years old	%	0.0
Health and Safety		
Number of work-related fatalities		
• Malaysia	Number	0
• Singapore	Number	0
• Hong Kong	Number	0
• Cambodia	Number	0
• Vietnam	Number	0
Lost Time Incident Rate ("LTIR")		
• Malaysia	Rate	0.04
• Singapore	Rate	0
• Hong Kong	Rate	0
• Cambodia	Rate	0
• Vietnam	Rate	0
Number of employees trained on health and safety standards	Number	8,718
Labour Practices and Standards		
Total hours of training by employee category		
Malaysia		
• Senior Manager	Hours	21,115
• Manager	Hours	182,586
• Executive	Hours	370,680
• Non-Executive	Hours	70,857
Singapore		
• Senior Manager	Hours	492
• Manager	Hours	5,642
• Executive	Hours	2,616
• Non-Executive	Hours	51
Hong Kong		
• Senior Manager	Hours	58
• Manager	Hours	620
• Executive	Hours	651
• Non-Executive	Hours	0
Cambodia		
• Senior Manager	Hours	712
• Manager	Hours	5,780
• Executive	Hours	2,558
• Non-Executive	Hours	3
Vietnam		
• Senior Manager	Hours	125
• Manager	Hours	4,572
• Executive	Hours	8,764
• Non-Executive	Hours	0
Percentage of employees that are contractors or temporary staff	%	2.6
Total number of employee turnover by employee category		

APPENDIX IX: BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT



**BUREAU
VERITAS**

Malaysia		
• Senior Manager	Number	23
• Manager	Number	276
• Executive	Number	907
• Non-Executive	Number	33
Singapore		
• Senior Manager	Number	2
• Manager	Number	34
• Executive	Number	19
• Non-Executive	Number	1
Hong Kong		
• Senior Manager	Number	1
• Manager	Number	4
• Executive	Number	2
• Non-Executive	Number	0
Cambodia		
• Senior Manager	Number	1
• Manager	Number	46
• Executive	Number	36
• Non-Executive	Number	0
Vietnam		
• Senior Manager	Number	1
• Manager	Number	9
• Executive	Number	34
• Non-Executive	Number	0
Number of substantiated complaints concerning human rights violations	Number	0

Hong Leong Bank Berhad

Registration No. 193401000023 (97141-X)

Level 19, Menara Hong Leong
No. 6, Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2081 8888
Fax : 03-2081 7801

www.hlb.com.my

*As part of Hong Leong Bank's support for environmental sustainability,
this Sustainability Report is printed on Forest Stewardship Council (FSC) certified paper.*