



Amira Daniea, 19. Talented artist selected by the National Autism Resource Centre. As featured in HLB & HLISB 2025 Desktop Calendar.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

The Hong Leong Financial Group Berhad (“HLFG” or “the Group”) Sustainability Statement for financial year ended 30 June 2025 (“FY2025”) outlines our commitment to embedding environmental, social and governance (“ESG”) considerations into our business strategy and operations. This statement provides stakeholders with an overview of our sustainability approach, key initiatives, and progress made across the Group in FY2025. It reflects our continued efforts to deliver long-term value and positive outcomes for our stakeholders and the communities we serve.



REPORTING PERIOD, SCOPE AND BOUNDARIES

All information disclosed in this statement covers the financial year 2025, from 1 July 2024 to 30 June 2025, unless otherwise stated. It covers our activities in our key operating companies within the Group’s entities, covering the following core businesses:

- Hong Leong Bank Berhad (“HLB”) – Commercial and Islamic banking
- HLA Holdings Sdn. Bhd.* (“HLAH”) – Life insurance and family takaful
- Hong Leong Capital Berhad (“HLCB”) – Investment banking and fund management

* The information disclosed relates to Highlights & Achievements of 2025, Climate Metrics & Targets and Addressing the Emission Imperative. The remaining information pertains to Hong Leong Assurance Berhad (“HLA”).

- BNM Climate Risk Management and Scenario Analysis (“CRMSA”)
- International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards

In FY2025, the Group has started to disclose sustainability information in alignment with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. This is in accordance with the National Sustainability Reporting Framework (“NSRF”) as we continue to enhance our sustainability disclosures.

* For the Bursa Malaysia ESG Platform: Sustainability Performance Table, refer to Appendix I on pages 120 to 122.

* For the TCFD-Aligned Index, refer to Appendix II on page 123.

* For the GRI Content Index, refer to Appendix III on pages 124 to 125.

* For the IFRS S1, IFRS S2, TCFD and SASB Content Indices, refer to Appendix IV on pages 126 to 127.

STANDARDS AND GUIDELINES

This sustainability statement has been prepared with reference to the following regulations, standards, and guidelines:

- Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements on Enhanced Sustainability Reporting
- Securities Commission’s Malaysian Code of Corporate Governance (“MCCG”)
- Global Reporting Initiative (“GRI”) Universal Standards 2021
- United Nations Sustainable Development Goals (“UN SDGs”)
- Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations by the Financial Stability Board (“FSB”)
- Bank Negara Malaysia’s (“BNM”) TCFD Application Guide for Malaysian Financial Institutions (“FI”)

BOARD APPROVAL AND EXTERNAL ASSURANCE

This Sustainability Statement has been prepared with input and guidance from the Sustainability Committee (“SC”). It has been endorsed by the Board Audit and Risk Management Committee and approved by the Board of Directors (“Board”). The contents of this report have been reviewed and assured by SIRIM QAS International Sdn. Bhd. The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements (“ISAE”) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and Bursa Sustainability Reporting Guide.

The assurance process involves verification of 17 material matters as presented in the Sustainability Statement within HLFG’s sustainability pillars.

The Statement of Assurance is shown on Appendix VI on pages 128 to 130.

SUSTAINABILITY STATEMENT

FY2025 SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

The Group has made significant progress in driving sustainability across our business practices and operations, highlighted by the following achievements over the past financial year.



ROAD TO NET ZERO

HLFG has established a Group-wide Net Zero by 2050 commitment with short-term targets for all key operating companies to reduce Scope 1 and Scope 2 emissions by 15% to 25% by FY2026 from the FY2019 baseline. HLFG and our key operating companies are on track to meet our short-term target as depicted below.



Key Sustainability Highlights



More than 50% female representation in HLFG's Board of Directors



Group-wide scope 1 and scope 2 **GHG reduction** of 29% reduction across all entities
GHG scope 1+2 with FY2019 as baseline



Established Sustainable Finance Framework with target to mobilise **RM20 Billion by FY2029**



Increased outstanding green vehicles loans to **RM1.8 billion** as of June 2025 for battery electric vehicles ("BEV"), hybrid electric vehicles ("HEV") and plug-in hybrid electric vehicles ("PHEV")



Mobilised a total of **RM4.5 billion in sustainable financing**, exceeding our first-year target by 33%



Raised total portfolio of **Green Mortgage & Affordable Property Financing to RM17.0 billion**, equivalent to 16% of entire mortgage portfolio



Grew **HLCB's green bonds and sukuk holdings to RM240 Million in FY2025**, supporting investments in renewable energy and public transportation



Completed 7 ESG/sustainability-related debt issuances amounting to **RM1.1 billion**



Invested **RM1,216,350** in community projects supporting at least **31,127 beneficiaries** across the Group



93% of total spending on local suppliers across the Group



ZERO breaches of customer privacy and losses of customer data across the Group



Invested **678,656 hours** of employee training across the Group, with an average training hours per employee of **68 hours**.

SUSTAINABILITY STATEMENT

KEY RATINGS



FTSE4Good

The Group continues to benchmark against global sustainability standards as we strengthen our ESG practices across our operations.

- HLB remains a 4-star (Highest Status) FTSE4GOOD constituent
- HLB and HLCB continue to be listed as constituents of FTSE4Good Bursa Malaysia Index, recognising the Group's efforts in advancing sustainability across all facets of business.

HLFG has been excluded as a constituent of FTSE4GOOD index as result of not meeting FTSE's liquidity trading threshold during the June 2025 review period.

ESG AWARDS AND RECOGNITION DURING FY2025

HONG LEONG BANK BERHAD

HLB received notable awards recognising their robust ESG performance and initiatives.

- Sustainability & CSR Malaysia Awards 2024 - Bank of the Year for Community Empowerment
- National Energy Awards ("NEA") 2024 - Winner - Best Domestic & Islamic Bank for Sustainable Energy Financing 2024
- CSR Excellence Awards 2024 by Association of Banks in Malaysia ("ABM") - Winner - For Enhance Educational Opportunities or Improve Financial Literacy Category, 2nd Runner Up - For Life Below Water and Life on Land Category
- National Corporate Governance and Sustainability Awards 2024 by Minority Shareholders Watch Group ("MSWG") - Overall Excellence Award

HONG LEONG ASSURANCE BERHAD

HLA has attained significant milestones as a leading domestic life insurer and family takaful with recognition in delivering innovative solutions.

- Domestic Life Insurer of the Year – Malaysia | Insurance Asia Awards 2025
- Best Life insurance Company 2024 – Malaysia | Global Business Outlook Award
- Most Innovative Takaful Products Award – Malaysia | International Business Awards 2025

HONG LEONG CAPITAL BERHAD

HLCB was recognised with three awards within the green debt/sustainable financing and M&A space.

- Best Asean Green SRI sukuk – Renewable energy/Solar by The Asset Triple A Islamic Finance Awards 2024
- FinanceAsia Achievement Awards 2024: Best Bond Deal (Southeast Asia Highly Commended)
- FinanceAsia Achievement Awards 2024: Best Bond Deal (Malaysia Winner)

¹ Awards span across 2024 and 2025 calendar year.

SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY FRAMEWORK



The Group's Sustainability Framework is built around five sustainability pillars that form the foundation for assessing, guiding and advancing sustainability efforts and initiatives across our key operating companies. These pillars support the unified integration of sustainability considerations and ESG principles into our business operations from lending practices, financial products and services to investment strategies. Our Framework strengthens organisational resilience and enhances the value and positive outcomes we generate for stakeholders and the communities in which we operate. This is further supported by our sustainability governance and ESG risk management processes. In FY2025, we have initiated the process of identifying sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects.

Environmental Management	Socially Responsible Business	Community Investment	Digital at the Core	Workforce Readiness
Integrating environmental considerations into our business decisions, reducing resource consumption and progressing initiatives that contribute to environmental and climate resilience.	Conducting business with integrity and accountability, upholding ethical standards and ensuring compliance to promote responsible practices across our operations.	Making meaningful contributions to local communities through strategic partnerships and initiatives that promote inclusivity and address social and environmental challenges.	Leveraging digital technologies to transform business operations and deliver innovative solutions that enhance end-to-end customer experiences.	Upskilling our employees with the necessary ESG skills and competencies to propel our sustainability ambitions in a rapidly evolving business landscape.

These pillars are further categorised into our 17 material sustainability topics described under the Materiality section, facilitating clear and transparent sustainability disclosures to keep stakeholders updated on our progress.

SUSTAINABILITY STATEMENT

OUR NET ZERO AMBITION

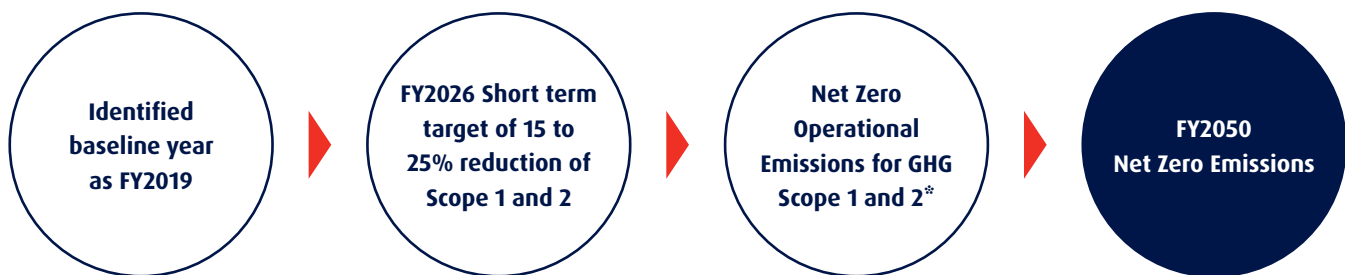
The Group remains steadfast in its commitment to drive climate action and build resilience alongside our stakeholders. Since FY2024, HLFGB and key operating companies have committed to achieve net zero emissions by 2050 in support of national and global climate targets, including the 13th Malaysia Plan ("13MP") and National Energy Transition Roadmap ("NETR").

KEY FOCUS AREAS

Our net zero ambition establishes key focus areas for long-term decarbonisation with an emphasis on expanding carbon reduction efforts and developing net zero pathways. These include:



OUR PATH TO NET ZERO



* HLB and HLCB have each set a medium-term target on achieving net zero for Scope 1 and 2 by 2030. Other operating entities are actively evaluating their own potential net zero pathways. HLA is currently conducting their assessment for scope 1 and scope 2 carbon neutrality, and will announced a target in due time.

The Group has set a target of achieving a 15% to 25% reduction of GHG Scope 1 and 2 emissions by FY2026, using FY2019 as baseline year. This target has been applied across the Group to ensure consistent and steady progress towards our Net Zero by 2050 ambition.

For FY2025, HLFGB and key operating companies are **on-track** to meet the short-term target of a

15% to 25%
reduction of GHG emissions by FY2026.

With FY2019 as the baseline year, HLFGB and key operating companies have significantly reduced Scope 1 and 2 operational emissions, and are on track to meet our short-term targets by FY2026.

CLIMATE DISCLOSURES

This Sustainability Statement acts as a Board-approved disclosure policy, and has been integrated with TCFD-aligned climate-related disclosures guided by the principles of transparency and accountability.



SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY GOVERNANCE

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability at HLFG is spearheaded by robust corporate governance that provides clear leadership towards achieving our sustainability ambitions. Our Board sets the tone from the top in maintaining oversight of the overall development and execution of our sustainability strategies. Our Board is supported by the Board Audit and Risk Management Committee, Nomination and Remuneration Committee and Group Board Information and Technology Committee as stipulated in the Board Charter. Our corporate governance structure, as well as the roles and responsibilities of these committees, are outlined below:

BOARD OF DIRECTORS

Establishes a sound governance structure for the implementation of sustainability efforts and practices in business operations, ensuring that sustainability is embedded in business strategies.

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE ("BARMC")

Support the Board in overseeing the implementation of the Group's governance, risk management and internal control framework/policies; overseeing that management has a reliable and transparent financial reporting process by providing independent oversight of internal and external audit functions; overseeing management's implementation of compliance risk management; promoting the adoption of sound corporate governance principles within the Group; and overseeing the implementation of Group's sustainability strategies and consider environmental, social and governance issues when reviewing risk management policies as well as overseeing progress against goals and targets for addressing climate related issues.

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Support the Board with recommendations on appointments, re-appointments, composition, succession planning, performance evaluation and development, fit and proper assessments and skills evaluations of the Board, senior management and company secretary, as well as the term of office and performance of the BARMC, training needs of each Director, reviews the structure and guidelines for remuneration covering Directors, Chief Executive Officer ("CEO"), and senior management, and material risk-takers.

GROUP BOARD INFORMATION AND TECHNOLOGY COMMITTEE ("GBITC")

Jointly support the Boards of HLFG, Hong Leong Investment Bank Berhad ("HLIB"), HLA, and Hong Leong MSIG Takaful Berhad ("HLMT") on matters relating to technology and cyber security, by ensuring that risk assessments undertaken on material technology applications are robust and comprehensive; ensuring that management meets the expectations on technology and cyber security risk management as set out in BNM policy document on Risk Management in Technology; and facilitating discussions among entities on the developments in digital trends, to rationalise practices and policies and promote consistency across entities, where possible.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

The Group continues to strengthen its sustainability governance structure towards managing sustainability-related risks and opportunities as well as providing strategic guidance and oversight on sustainability matters to key operating companies.

Our Board sets the tone from the top and bears overall responsibility for promoting sustainable growth and financial soundness of the Group, ensuring appropriate ESG considerations are integrated into our business strategies.

In discharging its ESG-related duties, the Board is supported by the BARMC and senior management, both of whom play vital roles as conduits between our Group Sustainability Committee ("SC") and the Board. The BARMC is a key body within our sustainability governance structure and as reflected in the BARMC Terms of Reference, supports the Board in exercising their roles in relation to integrating sustainability considerations when reviewing risk management policies and monitoring progress against sustainability and climate related goals and targets. The BARMC is kept abreast of the latest sustainability and climate-related developments through frequent updates from the SC. These updates enables the BARMC to track our performance against established targets and oversee the execution of the Group's broader sustainability strategy.

On a quarterly basis, and with the support of the SC, the BARMC will provide comprehensive updates to the Board on sustainability-related matters. These updates will enable the Board to effectively exercise its oversight responsibilities by ensuring visibility into key areas such as sustainability risks and opportunities, the integration of sustainability within the enterprise risk management framework, the strategic initiatives undertaken, and the associated metrics and targets established to monitor progress.

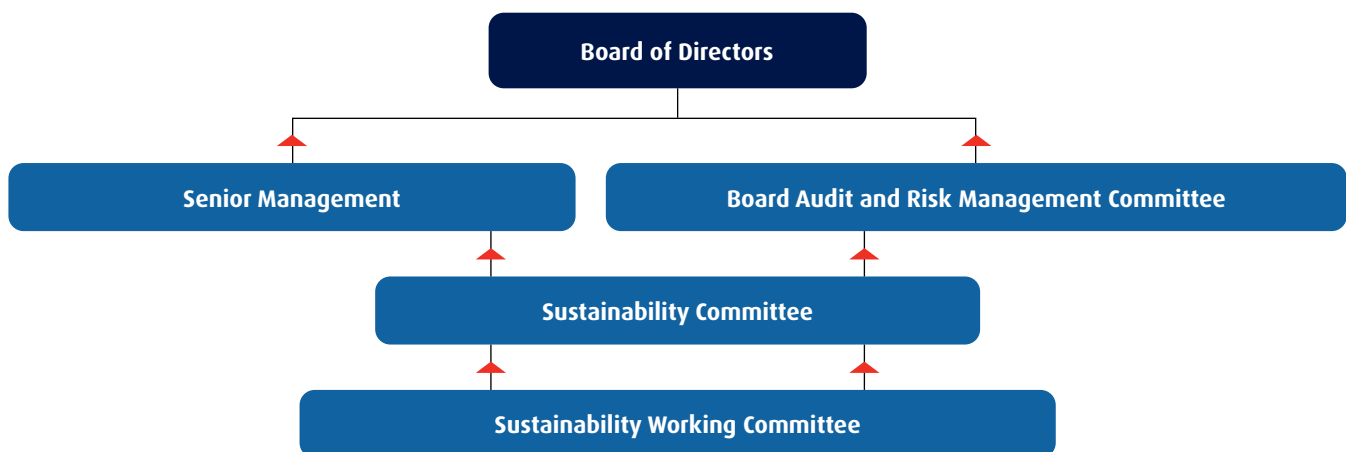
Note: For more details on Terms of Reference for BARMC, refer to <https://www.hlfq.com.my/about-us/img/pdf/HLFG-BARMC-TOR.pdf>.

SUSTAINABILITY STATEMENT

The Group's SC comprises four senior management personnel: our Group Chief Financial Officer, Group Chief Risk Officer, General Counsel and Chief Compliance Officer and Group Company Secretary. Leveraging their combined, diverse experiences, the SC oversees the implementation, effectiveness and progress of all sustainability- and climate-related initiatives undertaken by the Group and key operating companies. The annual Board assessment has integrated the assessment of Directors skill sets, competencies and experience in environmental, social and governance ("ESG") areas.

While our key operating companies are primarily responsible for managing their respective ESG initiatives, HLFG plays a crucial role in providing strategic direction and leadership to oversee and monitor efforts in addressing Group-wide material sustainability matters. The SC facilitates regular engagements across the Group, creating a platform to track progress through its Sustainability Dashboard and promote consistency in the adoption of sustainability strategies and best practices.

The SC also supports Group-wide oversight of sustainability risks and mitigation plans, assisting the BARMC in assessing and evaluating sustainability and climate-related risks and opportunities, while ensuring our practices align with international standards, such as TCFD, GRI and IFRS S1 and S2 - and comply with regulatory requirements set by BNM, Securities Commission Malaysia and Bursa Malaysia.



Sustainability Governance Body	Roles and Responsibilities
Board of Directors	Establishes an effective governance structure for implementing sustainability efforts and practices within business operations, ensuring that sustainability is integrated into business strategies.
Board Audit and Risk Management Committee	- Comprising independent members of the Board, and oversees the Group's sustainability strategy and internal control frameworks. - Ensures ESG factors are integrated into risk management policies. - Receives regular updates on sustainability and climate-related risks, keeping the Board informed through quarterly reports.
Senior Management	- Senior management acts as the main enabler of the Group's sustainability strategies, supporting the BARMC in overseeing the strategic direction for sustainability. - This includes evaluating sustainability progress, ensuring transparent sustainability reporting, and guiding the effective implementation of ESG risks and mitigation plans.
Sustainability Committee	- Spearheads the Group's strategic direction for sustainability, regularly receiving updates from all operating companies, and providing advice and guidance to ensure consistency in approach and strategies. - Monitors the Group's regulatory compliance, reviews policies and frameworks, sets targets and goals for sustainability and climate-related initiatives, ensures compliance with applicable ESG and climate-related regulations and reviews the Group's Sustainability Statement before recommending for BARMC endorsement and Board approval for publication.
Sustainability Working Committee	- Acts as the sustainability working group to facilitate Group-wide discussions in driving the Group's sustainability best practices, capacity building and sustainability efforts. - Comprising sustainability leads and representatives from HLFG and the key operating companies who are empowered to steer and execute sustainability and ESG initiatives within their respective SC.

SUSTAINABILITY STATEMENT

Sustainability and climate-related topics discussed during FY2025

- Quarterly risk monitoring on selected sustainability and climate risk indicators.
- Updates on adhering to regulatory compliance including progress in implementing BNM's CRMSA, TCFD Basic and Stretch Recommendations, updated classification of BNM's CCPT, Climate Risk Stress Testing ("CRST") and transition to IFRS in line with NSRF.
- Updates on BNM's CRST Methodology Paper including the flood risk assessment conducted.
- Reporting of sustainable and green financing performance targets and progress to date including progress on the Sustainable Finance Framework ("SFF").
- Updates on calculating financed emissions with HLB, HLCB and HLA becoming Partnership for Carbon Accounting Financials ("PCAF")'s signatories.
- Progress made in developing decarbonisation pathways in line with emissions reduction targets.

BOARD CAPACITY BUILDING AND SKILLS MATRIX

HLFG is committed to fostering a culture of continuous learning and development in ESG matters. Directors across the Group regularly participate in trainings encompassing a wide range of topics such as corporate governance, finance, legal, risk management, information technology, cyber security, sustainability, internal controls, and regulatory compliance. This proactive approach enables them to remain at the forefront of industry developments and ensures the ongoing refinement of our ESG integration strategies.

The Group constantly strives to operate as a team of individuals with diverse skill sets, strengths and expertise that contribute to achieving our strategic ESG priorities, ensuring its sustained success in the long run. The table below depicts the key skills and expertise of our Board of Directors for HLFG.

Skills & Experience	Number of Directors
Banking/Financial Services	5
Technology	6
Leadership	6
Corporate Governance, Risk Management/ Compliance	7
Sustainability and Climate Change	7
Financial Acumen	7
International Business Experience	6

In line with statutory requirements, all directors of the Board have completed the Bursa Malaysia Mandatory Accreditation Programme Part II: Leading in Impact ("MAP Part II") course on sustainability governance.

Furthermore, to underscore our dedication to driving sustainability progress, ESG considerations are now an integral part of the Board Annual Assessment for all operating companies under the Group. This exemplifies HLFG's proactive approach to embedding sustainability as a core part of our governance and decision-making processes.

ESG RISK GOVERNANCE

The Group's ESG risk management governance structure promotes active involvement from all parties to ensure a uniform view of ESG risk across the organisation. This aligns with the Group's Sustainability Risk Governance Framework, which in turn aligns with the Group's overall Risk Management Framework. It also ensures accountability and facilitates an appropriate level of independence and segregation of duties among all parties involved.

All operating companies across the Group have incorporated ESG and sustainability risk factors into their operations to promote positive effects on the environment and the communities in which they operate. This involves a structured approach to identifying, evaluating, quantifying, monitoring, mitigating and reporting ESG risks, including policies and action plans to manage the following risks:



Credit Risk



Market Risk



Operational Risk



Liquidity Risk



IT and Cyber Risk



Regulatory Compliance Risk and Financial Crime Risk



Bribery and Corruption Risk



ESG Risk



Pandemic-Related Risk/Business Continuity Risk



Shariah Risk

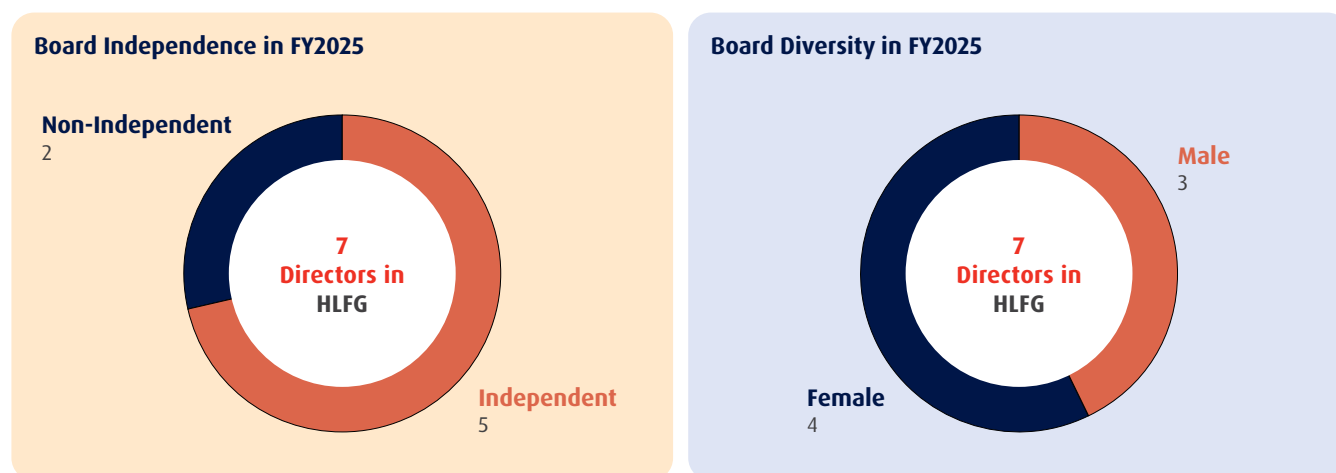
Acknowledging the critical need for financial institutions to expedite efforts in managing climate-related risks, all key operating companies have made progress towards meeting evolving regulatory expectations and implementing long-term mitigation strategies. The Group has set a baseline of climate-related goals and metrics, and has a Group-wide commitment to achieve net zero by 2050.

Read more on our approach to ESG risk management on pages 49 to 52 of this report.

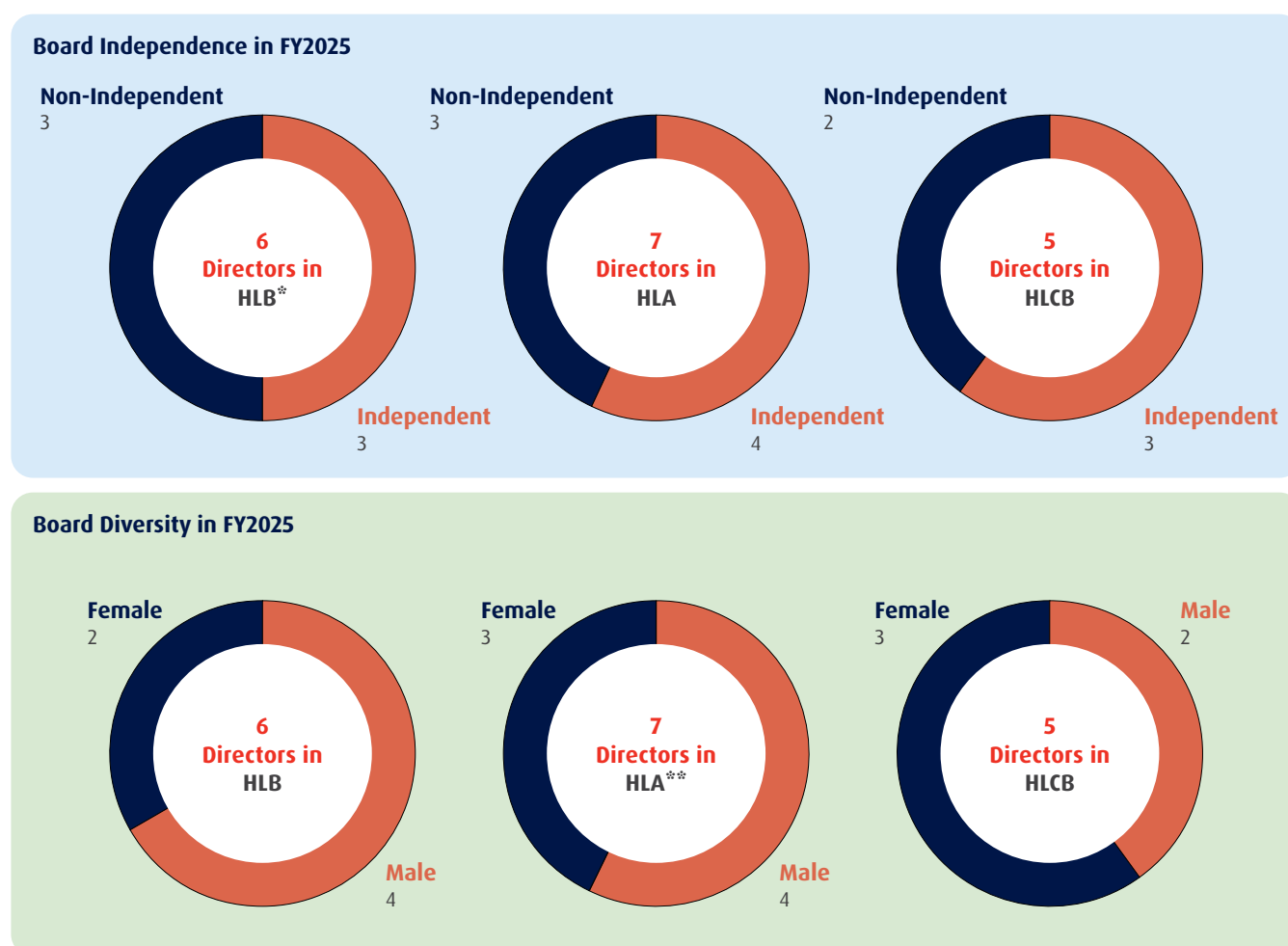
SUSTAINABILITY STATEMENT

BOARD INDEPENDENCE AND DIVERSITY

Our commitment to maintaining a diverse Board aligns with our emphasis on diversity and inclusivity at every level of our organisation. The Group's Board currently features 57% female representation, while all of our directors are nominated and appointed fairly, without discrimination based on gender, race or religion. This Group-wide commitment is supported by HLFGB and our key operating companies having established their respective Board Diversity Policies.



Board Diversity Across Our Key Operating Companies



* HLB is in the process of appointing new Independent Directors to further strengthen its Board composition.

** HLA Board Data as at 16 July 2025.

SUSTAINABILITY STATEMENT

SOUND RISK MANAGEMENT & COMPLIANCE

INTEGRATING SUSTAINABILITY WITHIN RISK MANAGEMENT

Risk management is integral to the Group's overall strategy, fostering trust and providing safeguards to shareholders and customers. We are focused on building operational excellence and implementing robust controls to ensure scalable growth in response to the increasingly complex business environment. Recognising the direct and indirect impacts of climate change on our business, we have implemented a robust risk management structure that balances ESG risk mitigation with growth. We continue to strengthen our ESG risk management by integrating more sustainability and climate considerations within our risk management framework.

Established Sustainability Risk Appetite Statement ("RAS") on key financing portfolios, reinforcing focus on managing environmental risks².

Completed portfolio-level analysis based on ESG due diligence assessments, assessing climate-related risks to identify our high risk sectors and clients³.

Expanded our Internal Capital Adequacy Assessment Process ("ICAAP") and Stress Test scenarios to include strategic ESG and climate-related risk assessments⁴.

Enhanced sustainability and climate risk monitoring reports to Board and management.

A robust governance structure has been established across our Board, Board Committees and management teams to uphold robust risk management across the Group (see 'Sustainability Governance' on page 45 for more details). The BARMC oversees and monitors issues related to the Group's risks, including capital adequacy, credit risk, market risk, liquidity risk, operational risk, technology and cyber risk, compliance risk and ESG risk, amongst others. Group-wide policies, alongside the policies of our operational companies, have been established to guide the process of identifying, assessing, monitoring and managing risks and uncertainties as the Group pursues sustainability objectives. Our risk management framework incorporates strict protocols and procedures to ensure that employee conduct across the Group aligns with practices that minimise exposure to risks.



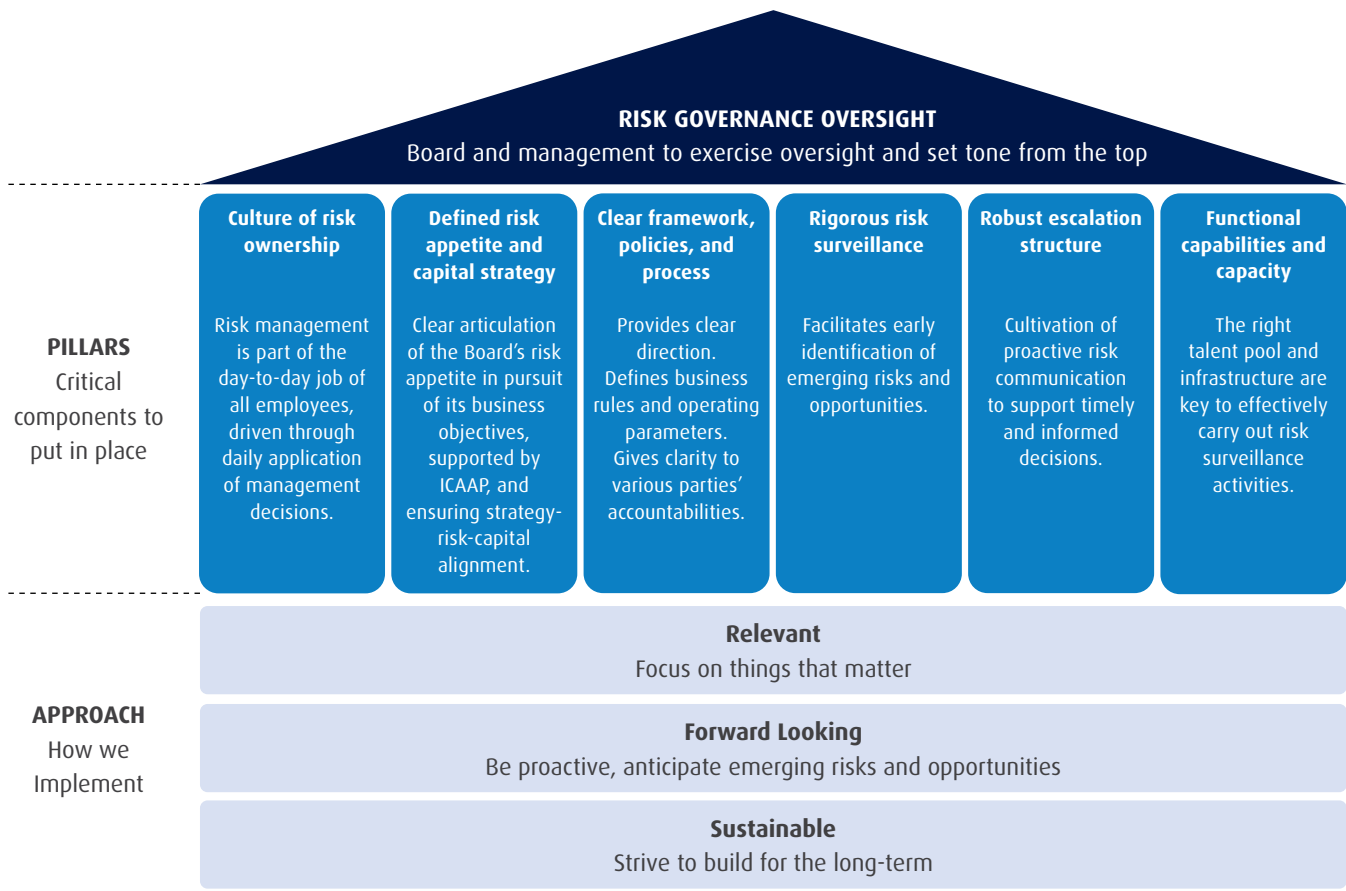
² Established by our key operating companies.

³ Conducted by our key operating companies. Refer to ESG Risk Assessment for more details.

⁴ Refer to Scenario Analysis section for more details.

SUSTAINABILITY STATEMENT

GROUP RISK MANAGEMENT FRAMEWORK



GROUP RISK OVERSIGHT STRUCTURE



Notes:

- a. GCF refers to Group Control Functions.
- b. IGRMC refers to Intra-Group Risk Management Committee.
- c. IGHCC refers to Intra-Group Head of Compliance Committee.

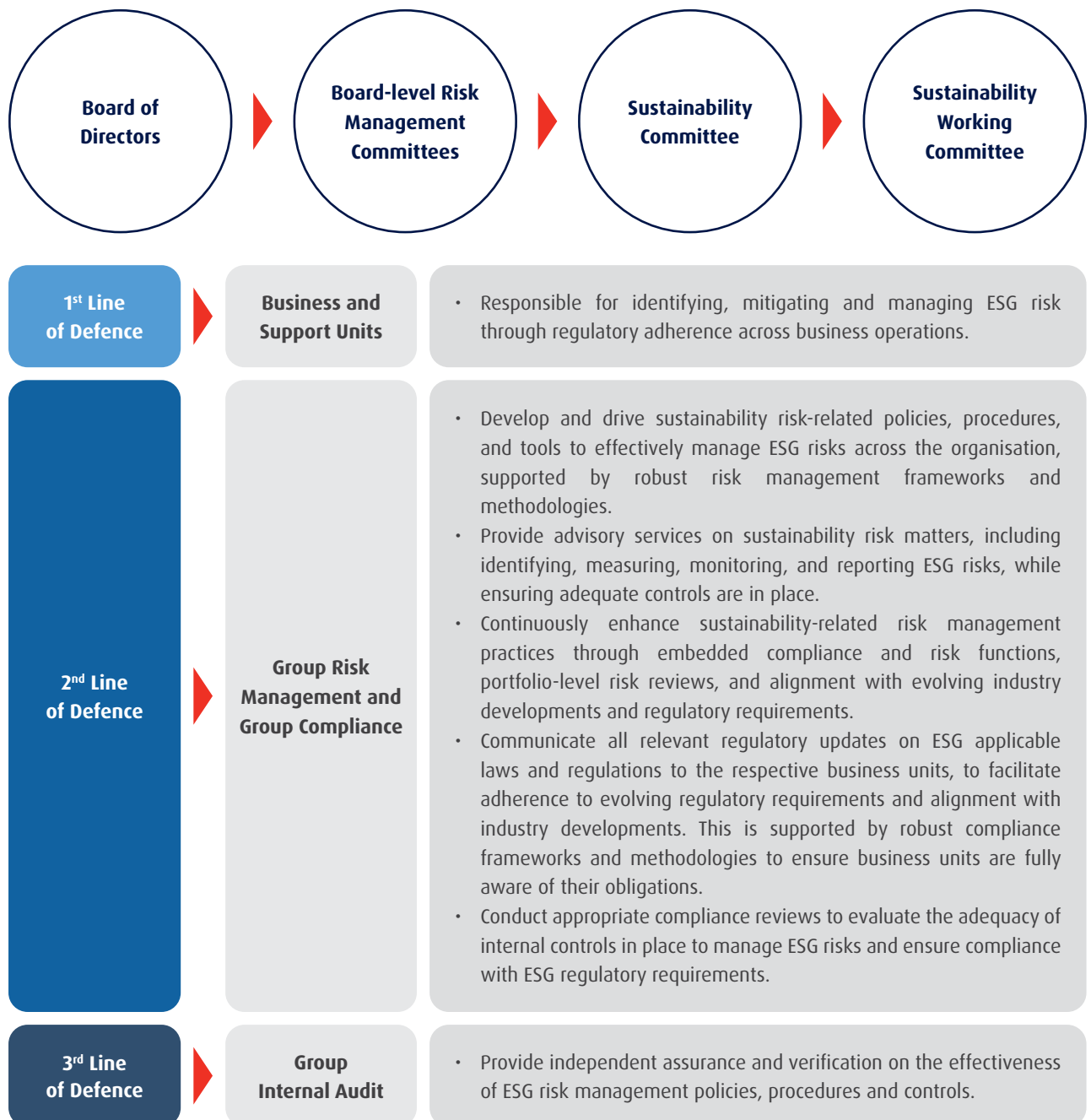
SUSTAINABILITY STATEMENT

GROUP RISK MANAGEMENT FRAMEWORK

(1) Strengthening risk governance

Our operating companies employ a structured risk management approach that leverages the Three Lines of Defense (“3LOD”) model to address and mitigate exposures to sustainability and ESG risks. The model harnesses the collective effort of business and support units, Group Risk Management (“GRM”), Group Compliance (“GC”) and Group Internal Audit functions working closely to ensure our mitigation strategies and controls effectively manage our risk exposures and that our products, services and practices remain aligned to our sustainability objectives.

Stewardship within each of Key Operating Companies



SUSTAINABILITY STATEMENT

(2) Enhancing ESG risk assessment

To accelerate climate action, we are dedicated to supporting the climate journeys of our customers towards a just and fair transition to low carbon and sustainable practices. Across key operating companies, we have integrated ESG considerations into our core business practices. This includes ESG-integrated credit evaluation frameworks, internal ESG scorecards and enhanced investment research process, for specific key operating companies, to ensure robust risk management and support our clients' sustainability journeys.

Reflecting the Group's commitment to sustainability, ESG assessments have been integrated into client risk profiling to provide a more comprehensive view beyond traditional financial metrics.

HONG LEONG BANK BERHAD

HLB's Business & Corporate Banking ("BCB") ESG Policy and Assessment Framework⁵

- Integrates ESG considerations into credit evaluation framework for corporate, commercial and SME customers in alignment with national and global ESG standards such as Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF") and International Finance Corporate ("IFC") Performance Standards.
- Includes general exclusion screening, sector/sub-sector screening and customer due diligence focusing on customers in high environmental and social ("E&S") risks sectors.
- Encourages stakeholder engagement initiatives internally for Account Relationship Managers, Credit Risk Managers, as well as for customers.

HONG LEONG ASSURANCE BERHAD

HLA's Investment Department's ESG Policy

- Integrates ESG considerations into investment activities and certain insurance solutions for corporate customers by assessing and classifying investee companies based on E&S risks.

HONG LEONG CAPITAL BERHAD

HLIB's Core Credit Risk Policy⁶

- Integrates ESG considerations into lending, underwriting and bond investments by assessing clients' environmental and social ("E&S") risks with enhanced due diligence screening for high E&S risk sectors, including Agriculture and Forestry, Mining and Quarrying, Manufacturing, Construction, Electricity and Gas Supply (non-renewable), Transportation, and Waste Management.
- Reports on key sustainability metrics of investee companies in investment research processes to empower portfolio and fund managers to make informed decisions, including in-depth ESG risk assessments and comprehensive trend analysis.

HLAM

- Integrates ESG assessments into its investee evaluation process to support a robust, data-driven approach to sustainability risk management. Using insights from subscribed ESG data providers, HLAM evaluates potential investments based not only on financial performance but also on ESG practices.

⁵ For additional information, refer to [HLB Sustainability Report FY2025](#).

⁶ For additional information, refer to [HLCB's Annual Report FY2025](#).

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(3) Climate Risk Management

We recognise climate change as a systemic risk and its profound impact on our operations, customers and business strategy. Through microeconomic and macroeconomic transmission channels, we are increasingly exposed to climate change that arises from physical and transition risk drivers, and its subsequent impact to the Group's performance. These risks carry financial and non-financial impacts on our business and portfolio exposures. Physical and transition risks are defined as below.

Physical and Transition Risks

Physical risk covers the potential economic and financial impacts resulting from significant shifts in climate patterns.

Acute physical risk drivers arise from climate-related weather or extreme weather events, such as heatwaves, landslides, floods, wildfires, and severe storms.

Chronic physical risk drivers stem from long-term, gradual climate changes, including rising sea levels and temperatures, shifting rainfall patterns, and increased weather variability.

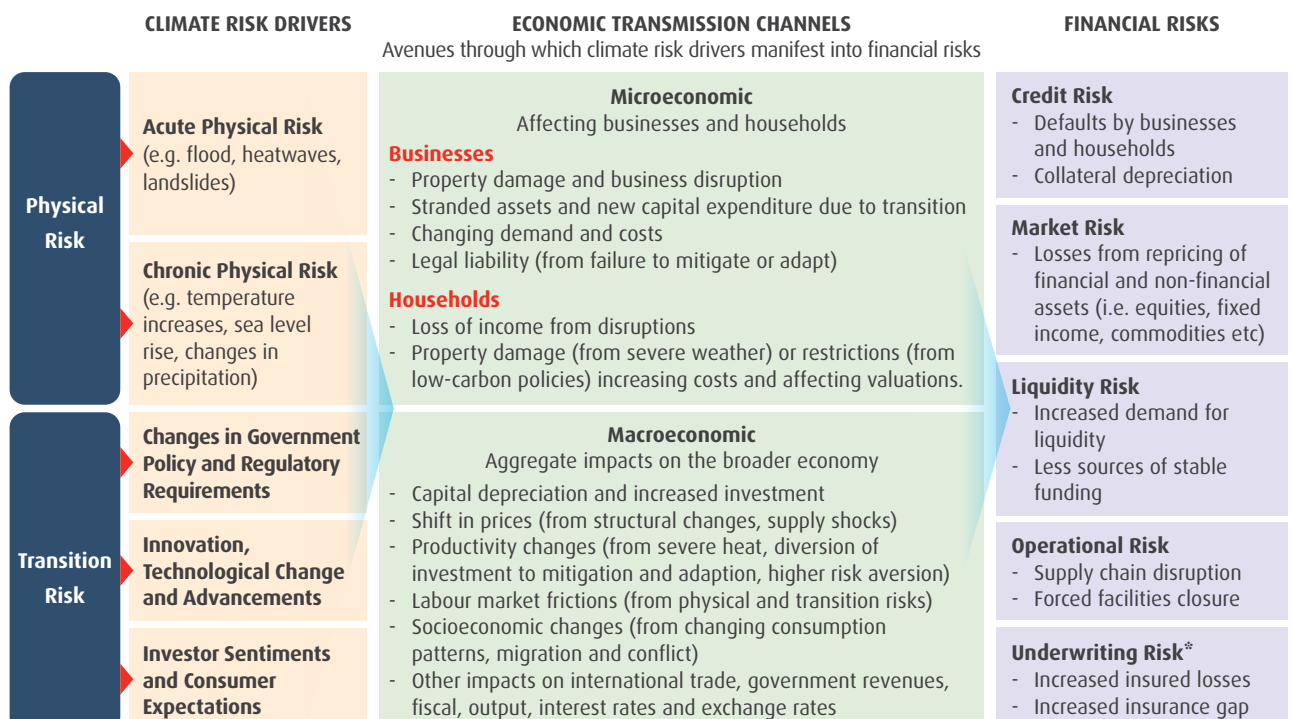
Transition risk relates to challenges linked to the shift towards a low-carbon economy. These may be driven by evolving government policies, legislation and regulations, technological developments, and changing market or consumer expectations. In some cases, transition risks can also be influenced by physical risks.

Embedded within the Group's risk management framework, our climate risk management covers the core areas and capabilities we employ to identify, assess and manage the impacts of climate risk drivers that may manifest across the Group.

For more information on our climate risk management, refer to page 68 to 73 of the Addressing Climate Change chapter.

Governance on climate-related risks is consistent with our existing governance framework and is further outlined in the Sustainability Governance and Risk Management sections above. Similarly, we leverage our 3LOD model as aforementioned to steer the identification, assessment and management of climate risks. Supporting the process is the risk classification system exhibited below, illustrating how climate risk drivers give rise to potential risks that impact our clients and operations.

Transmission of Climate-Related Risks into Potential Risks to the Group



* Mainly applies to insurance business.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a critical component of our sustainability approach. We recognise that maintaining open, transparent, and ongoing dialogue with our key stakeholders - including customers, employees, investors, regulators, and the communities we serve - helps us better understand their expectations, respond to emerging concerns, and align our business practices with stakeholder priorities. Through a range of formal and informal engagement channels, we gather valuable insights that inform our strategies, strengthen trust, and support long-term value creation for all parties involved.

Stakeholder	Engagement Channels	Areas of Interest	Section
Employees	• Daily operational meetings and huddles • Performance management • Whistleblowing channels • Corporate communications • Training and development	• Effective communication of strategies and targets • Professional development training and opportunities • Risk and Compliance Culture • Job security • Benefits and well-being • Clear and transparent management	Workforce Readiness, Pages 106 to 119 Socially Responsible Business Pages 74 to 86
Investors	• Annual Report and Sustainability Statement Disclosures • Announcements • Financial reports • General Meetings • Whistleblowing channels • Briefings • Meetings	• Responsible and proactive corporate and ESG governance • Consistent and transparent updates on financial and operational performance • Regulatory compliance	Investor Relations, Corporate website
Regulators and Authorities	• Interactions during day-to-day operations • Audits • Meetings • Circulars • Reports	• Compliance and enforcement of evolving regulations • Responsible corporate governance practices • Ethical leadership and business conduct	Good Governance & Ethical Business Conduct, Pages 75 to 76
Clients	• Interactions during day-to-day operations • Social media • Corporate communications • Corporate events/workshops	• Progressive enhancement of customer experiences • Providing trusted advice and delivering value-added products and services • Data privacy and cybersecurity • Ethical business conduct and responsible financial products • Sustainability and ESG journeys	Digital at the Core, Pages 93 to 105 Fair Treatment of Financial Consumers, Page 83
Community	• Interactions during day-to-day operations • Digital communication through social media • Roadshows and events • Corporate communications • Corporate social responsibility events	• Responsible business conduct that safeguards and supports the community • Transparency in communication • Community investment into outreach initiatives • Products and initiatives that drive financial inclusion and literacy	Community Investment, Pages 87 to 92

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Stakeholder	Engagement Channels	Areas of Interest	Section
Vendors and Suppliers	- Engagements during the procurement or tender process - Due diligence reviews (for outsourced service providers) - Proof of Concept (“PoC”) engagements	- Fair procurement practices - Transparent tender processes - Ethical and responsible business conduct	Sustainable Supply Chain, Pages 84 to 85 Good Governance & Ethical Business Conduct, Pages 75 to 76
Analysts and Media	- Social media posts and digital communication - Corporate website announcements - Releases and media announcements	- Transparency, clarity and completeness in communication of ongoing performance - Communication of strategies and prospects	Investor Relations, Corporate website
Associations	- Interactions during meetings and corporate events - Online correspondences	- Industry stewardship efforts and support - Regulatory compliance	Good Governance & Ethical Business Conduct, Pages 75 to 76

MATERIALITY

Materiality assessments allow us to prioritise the key sustainability issues where we can achieve the greatest impact with our stakeholders. These material matters provide fundamental guidance for identifying and managing emerging sustainability risks and opportunities, prioritising our resource allocation and delivering enduring value to both our organisation and society. HLFGB conducts its materiality assessment once every three years, whereby a comprehensive formal review and assessment of our material matters was conducted in FY2023. Following an internal review in FY2025, the identified material topics continue to remain pertinent to our operations, and are aligned with our stakeholder interests and sustainability priorities. In FY2026, HLFGB and our key operating companies will undergo a financial materiality assessment in view of IFRS requirements.

Our Materiality Determination Approach

01 TOPIC IDENTIFICATION	02 STAKEHOLDER ENGAGEMENT	03 PRIORITISATION & VALIDATION
Identify key sustainability topics by conducting a comprehensive review of ESG standards and industry trends, supported by a robust understanding of our value chain.	Gather insights and perspectives from both internal and external stakeholders of key operating companies, such as the Board, senior management, employees, regulators, investors, customers, media, vendors, suppliers and the community through online surveys and engagements. Leveraging both internal and external feedback, we are able to thoroughly evaluate the importance and relevance of each material topic.	Analyse the collected inputs to develop our Materiality Matrix, which is then validated by Senior Management.

Our materiality assessment process has enabled us to precisely gauge how sustainability issues affect our Group’s performance alongside the broader consequences of key operating companies’ activities on the community and environment.

From this assessment, we have identified 17 topics that are material to our operations. The relevance of each topic for both our business and stakeholders is outlined in the materiality matrix below and explained further in the subsequent section.

SUSTAINABILITY STATEMENT

MATERIALITY SUSTAINABILITY TOPICS

Environmental Management

- 1 Managing Our Operational Environmental Footprint
- 2 Building Climate Resilience

Socially Responsible Business

- 3 Good Governance & Ethical Business Conduct
- 4 Sound Risk Management & Compliance
- 5 ESG Integration into Financial Products
- 6 Fair Treatment of Financial Consumers
- 7 Sustainable Supply Chain
- 8 Human & Labour Rights

Community Investment

- 9 Supporting Social Enterprises and Communities
- 10 Financial Inclusion & Literacy

Digital at the Core

- 11 Digitalisation & Innovation
- 12 Customer Experience
- 13 Privacy, Data Protection & Cybersecurity

Workforce Readiness

- 14 Talent Attraction, Development & Retention
- 15 Diverse and Inclusive Workforce
- 16 Creating a Fair and Nurturing Workplace
- 17 Fostering a Sustainability-Driven Culture

Contributing to the UN SDGs

We have aligned our material topics with the United Nations Sustainable Development Goals ("UN SDGs"), harmonising our efforts with global frameworks to add more meaning to our initiatives and motivate action across our workforce.

LEGEND



Environmental
Management



Socially Responsible
Business



Community
Investment



Digital at
the Core



Workforce
Readiness

MATERIALITY MATRIX



SUSTAINABILITY STATEMENT

Pillar 1: Environmental Management

Material Matters	UN SDG Contribution	Description
Managing Our Operational Environmental Footprint	   	Responsibly optimising resource use and efficiency to manage the environmental impact of our operations, with a particular focus on energy management, paper consumption, water use and greenhouse gas (“GHG”) emissions.
Building Climate Resilience		Integrating climate-related risks into our risk management and operational framework to support the transition to a low-carbon economy, including reducing exposure to high-risk sectors and promoting low-carbon solutions.

Pillar 2: Socially Responsible Business

Material Matters	UN SDG Contribution	Description
Good Governance & Ethical Business Conduct		Conducting our business and operations with professionalism, adhering to the highest standards of ethics, integrity, transparency and accountability to maintain stakeholders’ trust in the organisation.
Sound Risk Management & Compliance	   	Upholding a strong compliance culture throughout the organisation to ensure adherence to applicable laws, regulations, and standards, as well as preventing financial crimes including money laundering, terrorism financing, fraud, corruption, and bribery. Adopting a systematic and comprehensive risk management approach in identifying and mitigating emerging risks to our business activities by investing in people, technology, policies, and processes.
ESG Integration into Financial Products		Integrating ESG factors into the products and services of key operating companies including: – the issuance of green and sustainable finance (HLB and HLCB); and – applying ESG principles in investment practices (HLCB and HLA).
Fair Treatment of Financial Consumers		Ensuring fair treatment of customers across our operations by prioritising their financial needs and risk appetite while providing transparent, accurate and comprehensive information about our products and services.
Sustainable Supply Chain		Upholding sustainability procurement principles throughout the supply chain with robust supplier policies, assessments and engagement practices, while also promoting supplier diversity to include local businesses.
Human & Labour Rights		Implementing policies to ensure the protection and respect of human rights throughout our value chain and business operations, including the prevention of human rights violations.

SUSTAINABILITY STATEMENT

Pillar 3: Community Investment

Material Matters	UN SDG Contribution	Description
Supporting Social Enterprises and Communities		Forming partnerships with social enterprises for community empowerment programmes to create long-term social impact for underserved communities within the regions where we operate.
Financial Inclusion & Literacy		Empowering individuals and businesses to enhance their financial well-being by promoting financial literacy and facilitating the accessibility of affordable financial services to all segments of society.

Pillar 4: Digital at the Core

Material Matters	UN SDG Contribution	Description
Digitalisation & Innovation		Utilising advanced data analytics and digital systems to create innovative products that meet customer needs, enhance operational efficiency to boost productivity, and simultaneously improve the accessibility of our products.
Customer Experience		Instilling a customer-centric culture across the organisation and implementing initiatives to improve the end-to-end customer experience and satisfaction, leading to increased customer retention rates.
Privacy, Data Protection & Cybersecurity		Protecting employees' and customers' data from unauthorised access, cyber attacks and other threats by responsibly collecting, handling, storing and safeguarding personal and proprietary information.

Pillar 5: Workforce Readiness

Material Matters	UN SDG Contribution	Description
Talent Attraction, Development & Retention		Building a sustainable, high-quality talent pipeline and cultivating a growth mindset among employees to ensure their adaptability in the constantly evolving business and technological environment.
Diverse and Inclusive Workforce		Fostering a diverse and inclusive workplace where all employees are treated equally and without discrimination, thereby encouraging productivity and innovation.
Creating a Fair and Nurturing Workplace		Creating a fair and supportive work environment that prioritises employee health and safety through effective policies, processes and labour standards.
Fostering a Sustainability-Driven Culture		Developing a corporate culture that embraces and promotes sustainable practices, values and behaviours across the organisation, including encouraging employee volunteerism.

For additional information on HLB's material sustainability topics, refer to the [HLB SR2025](#).

For additional information on HLCB's material sustainability topics, refer to the [HLCB SS2025](#).

SUSTAINABILITY STATEMENT

MEMBERSHIPS & ASSOCIATIONS

Key operating companies actively participate in numerous organisations and associations, leveraging these memberships to drive policy dialogues and foster collaboration on key sustainability issues within their industries and the larger business community.

In FY2025, our key operating companies have become official signatories of Partnership for Carbon Accounting Financials, in line with the Group's climate accountability commitment.

HONG LEONG BANK BERHAD

- BNM's Joint Committee on Climate Change ("JC3")
- The Association of Banks in Malaysia ("ABM")
- Asian Institute of Chartered Bankers ("AICB")
- Payments Networks Malaysia Sdn. Bhd. ("PayNet")
- Islamic Banking and Finance Institute Malaysia Sdn. Bhd. ("IBFIM")
- Financial Markets Ombudsman Service ("FMOS")
- Cagamas Holdings Berhad ("Cagamas")
- The Association of Islamic Banking Institutions Malaysia ("AIBIM")
- Financial Industry Collective Outreach ("FINCO")
- Partnership for Carbon Accounting Financials ("PCAF")
- The Malaysian Business Angel Network ("MBAN")
- Syarikat Jaminan Kredit Perumahan Berhad ("SJKP")
- Federation of Investment Managers Malaysia ("FIMM")
- PriceWaterhouseCoopers ("PwC")
- Thoughts in Gear ("TiG")
- Capital Markets Malaysia ("CMM")
- Malaysian Investment Development Authority ("MIDA")
- Malaysian Nature Society ("MNS")
- Animal Projects Environmental Education Sdn. Bhd. ("APE Malaysia")
- Think City Sdn. Bhd. ("Think City")
- Hijau Mikro Sdn. Bhd. ("GreenSteps")
- Recircle Sdn. Bhd. ("Recircle")
- VBI Community of Practitioners ("VBI CoP")
- LC Wakaful Digital Sdn. Bhd. ("GoBarakah")
- Multiply Assist Donate Cash ("MADCash")
- Northern Corridor Implementation Authority ("NCIA")
- Reef Check Malaysia
- Halal Development Corporation Berhad ("HDC")
- Sedania As-Salam Capital Sdn. Bhd. ("SEDANIA")
- Islamic Development Bank
- Andalusia Travel & Tours

HONG LEONG ASSURANCE BERHAD and HONG LEONG MSIG TAKAFUL BERHAD

- BNM's Joint Committee on Climate Change ("JC3")
- Asian Institute of Insurance ("AI"), formerly known as Malaysian Insurance Institute ("MII")
- Life Insurance Association of Malaysia ("LIAM")
- Financial Planning Association of Malaysia ("FPAM")
- Financial Industry Collective Outreach ("FINCO")
- Ombudsman for Financial Services ("OFS")
- Malaysian Financial Planning Council ("MFPC")
- Partnership for Carbon Accounting Financials ("PCAF")

HONG LEONG CAPITAL BERHAD

- BNM's Joint Committee on Climate Change ("JC3")
- Malaysian Investment Banking Association ("MIBA")
- Federation of Investment Managers Malaysia ("FIMM")
- Association of Stockbroking Companies ("ASCM")
- Institutional Investors Council Malaysia ("IICM")
- Malaysia Futures Brokers Association ("MFBA")
- Malaysian Association of Asset Managers ("MAAM")
- Partnership for Carbon Accounting Financials ("PCAF")

SUSTAINABILITY STATEMENT



PILLAR 1: ENVIRONMENTAL MANAGEMENT



Managing Our Operational Environmental Footprint



Building Climate Resilience

SUSTAINABILITY-RELATED RISK AND OPPORTUNITIES

Potential Risks

- The continued operation of our physical premises and IT infrastructure contributes to the Group's environmental footprint. Inefficient energy use, excessive emissions, water consumption, or waste generation may result in increased operational costs, heightened regulatory scrutiny, and reputational risks.
- Climate related-risk may impact business operations and financial stability.

Potential Opportunities

- Efforts to reduce HLFG and key operating companies' environmental footprint through improved energy efficiency, emissions control, and resource management can lead to lower operating costs, stronger ESG ratings, and increased investor confidence.

Strategic Actions

- Recognising that energy consumption is a key driver of GHG emissions, the Group have prioritised initiatives to reduce energy use and associated emissions. Our efforts focus on raising employee awareness of GHG impact, improving the quality of emissions data through knowledge-sharing initiatives, and developing policies such as the HLB's GHG Standard Operating Procedure ("SOP") as well as HLB's Environmental Policy on Energy, Water and Waste Management. In support of our decarbonisation strategy, the Group is also actively participating in carbon sequestration projects and implementing energy efficiency measures across its operations.
- The Group conducts climate-related risk and opportunity assessments in accordance with BNM's CRMSA and CRST requirements to inform strategic oversight and investment decisions.
- Each operating company conducts tailored assessments, including scenario analysis, to manage and monitor climate-related risks and opportunities, support regulatory compliance, and strategy development.

Metrics

- Measurement of:
- GHG Emissions
 - Electricity Consumption

Targets

- 15% to 25% reduction across Scope 1 and Scope 2 emissions by FY2026
- Net Zero emissions across Scope 1, Scope 2 and Scope 3 for HLFG and key operating companies (excluding financed emissions) by 2050

SUSTAINABILITY STATEMENT



MANAGING OUR ENVIRONMENTAL FOOTPRINT

WHY IT MATTERS

As a Financial Group, we are cognisant of our role in the transition to a low-carbon economy, both through our own emissions reduction and via the projects and corporate customers to which we provide funding. However, the interconnected nature of our business also presents significant climate-related risks – physical, transitional and liability-related – which we must consider and address thoroughly in order to minimise negative impacts on our business and stakeholders.

OUR APPROACH

PROGRESSING IN OUR DECARBONISATION JOURNEY

As a Group, we have set FY2019 as our base year for our decarbonisation journey, and established short-term targets to reduce Scope 1 and Scope 2 emissions by 15% to 25% by FY2026, and long-term targets to achieve net zero by 2050. In line with our net zero ambition, the Group has started modelling various decarbonisation pathways weighing in on the cost benefit analysis to develop climate strategies and capitalise on climate-related opportunities. The Group is currently assessing the plausible climate pathways using GHG emissions as a core metric to assess the climate impact. The Group's key emissions sources from operations originate from our key operating companies' energy consumption across buildings, including head and regional offices, data centres, and branches. The Group is focused on integrating decarbonisation efforts into the core processes and operations alongside close GHG monitoring and tracking.

The Group's key emission categories include:

Scope 1	Direct emissions from fuel combustion in buildings and company-owned vehicles (i.e. stationary and mobile combustion, and fugitive emissions).
Scope 2	Indirect emissions from purchased electricity, accounting for the largest share on our overall footprint, as well as purchased cooling.
Scope 3	Category 6 Business Travel, Category 7 Employee Commuting, Category 13 Downstream Leased Assets* and Category 15 Investment**.

Notes:

* For HLB only.

** Key operating companies only.

Our greenhouse gas ("GHG") emissions measurement and reporting remain in adherence to the GHG Protocol, the IPCC Guidelines for National Greenhouse Gas Inventories, and other relevant local emissions factors where applicable.

In our journey to net zero, the Group considers a 4-lever approach to prioritise and scale decarbonisation efforts.

4-LEVER APPROACH



SUSTAINABILITY STATEMENT



MANAGING OUR ENVIRONMENTAL FOOTPRINT

EXPANDING SCOPE 3 REPORTING ON FINANCED EMISSIONS

In efforts to enhance data quality and climate disclosures, key operating companies have become signatories of Partnership for Carbon Accounting Financials ("PCAF"). Employing PCAF's methodology, the operating companies have identified their key asset classes and expanded the reporting on financed emissions.

Financed Emissions Portfolio under the Group

HONG LEONG BANK BERHAD

PCAF Asset Class	FY2025 Financed Emissions (tCO ₂ e)	PCAF Data Quality Score
Mortgages	809,148	5.0
Motor Vehicle Loans	630,761	3.3
Listed Equities & Corporate Bonds	146,507	2.4
Commercial Real Estate	334,966	4.0
Project Finance	8,733	4.0
Total	1,930,115	

Note:

Limitations to customer data availability. Calculations are based on best data estimates as a proxy to determine absolute financed emissions. HLB will strive to improve its data collection process to obtain more accurate estimates.

HONG LEONG CAPITAL BERHAD

PCAF Asset Class	FY2025 Financed Emissions (tCO ₂ e)	PCAF Data Quality Score
Corporate Bonds	72,043	3.3

Note:

Limitations to customer data availability. Calculations are based on best data estimates as a proxy to determine absolute financed emissions. HLCB will strive to improve its data collection process to obtain more accurate estimates.

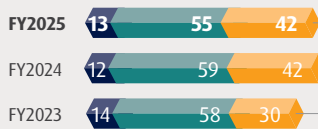
All Key Operating Companies are in the midst of further expanding their respective Scope 3 financed emissions reporting.



SUSTAINABILITY STATEMENT

Group Scope 1, 2 and 3 Emissions (tCO₂e)

HLFG

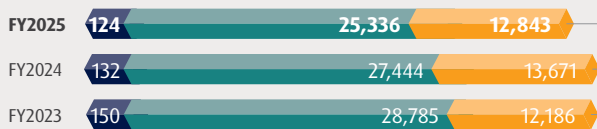


Total Emissions

111
112
102

Scope 1 and 2
30% ↓
from FY2019
baseline

HLB



Total Emissions

38,303
41,247
41,121

Scope 1 and 2
26% ↓
from FY2019
baseline

Notes:

HLB - Malaysia, Singapore, Hong Kong, Vietnam

1. Scope 2 and Scope 3 (leased assets) emissions restated for FY2019, FY2023-FY2025 due to revised grid emission factors.
2. Scope 3 (employee commuting) emissions restated for FY2023-FY2025 to reflect B7 biodiesel use and revision of grid emission factor, petrol and diesel density.
3. Scope 3 (business travel) emissions restated for Malaysia from FY2019 using updated flight emission factors and includes overseas countries above.

HLB - Cambodia

1. Scope 1 and Scope 3 (business travel) emissions restated for FY2019, FY2023-FY2024 due to vehicle reclassification.
2. Scope 3 (employee commuting) emissions restated for FY2019, FY2023-FY2024 due to revised grid emission factors, petrol and diesel density.
3. Scope 1, 2, and 3 (business travel) emissions newly included for FY2019.

HLAH



Total Emissions

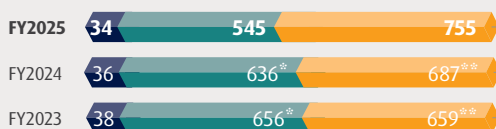
6,475
6,808
6,811

Scope 1 and 2
24% ↓
from FY2019
baseline

Notes:

1. Scope 2 and Scope 3 (leased assets) emissions restated for FY2019, FY2023 and FY2024 due to revised grid emission factors.
2. HLAH data consist of HLA and HLMT

HLCB



Total Emissions

1,334
1,360
1,353

Scope 1 and 2
27% ↓
from FY2019
baseline

Notes:

* Restatement of data due to updates in Malaysia's grid emissions factor.

** Restatement due to refinement in emissions factors for Scope 3 - Business Travel.

The Group (Consolidated)



Total Emissions

46,223
49,526
49,387

Scope 1 and 2
29% ↓
from FY2019
baseline

Notes:

1. To avoid double counting, Scope 3: Category 13 (Downstream Leased Assets) only consists of emissions from non-HLFG associated tenants at MHL.
2. GHGs include CO₂, CH₄, N₂O, HFCs, converted to CO₂e using the IPCC Sixth Assessment Report (2021).
3. Emissions from flight, train, and ferry travel (FY2019-FY2025) are calculated using UK Government GHG Conversion Factors.

Overall Note for Group Emissions:

¹ Due to rounding, some totals may not correspond with the sum of the separate figures.

SUSTAINABILITY STATEMENT



MANAGING OUR ENVIRONMENTAL FOOTPRINT

Highlights on decarbonisation initiatives across our operating entities and progress are described below:

HONG LEONG BANK BERHAD

- **Standard Operating Procedures ("SOP"):** Published in FY2025 for establishing GHG inventories in FY2025 that covers Scope 3 Category 15 financed emissions.
- **Renewable Energy Certificates ("RECs"):** Secured two years' worth of Bursa Carbon Exchange RECs in FY2024, which have been earmarked for future redemption as an option to offset HLB's Scope 2 emissions.
- **Carbon Sequestration and Reforestation:** Collaborated with the Malaysian Nature Society ("MNS") to plant 50,000 mangrove trees in Kuala Selangor Nature Park since January 2022, facilitating the potential sequestration of more than 1,200 tCO₂e on average annually over the next 20 years. Phase 2 will commence in FY2026 with HLB committing to plant additional 50,000 mangrove trees.
- **Hong Leong Bank Community Forest:** HLB Vietnam collaborated with Gaia Nature Conservation to establish the Community Forest within the Ta Kou Nature Reserve in Binh Thuan Province, Vietnam. HLB's employee volunteers planted 500 forest trees on September 2024, which are expected to store 404 tonnes of CO₂, and sequester 1,346 tCO₂ over the next 50 years.



HONG LEONG ASSURANCE BERHAD

- **Significant Progress toward Short-Term GHG Targets:** Undertook holistic initiatives to reduce its Scope 1 and Scope 2 emissions by 26% with FY2019 as baseline, which have fulfilled the short-term FY2026 15-25% reduction in Scope 1 and 2 emissions target.
- **Future Key Initiatives:** Developed a decarbonisation pathway with considerations for carbon offsetting using:
 - Upgrading air-conditioning chiller plants across more locations.
 - Utilisation of motion-sensors for automatic lighting turn-off features at human-traffic areas and after office hours in PJ City office.
 - RECs and carbon credits.

HONG LEONG CAPITAL BERHAD

- **Significant Progress toward Short-Term GHG Targets:** Undertook holistic initiatives to reduce its Scope 1 and Scope 2 emissions by 27% with FY2019 as baseline, which have fulfilled the short-term FY2026 15-25% reduction in Scope 1 and 2 emissions target.
- **Key Initiatives:** To focus on energy management to further reduce the Scope 2 emissions.

SUSTAINABILITY STATEMENT

ENERGY CONSUMPTION

The Group and its operating companies are taking proactive measures to integrate resource efficiency into operations, and have implemented a variety of Energy Efficiency & Conservation (“EE&C”) measures to drive energy savings in day-to-day business operations. The Group has also expanded the energy data inventory to provide deeper understanding of operational energy consumption across the Group.

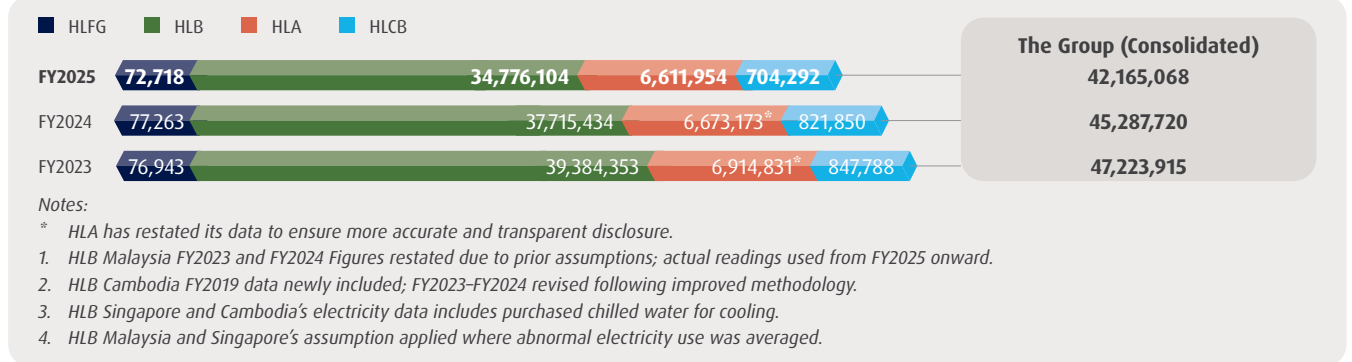
HLB’s EE&C measures continued to deliver results in FY2025 with its Malaysian operation’s energy consumption reducing by 8% compared to FY2024.

Simultaneously, HLFGB is seizing opportunities to increase the utilisation of renewable energy within the energy mix, with HLB and HLA having installed rooftop solar panels at PJ City tower to enhance their energy consumption mix.

Energy Saving Initiatives Key Operating Companies FY2025

HLB	- Identified seven Klang Valley branches for solar panel installation (all completed EE&C upgrades; installation to be completed by end-2025). - Launched Project Dragon, a retail branch transformation programme for 23 branches from 2025–2027, with four branches remodelled in June 2025 incorporating energy-saving infrastructure and certified sustainable materials. - Retrofitting LED lights in 10 branches.
HLA	Utilised 280,289 kWh of solar energy during FY2025, and sold 37,546 kWh.
HLCB	Achieved a 14.3% reduction in annual purchased electricity compared to FY2024 through the transition to LED lighting and the implementation of the Lights Off Initiative.

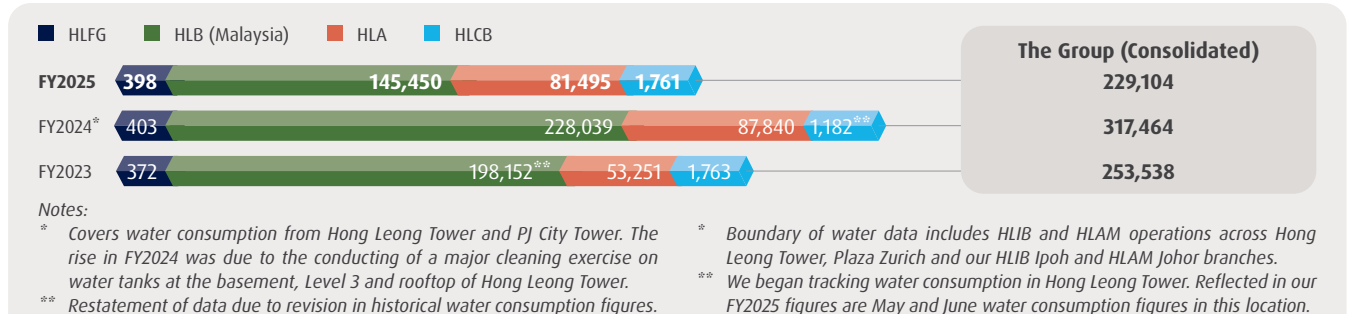
ANNUAL ENERGY CONSUMPTION (kWh)



WATER CONSUMPTION

The Group is dedicated to reducing and optimising water usage throughout its operations, without compromising the safety, comfort and reliability of the Group’s workforce and operations. Our ongoing efforts include closely monitoring water consumption metrics and implementing responsible water management practices. Additionally, the Group is exploring opportunities to adopt water-saving measures, such as HLA’s consideration of rainwater harvesting systems.

ANNUAL WATER CONSUMPTION (M³)



SUSTAINABILITY STATEMENT



MANAGING OUR ENVIRONMENTAL FOOTPRINT

PAPER CONSUMPTION

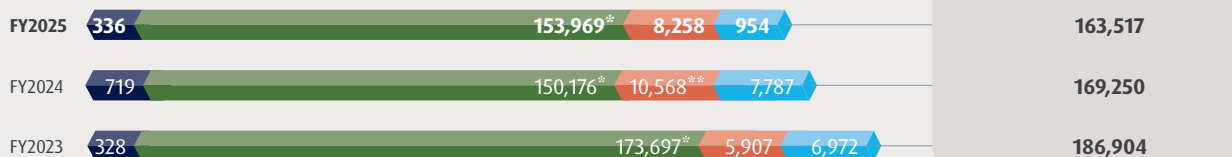
The Group recognises the importance of reducing paper usage, given its significant role in the operations of financial institutions. By streamlining operations and adopting digital innovations, the Group aims to minimise paper consumption. Key operating companies are increasingly using e-policies, statements, receipts, and reports to decrease the need for printed copies. These efforts are intended to lower the total paper usage across our operations, yielding benefits such as reduced operating costs, faster and more convenient communication, and an improved environmental footprint.

Additionally, HLB and HLA have implemented recycling programmes to maximise paper recycling. In FY2025, HLB recycled 19,752 kg of paper at their Hong Leong Tower and PJC Tower A buildings, marking a 3.58% increase from the previous year, while HLA recycled 1,046 kg of paper.



ANNUAL PAPER CONSUMPTION (KG)

■ HLFGB ■ HLB (Malaysia) ■ HLA ■ HLCB



Notes:

* Paper consumption was converted from reams to kg and tracked through total office paper purchased.

** HLA reporting boundary was expanded in FY2024 to include paper consumption from all branches.

WASTE MANAGEMENT

The Group is collectively collaborating to seek solutions for enhancing the collection of data pertaining to our management of waste, most significantly by streamlining our definition and categorisation of waste. In FY2025, this focus was reinforced through initiatives across subsidiaries to improve waste segregation and introduce structured recycling programmes at key office locations. Partnering with specialised recycling service providers, the Group ensured systematic collection and tracking of recyclable materials, including paper, plastics, aluminium, and electronic waste.

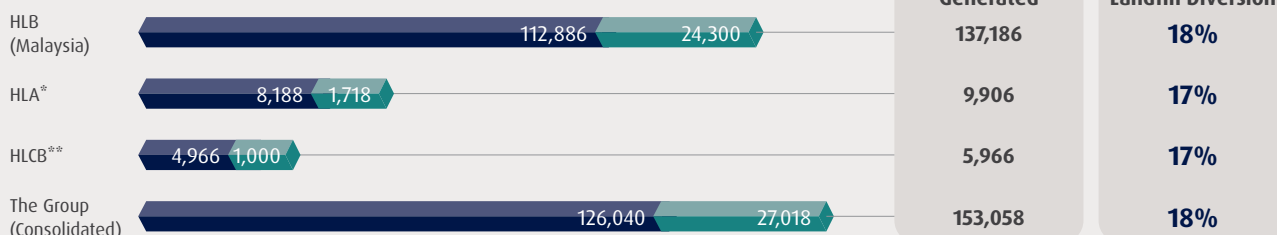
HLFG Group has diverted 18% of its total waste or 27,018 kg by recycling in FY2025.



WASTE GENERATION (KG)

■ Total Waste Directed to Disposal ■ Total Waste Diverted from Disposal

FY2025**



Note:

* HLA began tracking waste directed to disposal in January 2025. Data excludes one-off e-waste programme.

** Boundary of data covers Hong Leong Tower, PJC Tower and Plaza Zurich

SUSTAINABILITY STATEMENT



BUILDING CLIMATE RESILIENCE

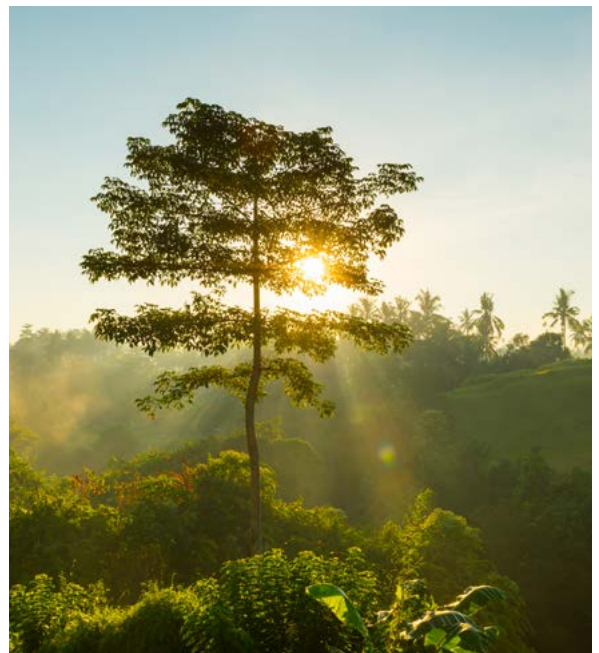
WHY IT MATTERS

Recognising the risks and opportunities of climate change, we are mitigating climate-related risks by working towards enhancing our management of climate-related risks and opportunities, as well as improving our climate-related disclosures leveraging guidance from BNM's Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions, in line with Bursa Malaysia's Sustainability Reporting Guide and in compliance with BNM's CRMSA, CCPT and Securities Commission's National Sustainability Reporting Framework ("NSRF").

OUR APPROACH

Governance on climate-related risks is consistent with our existing governance framework and is further outlined in the Sustainability Governance and Risk Management sections above. Similarly, the Group leverages the 3LOD model as aforementioned to steer the identification, assessment and management of climate risks.

With the Group-wide Net Zero by 2050 commitment in place, HLFG has strengthened the management of climate-related risks and opportunities, this being integrated into the existing risk management frameworks. HLFG continues to enhance the climate risk management tools and capabilities, guiding policies to manage climate-related risks and climate-related disclosures with progress made in fulfilling the CRMSA, CRST and CCPT requirements among the key operating companies. This extends to enhancing disclosures in line with IFRS S2 as prescribed by the NSRF. These areas, along with active climate conversations and engagements, serve to drive unified climate action and resilience across the Group.



PROGRESSING IN OUR DECARBONISATION JOURNEY

Climate risk tool and assessment	Description	Reference
Climate scenario analysis ("CSA")	- Physical risk scenario analysis. - Transition risk scenario analysis.	Network for Greening the Financial System ("NGFS"), BNM CRMSA and CRST
Flood risk map	Flood risk assessment of our operations based on riverine and coastal flooding.	Climate data from Department of Irrigation and Drainage ("DID"), National Water Research Institute of Malaysia ("NAHRIM") World Wildlife Fund ("WWF"), etc.
ESG Due Diligence	- Acts as a climate risk screening tool to determine our high E&S sectors and clients. - Refer to ESG Risk Assessment section for further details.	BNM CCPT
Vendor Due Diligence	- Acts as a vendor assessment tool to evaluate against the E&S criteria as part of the procurement process. - Refer to Sustainable Supply Chain section for further details.	
Risk and Sustainability dashboard	Covers the reporting of sustainability and climate metrics as well as tracking and progress of performance targets.	

SUSTAINABILITY STATEMENT



BUILDING CLIMATE RESILIENCE



SCENARIO ANALYSIS

The Group recognises the importance of climate scenario analysis (“CSA”) as a vital tool to assess climate-related risks and opportunities. The Group leverages CSA to examine the climate impact on our portfolio risks and exposures, thereby allowing HLFG to make strategic decisions and set more granular climate targets to enhance climate resilience altogether. In developing climate scenarios, our key operating companies consider reference scenarios published by global bodies such as the Network for Greening the Financial System (“NGFS”), Intergovernmental Panel on Climate Change (“IPCC”) and International Energy Agency (“IEA”) to measure potential financial and socioeconomic impact arising from physical and transition risks.

HLFG utilises NGFS climate scenarios in alignment with BNM CRMSA and CRST to evaluate physical and transition risks across short-, medium-, and long-term horizons. These assessments enable the Group to develop informed action plans toward climate resilience. However, the climate scenarios are subject to uncertainties due to the ever-evolving weather patterns, as well as the scale and availability of more precise climate data.

NGFS Climate Scenarios	Policy Ambition	Policy Reaction	Technology Change
Net Zero 2050 (Orderly Scenario)	Limit at 1.5°C	Immediate and smooth	Fast
Divergent Net Zero (Disorderly Scenario)	Limit at 1.5°C	Immediate but divergent	Fast
Nationally Determined Contributions (“NDCs”) (Hot House World Scenario)	Approx. 2.5°C	NDCs	Slow

HONG LEONG BANK BERHAD

Long-term Adverse Climate Scenarios

To further strengthen risk analysis efforts, HLB has enhanced its stress testing exercises to incorporate the aforementioned long-term adverse climate scenarios, in line with guidance from the CRMSA policy document and the Methodology Paper on the 2024 CRST exercise.

Short-term Acute Physical Risk

HLB’s riverine flood risk assessment approach begins with leveraging Geographic Information System (“GIS”) technology to geotag all operational assets and real estate collateral. This geospatial mapping forms the foundation for evaluating exposure and vulnerability to flood hazards across the portfolio. For addresses not automatically tagged, HLB conducts meticulous manual verification using authoritative sources such as state land department maps and undertake multiple validation steps to ensure data accuracy and integrity. In FY2025, in line with the CRST requirements for short-term acute physical risk assessment, HLB significantly enhanced its flood risk map by engaging a third-party service provider. Key enhancements include the integration of topographical data and refined assessments of flood risk severity. For more information, refer to HLB’s FY2025 Sustainability Report.

SUSTAINABILITY STATEMENT

HONG LEONG ASSURANCE BERHAD

In line with BNM's CRST requirements, HLA has conducted a climate risk stress testing exercise having applied BNM's prescribed scenarios in reference to the NGFS scenarios. The exercise considered the impact of economic and non-economic assumption shocks on net assets and impact on Capital Adequacy Ratio ("CAR") under the different scenarios.

HONG LEONG CAPITAL BERHAD

In FY2025, HLCB began quantifying Climate Value-at-Risk ("CvaR") for relevant HLIB and HLAM portfolios, which estimates losses under various physical and transitional climate risk scenarios, offering a clear view of tail risks to asset values.

HLCB's Quantitative Climate Risk Appetite

HLCB established a qualitative climate-related Risk Appetite Statement ("RAS") in July of FY2023 as an initial step towards strengthening our climate risk management. In FY2025, HLCB advanced to a quantitative RAS by setting a threshold based on the resulting CVaR from the scenario analysis conducted.

Beyond physical and transitional climate risk assessment on its portfolios, HLIB has also conducted a physical climate risk assessment of its operations, covering seven key locations in Peninsular Malaysia, including the principal office, main branches, HLeBroking Hubs, and data centre. The assessments focused on two critical components:

HLIB Physical Climate Risk Assessment

Vulnerability assessment against flood hazards based on three different NGFS scenarios

Detailed physical risk assessment guided by WWF's physical risk methodologies

For more information, refer to HLCB's FY2025 Sustainability Statement.

CLIMATE-RELATED RISK MANAGEMENT

Identifying Climate-related Risks

HLFG has identified key climate-related risks from across the key operating companies, their potential impacts across different time horizons, mapped to different risk types.

Operating Entities	Time Horizon		
	 Short-term ("ST")	 Medium-term ("MT")	 Long-term ("LT")
HLB	0-5 years	6-10 years	Over 10 years
HLCB	1-3 years	4-10 years	Over 10 years
HLA	0-5 years	6-15 years	Over 16 years

Note: Different time-horizons is due tailored approach to respective risk profiles and businesses of each operating companies.

SUSTAINABILITY STATEMENT



BUILDING CLIMATE RESILIENCE

Climate-related Risk	Business and Financial Implications	Time Horizon		
		ST	MT	LT
Physical Risk	Credit Risk - Impact on debt repayment may lead to increase in defaults due to customers' physical assets being damaged or destroyed. - Lower business profitability may increase credit risk of obligors.	HLB	HLB HLCB	HLB HLCB
	Market Risk - High volatility or abrupt decline in values of HLB's climate-incompatible securities. - Repricing of assets may lead to decrease in revenue. - Mark to market ("MTM") losses.	HLB	HLB	HLB
	Operational Risk - Temporary closures of offices and increased supply chain disruptions due to damage to physical assets and infrastructure. - Increased cost for recovery and business continuity planning. - Lower revenue due to intensification of climate-related events.	HLB HLCB HLA	HLB HLCB HLA	HLB HLCB HLA
	Liquidity Risk - Disruption in cash flows from customers not meeting obligations. - Large withdrawal of deposits to repair damages caused by climate-related events. - Reduction in liquid asset value from MTM losses in investments. - Liquidity strain due to emergency funding needs.	HLB HLCB	HLB HLCB	HLB HLCB
	Enterprise-wide Risk - Inadequate capital buffers for climate-related events may lead to both financial and non-financial losses, potentially undermining the entity's ability to maintain investor and consumer confidence. - Operational resilience challenged by the need to continuously adapt and recover from severe weather events. - Increase in capital costs due to high volatility in profitability.	HLA	HLB HLCB HLA	HLB HLCB HLA
Transition Risk	Credit Risk - Credit quality deterioration of customers that are unable to transition to low-carbon economy and adapt to demand of eco-conscious consumers, potentially impact on debt repayment capacity and leading to higher default rates. - Lower business profitability may increase credit risk of obligors.	HLB	HLB HLCB	HLB HLCB
	Market Risk - High volatility or abrupt decline in values of climate-incompatible investments. - Repricing of assets may lead to decrease in revenue. - MTM losses resulted from high volatility in securities linked to carbon-intensives industries.	HLB HLCB	HLB HLCB	HLB HLCB
	Liquidity Risk - Reduced cash inflow due to lower capability to meet loan obligations by customers. - Large withdrawal of deposits to invest in low-carbon equipment. - Investment in new technologies may increase HLCB's operational costs and capital outflow, impacting cash reserves.	HLB HLCB	HLB HLCB	HLB HLCB
	Policy & Legal Risk - Increased operating costs to comply with regulatory standards and reporting requirements. - Additional costs arising from penalties related to non-compliance or environmentally damaging activities.	HLB HLCB HLA	HLB HLCB HLA	HLB HLCB HLA

SUSTAINABILITY STATEMENT

Climate-related Risk	Business and Financial Implications	Time Horizon		
		ST	MT	LT
Transition Risk	Technology Risk - Increased costs for research and development of new technologies. - Capital investments required for low-emissions infrastructure. - Write-offs associated with stranded assets.	HLB HLA	HLB HLCB HLA	HLB HLCB HLA
	Reputational Risk - Reduced revenue from lower demand for goods and services that do not meet investor and customer expectations. - Damage to reputation due to inadequate information disclosure and/or delayed response to climate change.	HLB HLCB HLA	HLB HLCB HLA	HLB HLCB HLA
	Strategic Risk Decrease in market share and profitability.		HLB HLCB	HLB HLCB
	Enterprise-wide Risk Inadequate capital buffers for climate-related events may lead to both financial and non-financial losses, potentially undermining the entities' ability to maintain investor and consumer confidence.		HLB HLCB	HLB HLCB

Assessing Climate-related Risks

HONG LEONG BANK BERHAD

The climate risk assessment shows that transition risks, driven by rising carbon prices and evolving policy requirements, are likely to have a greater credit impact on the non-retail portfolio, particularly in emissions-intensive sectors with limited decarbonisation pathways. Using BNM-prescribed shadow carbon prices, HLB assessed these risks across scenarios, noting that retail exposures, while less directly affected, may still face second-order impacts from higher living costs or employment disruptions.

Physical risk assessments covered extreme flooding and long-term sea level rise, with findings showing that the latter could have more severe and lasting credit consequences due to its permanence and potential to render properties uninhabitable. These insights highlight the need for proactive portfolio monitoring and the continued integration of climate risk considerations into credit risk management.

In FY2025, one of HLB's branches in Johor (out of the 216 branches nationwide) experienced a flood-related disruption, resulting in a one-day closure, similar to an incident in FY2022 at a branch in Pahang. To manage such risks, HLB maintains a business continuity plan ("BCP") to mitigate operational disruptions from floods and ensure continued service delivery to customers.

To further address physical risks, HLB has initiated a preliminary assessment to identify vulnerable assets and collaterals. While a specific mitigation plan is yet to be established, HLB will evaluate suitable adaptation measures, including financial and operational impacts, to support a long-term physical risk management framework.

On climate-related transition risk, HLB will develop sector-specific transition plans for key high-emission sectors, targeted for completion by FY2028, following the finalisation of the financed emissions baseline for the Business Loan asset class. HLB also does not hold any carbon credits for offsetting its emissions.

As part of its ongoing climate risk efforts, since FY2022, HLB has conducted scenario analyses on its Identified Inherently High Risk Sectors using the Herfindahl-Hirschman Index ("HHI") to quantify ESG concentration risk, focusing on active, performing customers classified as High E&S Risk.

This assessment covers BCB customers and bonds in Global Markets ("GM") portfolios, applying relevant stress test parameters to determine additional provisions. HLB has also strengthened its ICAAP and stress testing by integrating strategic ESG and climate-related scenario pathways, as well as embedding an ESG component into its Internal Capital Threshold settings to bolster resilience against climate-related risks.

SUSTAINABILITY STATEMENT



BUILDING CLIMATE RESILIENCE

HONG LEONG ASSURANCE BERHAD

Throughout the projection period (2024–2050), scenario analyses show that Net Zero 2050 and Divergent Net Zero 2050 pathways result in greater impacts on net assets and CAR under economic assumption shocks, reflecting transition risks. Conversely, NDCs show larger impacts under non-economic assumption shocks, highlighting exposure to physical risks.

Summary of Scenario Narratives

Across all scenarios—Net Zero 2050, Divergent Net Zero, and NDCs—benefit payouts are primarily influenced by changes in biometric assumptions, with timing variations.

Climate Scenario	Benefit Payout Timing
Net Zero 2050	Slightly larger benefit payout in earlier periods
Divergent Net Zero	Slightly larger benefit payout up to 2040
Nationally Determined Contributions	Slightly larger benefit payout from 2045 onwards

In all scenarios, gross benefit payouts increased by approximately 5%, while net payouts are further impacted by potential reinsurer default, highlighting counterparty risk.

HLA's primary physical vulnerability lies in the mobility of its sales force during climate events such as flooding. However, operational and third-party service provider locations are geographically diversified, and HLA-owned buildings represent a small portion of total assets, helping to mitigate concentration risk.

HONG LEONG CAPITAL BERHAD

HLCB conducted a climate risk materiality assessment on its treasury and markets, share margin financing, and corporate banking portfolios, and own operations (i.e. branches and data centres). Climate risks were found to be generally immaterial across Fixed Income, Share Margin Financing, and Corporate Banking portfolios, as well as for own operations. HLIB's Fixed Income portfolio exposure to climate risks showed 54.9% low rating, 33.1% medium rating, 8.4% high (with mitigation) rating, and 3.6% high (without mitigation) rating.

As an outcome of HLIB's E&S assessment, below is the result of its Fixed Income portfolio exposure to climate risks.

HLIB's E&S Rating Classifications	Low	Medium	High with Mitigation	High without Mitigation
Portfolio Exposure (%)	55	33	8	4

Notes:

- The classifications above are based on HLIB's internal methodology and has been mapped to BNM's CCPT classifications.
- The exposure figures above is representative of HLIB's Fixed Income portfolio.

HLIB's E&S Rating Classifications	Sectoral Breakdown	
	Sector	Portfolio Exposure (%)
High with Mitigation	Construction	7.5
	Transportation	0.9
High without Mitigation	Electricity & Gas Supply	3.6

Overall, 88% of HLIB's portfolio exposure is within the Low to Medium category. Findings from the physical climate risk assessment indicate that HLIB's operations have relatively low vulnerability to flood hazards and low overall exposure to climate physical risk.

SUSTAINABILITY STATEMENT

HLIB's Flood Hazard Vulnerability Assessment					
Categories	Location	Region	Scenarios		
			S0	S1	S2
Principal Office	Hong Leong Tower	Klang Valley	L	L	L
Branches	Plaza Zurich	Klang Valley	L	L	L
	Ipoh	North (Ipoh)	L	L	L
HLeBroking Hubs	Kepong	Klang Valley	L	L	L
	Johor	South (Johor)	L	L	L
	Penang	North (Penang)	M	M	M
Data Center	Petaling Jaya	Klang Valley	L	L	L
Legend L > 3,000 M M >500M to 3,000 M H >10M to 500M VH <10M					

Variable	S0: Net Zero 2050	S1: Hot House World	S2: Acute
Projection Year	2030	2030	2050
Projection Type	Sea level rise + annual flood	Sea level rise + annual flood	Sea level rise + 250 year flood
Pollution pathway or sea level scenario	Deep and rapid cuts	Current projection	Unchecked pollution
Luck	Medium	Medium	Bad

Highlights on ongoing climate-risk related initiatives and progress described below:

ESG and Climate-related Remuneration

HLB has incorporated ESG considerations within its performance indicators with selected senior management's performance linked to sustainability and climate-related targets and strategy. Similarly, key results areas ("KRAs") related to ESG and climate indicators are a factor in the remuneration of relevant senior executives, with a 10% weighting, and all other employees, with a 5% weighting. Other operating companies are also studying on integrating ESG-related performance indicators into executive remuneration frameworks.

HLFG's key operating companies transition risk mitigation efforts are as per below:

HONG LEONG BANK BERHAD

- **Sustainable Finance Framework ("SFF"):** Launched in October 2024 outlining clear eligibility criteria for financing low-carbon transition, with eligible sectors including renewable energy, energy efficiency technologies, green buildings, and affordable housing, waste management, and clean transportation and logistics. Target to mobilise RM20 billion by FY2029 for sustainable financing portfolio, largely driven by green and affordable mortgage, green auto loans and other green financing.
- **Green Bond Framework:** Established to govern the issuance and management of green bonds for eligible green projects.

HONG LEONG ASSURANCE BERHAD

HLA has developed a carbon neutral plan which includes transition to renewable energy sources, energy efficiency and conservation measures and carbon credits/RECs.

HONG LEONG CAPITAL BERHAD

- **Net Zero Transition Plan ("NZTP"):** Developed an initial roadmap of a decarbonisation plan to achieve net zero by 2050. For further information, please reference HLCB's FY2025 sustainability statement.

SUSTAINABILITY STATEMENT



PILLAR 2: SOCIALLY RESPONSIBLE BUSINESS



Good Governance & Ethical Business Conduct



Sound Risk Management & Compliance



ESG Integration into Financial Products



Fair Treatment of Financial Consumers



Sustainable Supply Chain



Human & Labour Rights

SUSTAINABILITY-RELATED RISK AND OPPORTUNITIES

Potential Risks

- The Group recognises that rising sustainability expectations and evolving regulatory landscapes are increasing operational and compliance costs, while failure to transition to green financing may limit access to capital and market opportunities.
- Weak vendor sustainability practices and inadequate due diligence expose the Group to environmental, labour, and data privacy breaches, leading to credit, legal, compliance and reputational risks.

Potential Opportunities

- The Group is well-positioned to capitalise on the rapid growth of renewable energy, green buildings, and sustainable transport through innovative ESG-linked products, green bonds, and transition finance for high-risk sectors.
- By strengthening its role as a trusted advisor and maintaining a disciplined, sustainability-focused vendor programme, the Group's operating companies can deepen customer relationships, attract ESG-conscious investors, and enhance brand reputation. These efforts support long-term revenue growth, reduce stranded asset risk, and increase exposure to low-carbon opportunities.
- Additionally, promoting responsible supply chain practices, supporting local procurement—including SMEs and social enterprises—and maintaining robust governance frameworks reinforce stakeholder trust, operational stability, and alignment with national sustainability goals.

Strategic Actions

- A formal Code of Conduct and Ethics ("CoCE") for Employees, along with a CoCE for Business Partners, sets out clear ethical and sustainability expectations for employees and vendors across the value chain. The Group integrates ESG risk criteria into its core vendor assessment framework, supported by comprehensive sustainability due diligence reviews to ensure alignment with internal policies and governance procedures.
- Our key operating companies will embed financing practices with regulatory environmental, social and governance requirements and the CCPT classifications, whilst assisting customers through continuous client engagement and advisory services to support their transition aspirations.
- In parallel, the key operating companies actively introduce ESG-integrated and ESG-themed products to enhance the capabilities of the Group and its value chain in meeting elevated performance and transparency standards. The Group also monitors reported instances of human rights concerns across the reporting entities and its value chain.

Metrics

- Total Amount of Green Financing Approved
- Percentage of Total Spend on Local Suppliers
- Number of human rights violations across the Group
- Number of Confirmed Incidents of Corruption and Actions taken
- Percentage of ABC Training by Employee Category

SUSTAINABILITY STATEMENT



GOOD GOVERNANCE & ETHICAL BUSINESS CONDUCT

WHY IT MATTERS

Maintaining ethical standards and integrity is vital to preserving our reputation and earning consumer trust. By fostering a culture of professionalism, rejecting all forms of bribery and corruption, and encouraging whistleblowing, we create a strong foundation for long-term success. The Group is firmly committed to responsible governance and responsible business conduct, supported by robust internal controls and risk management systems, to deliver enduring value and build trusted relationships with all stakeholders.

OUR APPROACH

UPHOLDING INTEGRITY AND COMPLIANCE

HLFG is dedicated to maintaining the highest standards of ethics and integrity in business conduct, which is essential for the sustainability of our businesses and maintaining stakeholder loyalty. We have implemented a comprehensive set of policies, procedures and controls to guide employee behaviour and prevent unlawful activities such as money laundering, terrorism financing, bribery and corruption.

To ensure consistent high standards across all business dealings, we have established a Group Compliance Framework, overseen by the BARMC, to monitor regulatory compliance. This framework aims to build a strong compliance culture, helping employees understand their responsibilities and manage compliance risks while adhering to evolving legal and regulatory requirements.

THE GROUP'S CODE OF CONDUCT & ETHICS

Our Group-wide CoCE for employees and business partners* outlines the expected ethical and professional behaviour for all employees who work in the Group and any other persons permitted to perform duties or functions within, or for an on behalf of, the Group. Through this Code, the Group affirms their commitment to professionalism and ethical business practices. For our employees, they are required to complete an annual attestation to confirm their compliance with the Code.

* For more details, refer to the Code available on our site. (Insert URL: <https://www.hlfq.com.my/about-us/codes-and-policies.html>)

The CoCE for employees and business partners is pillared on 7 key principles as outlined below:

7 Principles to the Group's Code of Conduct & Ethics

Principle 1: Competence

Ensuring our employees and business partners possess and maintain the skills and knowledge needed to perform their roles in accordance with the standards required by the Group to meet its legal, compliance and regulatory obligations.

Principle 2: Compliance

Ensuring our employees and business partners fully understand and comply with all applicable laws, regulations and statutory requirements.

Principle 3: Integrity

Upholding high standards of business conduct and strict anti-bribery and corruption stance, while maintaining integrity of the Group's information, assets, property and finances, and encouraging the reporting of non-compliances.

Principle 4: Consumer Protection

Guidelines for acting responsibly and transparently in our business practices, treating all colleagues, stakeholders, customers and business partners with respect and considering the impact of decisions and actions on them.

Principle 5: Confidentiality

Stringent rules to protect confidential information and prevent misuse of information, alongside guidelines for appropriate corporate communication authorisation and social media utilisation.

Principle 6: Objectivity

Establishing rules and controls to mitigate conflicts of interest, prevent misuse of position, govern the acceptance of gifts or entertainment, and ensure no bias or undue influence impacts our employees' and business partners' decisions and judgments.

Principle 7: Work Environment

Setting forth our commitments to ensure a safe, diverse and inclusive workplace with zero tolerance for any form of discrimination, harassment (including sexual harassment) or intimidation, while ensuring our business practices are mindful, socially responsible and sustainable.

SUSTAINABILITY STATEMENT



GOOD GOVERNANCE & ETHICAL BUSINESS CONDUCT

ROBUST GROUP-WIDE POLICIES



ANTI-BRIBERY AND CORRUPTION, AND WHISTLEBLOWING

We uphold a strict zero-tolerance towards bribery and corruption, underpinned by our Anti-Bribery and Corruption ("ABC") Policy. The ABC Policy applies to the Board, top management, employees and associated persons, and covers topics relating to gifts and entertainment, donations and sponsorships, facilitation payments, financial controls, procurement, and dealing with public officials. The Group conducts ABC risk assessment at least once every two years and the results of the ABC risk assessment are reported to the Board.

We encourage both internal and external stakeholders to raise concerns on real or suspected bribery and corruption incidents through the whistleblowing channel, and employees may also raise concerns directly with their Head of Department or the Compliance Department. Information about the whistleblowers will be kept strictly confidential and they will be protected from retaliation provided that their reports are made in good faith. Upon investigation, appropriate disciplinary actions and/or any other actions, including dismissal or legal action, shall be taken against persons found to be non-compliant with the ABC Policy and ABC laws.

TRAINING AND ENGAGEMENT

Our operating companies actively involve and train employees on anti-bribery and corruption policies to ensure they are well-informed of our strict zero-tolerance approach towards unethical conduct.

FY2025 PERFORMANCE DATA

	C1(a),(b),(c)				
	HLFG	HLB	HLA	HLCB	Group Consolidated
Percentage of Board of Directors that received anti-bribery and corruption training	100%	100%	100%	100%	100%
Percentage of employees that received anti-bribery and corruption training	91%	99%	85%	98%	98%
Percentage of operations assessed for corruption risk	100%	100%	100%	100%	100%
Confirmed or reported incidents of corruption	0	0	0	0	0

SUSTAINABILITY STATEMENT



ESG INTEGRATION INTO FINANCIAL PRODUCTS

WHY IT MATTERS

Tackling climate change is a global imperative. As a financial group whose banking operations span across regional markets with investments across local and global capital markets, it is critical for us to drive climate action and deliver meaningful impact by integrating ESG standards within our products and practices. By doing so, we are able to support a just, orderly and equitable transition to more sustainable business and operating models for both the Group and our customers.

OUR APPROACH

ESG considerations have become increasingly rooted in the way we innovate, deliver and communicate our products and services. Guided by the principles of ESG, sustainability, value-based-intermediation (“VBI”), and Sustainable and Responsible Investment (“SRI”), our operating companies strive to deliver green and sustainable solutions whilst supporting climate mitigation and adaptation journeys of customers.

At HLFG, we are dedicated to enhancing our capabilities and assisting our operating companies in their shift towards sustainable and inclusive growth. Our Sustainability Committee will play a key role in overseeing the performance of all operating companies in greening their portfolios, ensuring alignment with BNM’s CCPT framework and contributing to the promotion of inclusive and sustainable finance within Malaysia.

SUPPORTING SUSTAINABLE TRANSITIONS THROUGH PRODUCT AND SERVICES

Beyond meeting the evolving disclosure requirements, our key operating companies have expanded their respective financing and investment portfolios to deliver more climate-focused solutions as illustrated below.

Green Financing	ESG/Sustainability Financing
	Renewable Energy and Solar Plus Financing
	Green Mortgage and Affordable Property Financing
	Green Car Financing
Sustainable and Responsible Investing	Green Securities: Green Bond/Green Debt Financing
	Sustainability Aligned Services and Engagements
	Global ESG Funds*
ESG Investment Research	ESG Research Snapshot
Life Insurance	

* Includes conventional and Shariah-compliant products.

SUSTAINABILITY STATEMENT



ESG INTEGRATION INTO FINANCIAL PRODUCTS

Green Financing

HLB has launched the Sustainable Finance Framework (“SFF”) in line with the Group’s commitment to sustainable finance. The SFF outlines clear criteria with eligible sectors including renewable energy, energy efficiency technologies, green buildings and affordable housing, waste management, and clean transportation and logistics, amongst others.

HLB plans to mobilise

RM20 BILLION

by FY2029 to grow its sustainable financing portfolio. This is expected to be largely driven by HLB’s green and affordable mortgage portfolio, followed by green auto loans and other green financing.

The SFF references globally and regionally recognised principles and standards, including but not limited to:

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
BNM	CCPT Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”)

Following the establishment of the SFF, HLB has tracked the disbursed and committed financing as mobilised amounts under the framework. This not only helps build HLB’s capabilities and presence in low-carbon growth sectors, but also supports the customers’ own decarbonisation journey - a win-win outcome. Notably, HLB maintains a General Exclusion List for prohibited activities, ceased financing for new greenfield coal-fired power plants as of 1 July 2021, and will fully discontinue financing for all coal-fired power plants effective 1 July 2026.

As of 30 June 2025, HLB has mobilised a total of RM4.5 billion in sustainable financing under the SFF. Specifically, we have successfully mobilised RM3.1 billion for Green, Affordable and Green, and Affordable Property and RM0.9 billion for Green Vehicles Financing during the financial year. This milestone was made possible through strong partnerships with electric vehicle manufacturers and distributors, as well as our ongoing efforts to educate and engage customers on the environmental and economic benefits of green mobility. Within our BCB portfolio, we have mobilised a total of RM0.5 billion. These funds support projects in renewable energy, energy efficiency, and green buildings.

Total Mobilised Sustainable Financing (RM’Bil)	FY2025
Green, Affordable and Green, and Affordable Property	3.1
Green Vehicles Financing	0.9
BCB Sustainable Financing	0.5

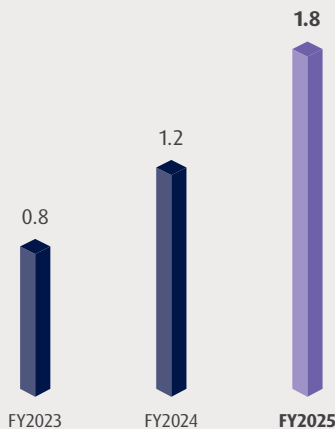
SUSTAINABILITY STATEMENT

HLB's green financing for buildings and townships prioritise environmental sustainability and social value creation via green and affordable mortgages in accordance with the Personal Financial Services ("PFS") Credit Management Policy. HLB encourages developers to integrate ESG considerations by offering financing packages and expediting approvals for those with low ESG risk profiles. HLB also assists developers who fall short of the Green Developer benchmark to improve their ESG risk profiles. As of FY2025, we have approximately 980 projects under our ESG Assessment Framework and financed RM17.0 billion of green and affordable buildings and townships, representing 16% of our total mortgage portfolio of RM107.80 billion, meeting HLB's target of RM16.2 billion and reinforcing our leadership in sustainable property financing.

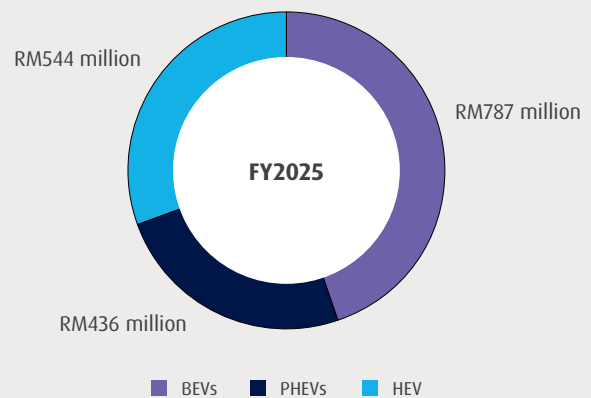
HLB's Green Car Financing initiative aims to increase access to financing for battery electric vehicles ("BEV"), plug-in hybrid electric vehicles ("PHEV"), and hybrid electric vehicles ("HEV"). Besides offering competitive financing rates, HLB has built strong partnerships with EV manufacturers and distributors, and actively educates potential customers on the benefits of switching to EVs.

In FY2025, HLB's outstanding green vehicle loans are **RM1.8 BILLION**.

Total Green Vehicles Financing (RM'billion)



Total Outstanding Green Vehicles Financing in FY2025, with Breakdown by Type



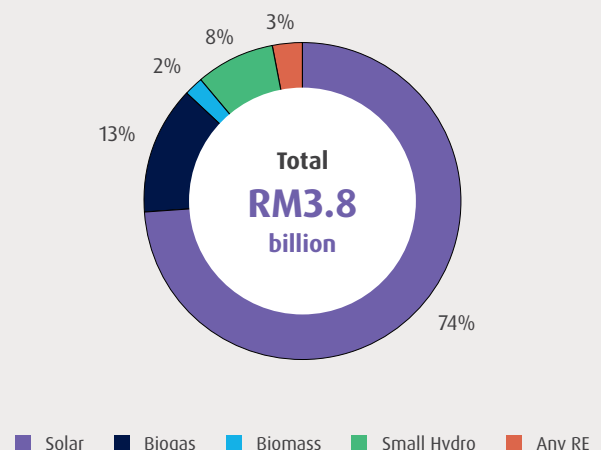
HLB's RE financing solutions are tailored to support businesses of all sizes in transitioning to cleaner energy sources, including solar, hydropower, and bioenergy. Initially, HLB set a target of RM500 million in RE financing by 2025. In response to rising demand and emerging opportunities, this target was revised upwards to RM4 billion. As of August 2025, HLB had cumulatively RM4.2 billion in RE financing, contributing to Malaysia's national goal of achieving 31% RE in the installed capacity mix by 2025.

HLB was honoured with the

**BEST DOMESTIC
AND ISLAMIC BANK**

for Sustainable Energy Financing 2024 Award at the 2024 National Energy Awards

Total RE Cumulative Approvals in FY2025



SUSTAINABILITY STATEMENT



ESG INTEGRATION INTO FINANCIAL PRODUCTS

Mobilising Green Bonds

Adequate funding for green and sustainable projects is necessary to propel Malaysia to reach its sustainability goals. HLB and HLIB both have active market participation in green bond issuance/deals and green debt financing since the launch of their respective Green Bond Framework. The Green Bond Framework under HLB and HLIB are developed in accordance with the ASEAN Green Bond Standards ("ASEAN GBS") issued by the ASEAN Capital Markets Forum and the Green Bond Principles ("GBP") issued by the International Capital Market Association ("ICMA") – as validated by RAM. In accordance with the Framework, HLB and HLIB are strictly prohibited from using any proceeds to fund fossil fuel-based power generation projects.

As of June 2025, the nominal value of green bonds issued stood at RM 1.4 billion. Concurrently, HLB's green bond portfolio grew significantly, with the outstanding balance increasing from RM2.5 billion in FY2024 to RM2.9 billion in FY2025. The financed assets and projects primarily focused on renewable energy, green buildings and sustainable transportation.

On the capital markets front, HLCB is progressively improving and expanding its scope of sustainable investments and products into the Green Subordinate Notes Programme ("Green Sub Notes"), which aims to raise capital for sustainable development in Malaysia. Proceeds from the Green Sub Notes are used to expand HLIB's Treasury and Markets ("T&M") investments in green bonds in accordance with HLIB's Green Bond Framework and approved by the Sustainability Steering Committee. In FY2025, HLCB's green bond holdings increased by 45% from FY2024 to RM240 million with 100% of the RM100 million allocated proceeds from the Green Sub Notes fully utilised in renewable energy and sustainable transportation projects.

HLB's green bond portfolio has grown in outstanding balance to

RM2.9 BILLION in FY2025.

HLCB has increased its green bonds holdings to

RM240 MILLION

as at end of FY2025.

Green Bond Issuance as of June 30, 2025

Issuer	Amount Issued*
HLB	RM1.4 billion
HLIB	RM1.1 billion

* Nominal value.

Note:

The table above includes bonds issued from and after April 2022, under HLB's Green Bond Framework, and from and after May 2024, under HLIB's Green Bond Framework.

(1) Sustainable and Responsible Investments and Products

The Group's debt market team plays a crucial role in advancing sustainable finance by providing advisory services to clients on structuring and issuing sustainability-related debt instruments. In FY2025, HLIB advised on sustainability and green bond issuances amounting to RM1,071 million. These transactions underscore HLIB's continued leadership in sustainable finance, supporting clients across diverse sectors in accessing ESG-aligned capital.

Total Sustainability and/or Green Bonds Issuance (RM mil)



SUSTAINABILITY STATEMENT

We are cognizant that growth in sustainable investing can help facilitate sustainable finance and that investor and stakeholder awareness of its principles is key for the growth of sustainable investing. We strive to educate stakeholders on ESG perspectives in their investment decisions. HLIB's research teams produce ESG snapshots that help raise awareness of sustainable investing.

FBM KLCI Companies under Coverage with HLIB's ESG Snapshot (%)



Further pioneering sustainable financial products, HLCB launched ESG Share Margin Financing ("SMF") products in FY2025, offering customers to invest in ESG-compliant securities on the FTSE4Good Bursa Malaysia Index with favourable financing terms, including low interest rates and higher margins. This positions HLIB as the first investment bank in Malaysia to actively drive sustainable financial growth.

Promising Growth in Our Newly Launched ESG SMF Portfolio

Recorded average monthly increase of 224%* in facility limit approved

Total cumulative facility limit approval of RM5.6 million** aimed at providing financing for sustainable companies

* Average monthly facility limit increase between April to June 2025.

** Cumulative facility limit approved between April to June 2025.

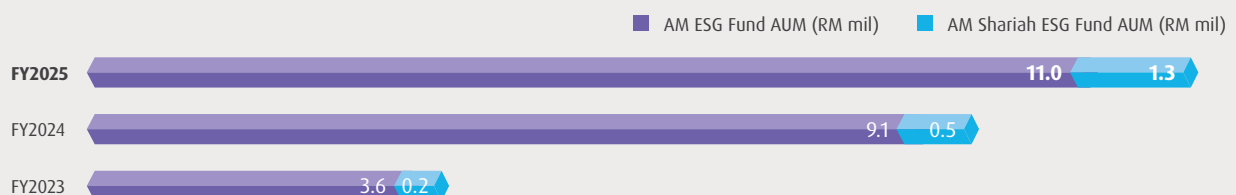
(2) Promoting Sustainable and Responsible Investing Among Investors

HLCB, through its asset management arm, HLAM, manages global ESG funds as follows:

Hong Leong Global ESG Fund ("HLGESGF")

Hong Leong Global Shariah ESG Fund ("HLGSESGF")

HLGESGF and HLGSESGF funds are catered to ESG-conscious investors, enabling investments into a globally diversified portfolio of sustainable companies. Both funds have received favourable response from clients and recorded RM12 million in AUM or 25% AUM growth in FY2025 from the previous year.



In efforts to bolster sustainable investing practices, HLCB's stockbroking has also strengthened its ESG research capabilities by including ESG Research Snapshots for the majority of FBM KLCI stocks under coverage.

In FY2025, HLCB's ESG Research Snapshot developed for
89% of KLCI constituents under our coverage.

SUSTAINABILITY STATEMENT



ESG INTEGRATION INTO FINANCIAL PRODUCTS

(3) Life Insurance

On the life insurance front, HLA as Malaysia's largest domestic life insurer by total asset, demonstrates its commitment to sustainability by placing client care at the core of its operations. The fundamental purpose of life insurance is to provide a safety net, protecting individuals and families from financial hardship during life's most challenging moments. By offering a comprehensive range of life and health insurance products, HLA directly contributes to the social and economic resilience of its clients.

In line with SASB guidance for insurance sector, this commitment is well-represented in HLA's total life policies in-force of **880,000** as at June-2025.

On top of that, HLA's commitment to care for clients is validated with customer retention rate of **93%**, a testament towards vast majority of clients feeling valued and secure enough to continue their journey with HLA.

Guided with a focus towards inclusivity, affordability and financial security, HLA's protection-focused products offer a multitude of coverage for all walks of life as per below.

HLA CompleteProtect

Pioneering a new standard in protection, HLA CompleteProtect offers affordable and comprehensive coverage to meet evolving needs, such as living allowance benefits when experiencing stroke or kidney failure, built-in loyalty bonus that serves as emergency fund for drawdown in time of needs and customisable options for premium payment term and premium structure.

i-Mula 50

i-MULA 50 campaign gives first-time life insurance buyers RM50 off selected plans. Backed by LIAM's national initiative, it aims to make insurance more affordable for young individuals and families. Eligible products include critical illness, accident, life, and medical cover. The campaign runs until 31 December 2025 or until the RM5 million fund is fully claimed.

Power Series Riders

A first-in-market product to provide critical illness plan with future-proof concept, with broader list of conditions/defined critical illnesses ("CI") compared to traditional CI plans.

MediShieldPro Rider & DoublePro Rider

New medical riders with enhanced benefits and coverage, including unlimited number of days for Room & Board and Intensive Care Unit, comprehensive cancer protection, flexible deductible options to suit customers' retirement needs, and opportunity to double up annual limit with the optional DoublePro Rider.

Future Secured Rider

First-in-market solution which allows policyholders to access a portion of the death cover for health emergency aid and continuous financial support in case of stroke, dementia or Parkinson's Disease.

Going beyond providing services, HLA also cares for our clients by providing special assistance and medical examination as per below:

House Call Services for Medical Examination

HLA provides house call services for medical examination through Qualitas Medical Group, whereby subject to availability, a medical doctor will travel to customer's preferred location to perform the required medical examination by underwriter. This service provides further accessible, personalised examination to customers, as well as reducing the need for travel and hospital visits.

Special Assistance Services

Special assistance services offered to pregnant mothers, elderlies and people with disabilities at all our branches, including:

- **Special assistance counter:** Customers will be prioritised with no queue ticket required.
- **Pre-schedule branch visit:** Customers can schedule a time and date, and identify the type of policy transaction required in advance.
- **Schedule virtual meeting:** Arrange online video call for homebound customers for further assistance.

SUSTAINABILITY STATEMENT



FAIR TREATMENT OF FINANCIAL CONSUMERS

WHY IT MATTERS

Our commitment to fair dealing is at the core of our business practices, ensuring that we maintain trust and transparency with our customers. By prioritising integrity and ethics within our customer services and interactions, we not only build long-term satisfaction and loyalty but also foster a responsible financial ecosystem that strengthens our reputation as a trusted financial institution.

OUR APPROACH

We are committed to acting in the best interests of the Group and our customers. We adopt a two-prong approach to consistently uphold fair treatment standards and practices across our operating companies based on the core principles under BNM's Fair Treatment of Financial Consumers ("FTFC") Policy Document¹². We ensure fair, responsible and professional conduct when engaging with customers.

Our Operating Companies' Primary Policies Ensuring Consumer Protection



Code of Conduct and Ethics for Employees



Product Risk Approval Policy



Product Transparency and Disclosure Policy



Complaint Handling Procedures



Client Charter

Fair Treatment of Financial Customers

Practising a Customer-Centric Culture

With a consumer-centric approach deeply embedded in our culture, we are committed to meeting our customers' financial and protection needs through a comprehensive range of financial services across both digital and physical platforms. Throughout the Group, we continuously harness customer insights and data analytics to enhance relationships and deliver personalised, value-added banking solutions.

Regulating Capital Market and Distribution Activities

More closely for HLCB, employees engaged in regulated activities are required to hold a Capital Markets Services Representative's Licence ("CMSRL") from SC Malaysia. Additionally, our Unit Trust Consultant ("UTC")/Private Retirement Scheme Consultant ("PRC") involved in the marketing and distribution of unit trusts and PRS funds respectively are required to be registered with the FIMM.

Preserving trust through Fair Dealing Practices

Guided by our CoCE for Employees and Business Partners and regulatory standards, we have established policies that ensure product and service integrity while managing employee conduct risk. All employees undergo mandatory FTFC training at onboarding and are expected to uphold our fair dealing principles. We also prioritise responsible marketing and offer equitable, needs-based products.

Empowering Our Agency Force

At HLA, our agents play a crucial role as trusted and dedicated partners to our customers. We strive to achieve operational excellence with our agents, ensuring customers' well-being are protected and insured whilst providing superior service at all times. In November 2024, HLA honoured its 654 top leaders and agents at its Annual Awards Presentation ("AAP") 2024 in their contribution to uphold HLA as one of the leading domestic life insurer in Malaysia.

¹² In March 2024, BNM updated its FTFC Policy to include fair treatment of vulnerable customers.

SUSTAINABILITY STATEMENT



SUSTAINABLE SUPPLY CHAIN

WHY IT MATTERS

Recognising the importance of transparency, ethics, and fairness in our procurement process and business conduct, we have enacted stringent policies to support a fair, transparent and ESG-centric procurement framework. By practising responsible sourcing, enhancing supplier oversight and supporting local vendors, we advance our sustainability objectives while ensuring long-term value for our stakeholders and the communities in which we operate.

OUR APPROACH

PRACTICING RESPONSIBLE PROCUREMENT

The Group is committed to ensuring transparency and fairness in our procurement process with the aim of promoting environmental and social stewardship across our supply chain.

SUPPLIER ESG ASSESSMENT

To enhance oversight of suppliers' ESG practices, HLFG, HLB, and HLCB have integrated ESG considerations into supplier and vendor selections for their procurement and outsourcing processes, while HLA plans to implement similar initiatives.



PRESERVING ETHICAL CONDUCT

In alignment with the Group's ABC policy and CoCE for Business Partners, we expect suppliers and vendors to comply with our zero-tolerance stance against bribery and corruption. We conduct due diligence, including background checks and document verification, before establishing formal relationships with vendors and periodically thereafter to ensure supplier integrity.



SUPPORTING LOCAL PROCUREMENT

Engaging local suppliers is crucial to our ethical procurement policies, fostering a vibrant local business environment while ensuring a reliable and sustainable supply chain. Overseas suppliers may nevertheless be engaged for services unavailable locally.

At HLFG and across our operating entities, we adhere to our Procurement/Tender policy principles and procedures to uphold proper governance and fair procurement practices. This includes conducting due diligence, managing conflicts of interest, and meeting approval requirements. We update these policies and procedures regularly to remain aligned with the latest procurement and outsourcing guidelines.

Effective January 2025, HLFG has established the Group Code of Conduct and Ethics¹³ for business partners to ensure our vendors and business partners exhibit a high standard of professionalism and ethics. This Code applies to all the Group's business partners, including the vendors, suppliers, service providers, contractors, consultants, agents, and representatives engaged or appointed by a Group company, as well as any other person performing work or services for or on behalf of the Group and any person(s) appointed by them in any capacity to deliver goods to and/or perform any part of the services for a Group company, including their employees, agents, suppliers and sub-contractors.

SUSTAINABILITY STATEMENT

It emphasizes practices and professional conduct that reflect the Group's core values of integrity, transparency, accountability, and sustainability through six core principles outlined. Business partners are responsible for regularly reviewing the code that is made available to them to ensure ongoing compliance, and by staying informed of any updates or changes, they demonstrate their commitment to ethical conduct and their role in supporting the Group's values.

¹³ For more details, please refer to the Code available on our website:
<https://www.hlfq.com.my/pdf/about/policy/HLFG-Group-Code-of-Conduct-&Ethics-for-Business-Partners-V1.pdf>.

The suppliers are assessed against four core ESG themes, with key focus areas shown below:

ESG Criteria	Key Focus Areas
Fair Labour Practices	Protection of human rights, non-discrimination, prevention of child labour, and fair wages.
Occupational Safety and Health	Occupational Safety and Health Implementation of safety policies, provision of personal protective equipment, training on health and safety, and emergency-response planning.
Environment	Adoption of environmental policies, reduction of waste, improvement of energy efficiency, and management of water resources.
Ethical Business Practices	Conduct of due diligence, prevention of anti-competitive practices, enforcement of anti-bribery and corruption policies, and management of conflicts of interest.

FY2025 PERFORMANCE DATA

Supply Chain Management	HLFG	HLB	HLA	HLCB	Group Consolidated
Percentage of Total Spend on Local Suppliers	95%	93%	93%	93%	93%



SUSTAINABILITY STATEMENT



HUMAN & LABOUR RIGHTS

WHY IT MATTERS

Our Group policies and those of our operating companies emphasise our dedication to protecting and respecting human rights throughout our value chain and business operations.

OUR APPROACH

UPHOLDING RIGHTS AND EQUAL OPPORTUNITY

In alignment with the principles of the United Nations Global Compact, the Group is steadfast in its commitment to upholding and promoting human and labour rights across all levels of the organisation. This commitment is embedded in our Group-wide Code of Conduct and Ethics which serves as a guiding framework for ethical and responsible behaviour.

Diversity, inclusion, and anti-harassment principles are integral to our operating companies' CoCE. Across the Group, we embrace individuals from diverse backgrounds and origins. Discrimination of any form, whether based on race, nationality, citizenship status, religion, age, gender, pregnancy, marital status, or physical disability, is strictly prohibited.

We recognise the importance of diversity in leadership and have adopted a Board Diversity Policy to enhance the collective skills, perspectives and strengths of the Board. The Board will set appropriate diversity targets, including gender balance, and will take necessary measures to meet these targets as needed. In doing so, the Board aims to maintain diversity in line with SC's Malaysian Code on Corporate Governance.

PRESERVING RESPECTFUL WORKPLACES

We are committed to fostering a respectful and safe environment, where all employees, customers, and business partners are treated with dignity and equality. Harassment or any form of inappropriate conduct, including unwelcome jokes, threats, physical contact, derogatory comments, teasing, bullying, intimidation, or any offensive or abusive language or actions, is not tolerated at all times.

Guided by HLFG's Group CoCE for business partners, we expect our supply chain to adhere to similarly high standard, and undertake oversight of their management of issues related to human rights, such as discrimination, harassment and equal opportunity. The Group has included ESG criteria in the assessments of new suppliers, with periodic checks undertaken thereafter to monitor ongoing compliance. Any breach of the Code is treated as misconduct and may lead to disciplinary action—including, where appropriate, termination of employment.

RESPECT FOR HUMAN AND LABOUR RIGHTS THROUGHOUT THE VALUE CHAIN

Our commitment to human rights extends to our supply chain. We require all suppliers and business partners to adhere to our Code of Conduct and Ethics, which includes provisions on fair labour practices, non-discrimination, and compliance with local labour laws and regulations. The Group has also integrated ESG criteria into the evaluation and selection of new suppliers, with ongoing compliance monitored through periodic assessments. As stipulated in the Procurement/Tender Policy, the ESG considerations encompass the protection of human rights and the promotion of fair labour practices as key benchmarks in supplier selection.

In FY2025, the Group successfully upheld records of **ZERO** reported incidents of discrimination,
and **ZERO** substantiated complaints concerning human rights violations.

SUSTAINABILITY STATEMENT

**PILLAR 3 : COMMUNITY INVESTMENT**

Supporting Social Enterprises and Communities



Financial Inclusion & Literacy

SUSTAINABILITY-RELATED RISK AND OPPORTUNITIES

Risks	Opportunities
• Inadequate community investment may cause negative public perception, media scrutiny, and damage to good reputation that can lead to loss of stakeholder confidence. • Limited financial inclusion and literacy among the public can potentially heighten exposure of the Group to credit and strategic risks, increasing the likelihood of credit defaults and uncertain operating environment.	• Investing in community development not only creates a powerful and positive social impact but also strengthens our brand health, attracting customers who value responsible and sustainable businesses. • Strong community relationships can unlock new opportunities through local partnerships, and drive innovation in sustainable practices and improves ESG ratings—potentially reducing the cost of debt and equity financing—while reinforcing our competitive advantage. • Higher financial literacy also empowers individuals to make informed financial decisions and reduce their vulnerability to scams, which improve the Group's financial stability.
Strategic Actions	
• The Group regularly conducts and expands our corporate social responsibility ("CSR") and financial literacy and inclusion programmes and initiatives, supported by established standard operation procedures ("SOPs") for employee activities and donation management.	
Metrics	
• Number of beneficiaries • Amount spent on community investment • Total numbers and hours of employee volunteering	

**SUPPORTING SOCIAL ENTERPRISES & COMMUNITIES****WHY IT MATTERS**

We are dedicated to creating shared value for all stakeholders, including the broader communities where we operate. Across the Group, we are enhancing our community engagement to make meaningful environmental and social contributions, notably through support for socially responsible enterprises and environmental conservation efforts. By leveraging our resources to empower communities, we enhance our reputation while fostering progress towards sustainable development goals.

OUR APPROACH**AMPLIFYING OUTCOMES THROUGH COLLECTIVE ACTION**

Our key operating companies choose their strategic partners for community outreach with care, focusing on those with strong social and environmental goals. This approach enables us to work with organisations that align with our values, enhancing the positive impact the Group can achieve together. Our employees are crucial to these efforts, actively engaging in the Group's initiatives to support local communities throughout the year.

SUSTAINABILITY STATEMENT



SUPPORTING SOCIAL ENTERPRISES & COMMUNITIES

HLFG's Community Engagement

Upkeep of Zoo Negara, Kuala Lumpur

HLFG hosted its first-ever group-wide CSR at Zoo Negara. This initiative brought together 120 volunteers from across HLFG's operating companies, namely HLB, HLA, HLMT, HLIB and HLAM.

Our employees spent the day assisting with upkeep tasks essential to the zoo's operations. Activities included sweeping walkways, removing moss, hydro blasting surfaces, washing public amenities, and maintaining plants and greenery.

This collaborative effort not only supports the conservation of wildlife at a cherished national institution but also marks a significant step in our collective commitment to making a meaningful impact on our community and the environment.



Supporting Handicraft Made by Indigenous Community

Helping Hands Penan is a non-profit accredited social enterprise dedicated to empowering the indigenous Penan through education and economic initiatives. In FY2025, HLFG purchased products from Helping Hands Penan as gifts given out to employees for HLFG Annual Dinner.

HLB's Community Engagement

HLB Jumpstart

The HLB Jumpstart programme assists early-stage Malaysian startups and entrepreneurs focused on creating sustainable solutions, promoting innovation and addressing environmental issues. Currently, the programme supports 8 social enterprises, which includes the following below:

Green Hero:

Established connections with customers to introduce Green Hero's mission and impact. The initiative recorded RM139,000 in revenue and provided meals to 4,422 vulnerable individuals in FY2025.

Primus Wellness:

Enabled direct engagement with potential customers, fostering trust and brand awareness. The initiative achieved notable sales performance, contributing to a total revenue of RM291,839 in FY2025.

Refiller Mobile:

Enhancing brand visibility and generating valuable business opportunities, resulting in RM55,000 in revenue in FY2025.

The Sea Monkey Project:

Facilitated meaningful engagement with local communities, benefiting a total of 2,100 individuals. The initiative collected 1,241 kg of plastic waste from community members and directed RM6,205 back to them as incentives in FY2025.

SUSTAINABILITY STATEMENT

HLB LaunchPad

HLB LaunchPad 2024 marked the sixth instalment of HLB's long-running programme to support Malaysian entrepreneurship and the start-up ecosystem through providing access to funding and expert mentorship.

This year, the programme focused on the theme "Circular Economy Solution for a More Sustainable Tomorrow" and had seven participating companies. HLB invested RM100,000 in total — RM50,000 was awarded to the top five finalists to help them set up pilot projects, while the remaining RM50,000 was allocated to the top three winners.

After completing mentorship sessions, the participants would be evaluated based on relevance, value proposition, delivery skills, and other key criteria on the final pitching day. The top five companies were selected to proceed with a 10-week pilot as the final round. Recircle emerged as the Champion, with Green Hero and the Sea Monkey Project securing second and third place, respectively.

**Employee Volunteerism**

Through the HLB Employee CSR Programme, HLB's employees invested their time and resources to support welfare homes nationwide during festive seasons, such as Chinese New Year, Hari Raya and Deepavali, and take part in various other volunteering efforts. In FY2025, employees contributed a total of 10,804 volunteer hours across various activities under the programme's five pillars: Environment, Social Enterprise, Food Security, Financial Literacy, and Festive/Community.

FY2025 PERFORMANCE DATA

Community Empowerment					
	HLFG	HLB	HLA	HLCB	Group Consolidated
Total amount invested into community projects (RM)	3,875	817,410	349,470	45,595	1,216,350

HLA's Community Engagement**Contribution to Yayasan Food Bank Malaysia**

Further to HLA's RM12,280 collection in cash donations on behalf of Yayasan Food Bank Malaysia in July 2024, the donation and distribution drive concluded in August 2024, with the volunteering and food donation program. In this final part, HLA delivered food boxes to 100 families in Kampung Seri Aman, Puchong as part of the Food Bank Runcit - Misi Bantuan Kemanusiaan program. In addition, a special delivery was made to a 51-year-old stroke survivor, mirroring the spirit to drive collective community support and compassion.

HLCB's Community Engagement**Supporting Local SMEs**

Supporting local SMEs is a core emphasis of HLCB's community support initiatives, with deserving local enterprises engaged to provide goods and services during festive celebrations. In FY2025, HLCB had procured goods and services for festive celebrations the Seven Tea One Sdn Bhd. Through this initiative, HLCB supported 16 differently abled teens to be employed and earned dignified income.

Food Security Programme

- **Kurma Donation Initiative**
HLCB organised a community outreach initiative to support religious communities during Ramadan by distributing 36 cartons of kurma to 12 masjid and surau across Kuala Lumpur and Selangor with participation from 13 employee volunteers and a total investment of RM3,600.
- **PERTIWI Soup Kitchen Programme**
HLCB partnered with PERTIWI to provide 600 iftar meals to underprivileged individuals during Ramadan, involving 9 employees with a total investment of RM3,300 for community welfare support.
- **Yayasan Food Bank Malaysia Fundraising**
HLA organised a fundraising initiative to provide essential support to underprivileged families experiencing economic difficulties through Yayasan Food Bank Malaysia. A collective fundraising campaign was conducted within the management and employees in FY2025.

SUSTAINABILITY STATEMENT



FINANCIAL INCLUSION & LITERACY

WHY IT MATTERS

As an integrated financial services group, the Group remains committed to deliver inclusive financial solutions, driven by technology and digitalisation. By placing emphasis on targeted financial inclusion and literacy initiatives, the Group aims to reduce inequalities and support national goals to bridge the financial rural-urban gap, contributing to long-term economic resilience for the nation.

OUR APPROACH

HONG LEONG BANK BERHAD

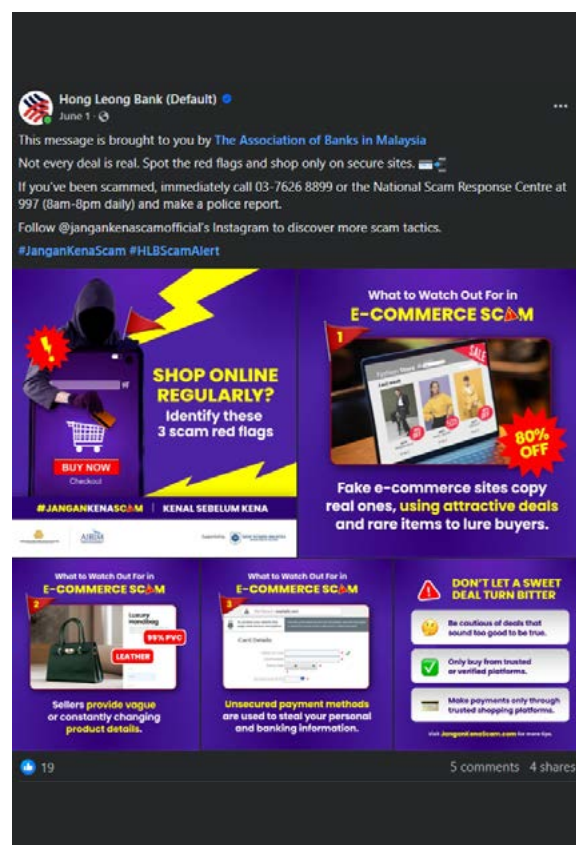
HLB DuitSmart

HLB DuitSmart is our flagship programme to provide financial literacy and inclusion workshops, alongside educational content, to promote informed and sound financial decisions. In FY2025, HLB expanded our efforts by engaging our nationwide branch network to deliver financial literacy programmes to a wider audience. HLB has conducted 133 HLB DuitSmart workshops at primary and secondary schools, universities and community centres, equipping over 19,000 beneficiaries with financial knowledge.



Supporting the JanganKenaScam National Initiative in collaboration with Association of Banks in Malaysia ("ABM")

HLB aims to raise fraud and scam awareness among our customers and the general public by promoting ABM's e-book and scam awareness materials across our various communication channels. The campaign garnered a total engagement of 303,091, which amplified key scam awareness and prevention messages, reinforcing the HLB's commitment to safeguarding the community and fostering financial resilience in the digital space.



SUSTAINABILITY STATEMENT

HONG LEONG BANK BERHAD

Talking ATMS

Aligned with the HLB's dedication to provide inclusive financial services, HLB pioneered talking automated teller machines ("ATMs") in Malaysia for the visually impaired community. These innovative ATMs feature braille keypads and headphone sockets, offering accessible banking with instructions in English, Malay or Mandarin. As of FY2025, HLB operates a network of 17 HLB Talking ATMs across West and East Malaysia.

HLB@School

HLB@School is a programme that encourages students to learn about personal finance and take responsibility by paying for food and school supplies with their very own Reloadable Debit Card, while parents pay fees via online banking. The initiative aims to promote good money habits among students through the HLB 3-in-1 Junior Account and HLB Pocket Connect App, enhance financial literacy and encourage cashless payment adoption among young children, and foster financial inclusion from an early age as part of the transition toward a cashless society.

Achievement in FY2025:

- Number of accounts opened: 9,707
- Number of new schools onboarded: 12 schools
- Total number of schools onboarded since 2021: 106 schools

Future plan:

- Advocate parents to secure their children's education and wellbeing through savings.
- Continue to drive the enablement of Cash School Ecosystem.
- Extend the HLB@School initiative to International and Private Schools.



SUSTAINABILITY STATEMENT



FINANCIAL INCLUSION & LITERACY

HONG LEONG ASSURANCE BERHAD

Berita HLA Publication

HLA initiated the first series of Berita HLA publication to the public in June 2025, which aims to simplify complex financial topics, debunk common myths and empower individuals to make confident, informed financial decisions about their future. This edition covered interesting topics including:

- **Empowering Malaysians to Age with Dignity:** The importance of early planning and financial protection for old age, in the aspects of retirement and savings, healthcare, and long-term care
- **Protecting the Family's Interest:** Building a financial safety net for loved ones, through protection from loss of income and liabilities such as mortgages and car payments, securing children's education fund and legacy planning to pass on financial security
- **Debunking Myths on Financial Misconceptions:** How to make smarter financial decisions, such as starting early with the power of compounding, seeking professional and tailored financial advice, leveraging on debt to build assets, and importance of frequent financial review as part of long-term financial planning

"Actuaries of Tomorrow" Forum

HLA partnered with Sunway University's School of Mathematical Sciences and Sunway Career Services to organise the "Actuaries of Tomorrow: Career Diversity Skills Mastery" forum to empower future actuaries with the knowledge and skills related to this profession. Representatives from HLA shared insights into their professional journeys and career experiences on topics such as:

- Day-to-day operations within actuarial department
- How theoretical knowledge can translate into impactful workplace solutions
- Guidance on taking the first steps into the profession, and emphasis on both technical and soft skills for career success

HONG LEONG CAPITAL BERHAD

Crude Palm Oil Futures Webinar

HLCB delivered a foundational Crude Palm Oil Futures ("FCPO") webinar in Bahasa Melayu to make investment products more understandable and accessible through diverse languages. The initiative had 14 attendees.

Investsmart Fair Exhibition

HLCB opened a 3-day futures trading booth at the InvestSmart Fair Exhibition to promote HLIB futures trading and educate the public on more advanced forms of investing to diversify their portfolios. The initiative resulted in 5 new account openings.

CME Micro Metal Futures Webinar

This webinar introduced our newly launched micro-sized metal futures as a budget-friendly trading options for price-sensitive investors. The webinar had 44 attendees.

SUSTAINABILITY STATEMENT

**PILLAR 4 : DIGITAL AT THE CORE**

Digitalisation & Innovation



Customer Experience



Privacy, Data Protection & Cybersecurity

SUSTAINABILITY-RELATED RISK AND OPPORTUNITIES**Risks**

- The integration of artificial intelligence (“AI”) technology presents several key risk considerations including data privacy vulnerabilities from extensive data consumption, potential copyright and intellectual property violations, degraded customer experience from inadequate implementation, and increased exposure to cyber breaches and systemic failures from over-reliance on digital systems. These risks require robust governance frameworks and comprehensive mitigation strategies for responsible AI adoption.

Opportunities

- AI and digital transformation offer significant opportunities including 24/7 financial services access across all locations, financial inclusion for underbanked populations through alternative credit scoring, automated customer support via AI chatbots, enhanced employee productivity through task automation and data analytics, and workforce development that fosters continuous learning and market relevance.

Strategic Actions

- The Group’s efforts to strengthen its data protection and cybersecurity, and in establishing a robust governance framework provide a firm platform to securely accelerate digitalisation and innovation across key operating companies. As a result, the Group will benefit from enhanced operational efficiency and customer experience.
- The Group prioritises in developing customer-centric digital products and services to increase inclusivity, accessibility and reliability, which include continuous investments in IT infrastructure, and in implementing effective data protection and cybersecurity protocols in line with regulatory standards and industry best practices.
- The Group conducts regular data protection and cybersecurity assessments in line with regulatory requirements across all operation companies. These assessments are further reinforced by data privacy governance and internal awareness and capacity building among relevant employees.

Metrics

- Number of digital users and penetration
- Customer satisfaction score
- Number of substantial complaints concerning breach of customer privacy and losses of customer data



SUSTAINABILITY STATEMENT



DIGITALISATION & INNOVATION

WHY IT MATTERS

In today's digital landscape, customers increasingly expect seamless, convenient financial services with access anytime and anywhere. In line with our vision to be an integrated financial services group that consistently meets our customers' needs, innovation and the adoption of technological advancements remain pivotal in delivering our full suite of financial products. At the same time, we recognise the cybersecurity and data privacy risks inherent within the digital landscape and invested in maintaining robust safeguards across our operations.

OUR APPROACH

DELIVERING INNOVATIVE AND PERSONALISED DIGITAL SOLUTIONS

HONG LEONG BANK BERHAD

HLB continues to lead in the digital banking space, supporting Malaysia's cashless society aspirations through innovative digital branches and technology-driven solutions that enhance customer journeys and experiences.

FY2025 Initiatives to Strengthen AI and Digital Functionality

DIGITAL TRANSFORMATION THROUGH AI IN BANKING

AI Integration in HLB Operations

Optimising operations is key to maintaining a competitive edge to improve customer satisfaction. By integrating AI, automation, and robotic process automation, processes have been streamlined, efficiency improved, and significant cost savings achieved.

AI Chatbot

AI Voicebot

AI Predictive Analysis

General Automation

Robotic Process Automation ("RPA")

In addition, HLB is organising AI Ignite, an annual internal innovation programme that empowers employees to develop AI-driven workplace solutions.

In 2025, the initiative engaged 17 divisions, generated 29 ideas, and shortlisted 10 finalists. Supported by structured resources and judged by a panel led by the Chief Information Technology Officer, the programme fosters cross-functional creativity, operational efficiency, and employee engagement.



SUSTAINABILITY STATEMENT

HONG LEONG BANK BERHAD

Digital Banking Product

Digital products are designed to be accessible and inclusive, broadening customer access to the financial ecosystem. Notable examples showcase initiatives that ensure convenience, equity, and usability for all.

Initiative	FY2025 Achievements
HLB Connect Online (Retail Banking) Comprehensive digital banking platform facilitating payments, transfers, deposits, FX, investments, applications, and card management with enhanced security features including AppAuthorise and temporary card controls.	- Approximately RM100 billion in retail transaction value; - Approximately 3 million retail internet banking users
HLB Connect App (Retail Banking) Mobile banking application enabling comprehensive banking transactions with simplified access to product offerings and enhanced security features.	- RM150 billion in financial transactional value; - Over 2.8 million unique financial transaction users (approximate 10% year-on-year growth); 92% of total HLB Connect users now use the mobile app; 76% of all transactions are mobile banking transactions
HLB Pocket Connect (Retail Banking) Digital applications that enhance financial literacy for customers under 18 through interactive Earn, Save and Spend tools, helping parents instill healthy financial habits in children.	- Over 2,496 new sign-ups, reaching cumulative total of 39,297 accounts; - Issued more than 31,326 HLB/HLISB Junior Debit Cards; - Opened over 49,757 new HLB 3-in-1 Junior Accounts
HLB ConnectFirst (SME, Commercial & Corporate Banking) Tailored banking solutions for business customers that streamline account opening processes with greater accessibility while reducing processing time and administrative burden.	- More than 163,000 companies registered on HLB's corporate internet banking platform; 12% YoY growth in registered users
HLB BizBuddy App QR code-based cashless payment solution for merchants and customers with real-time sales monitoring through merchant dashboard and multi-language reporting capabilities.	- Approximately 106,000 total users; - Over 45,000 merchants acquired; - More than 41 million transactions with more than RM1.5 billion in value
Apply@HLB (Retail Banking) Malaysia's first fully digital finance onboarding experience enabling remote account opening through eKYC digital verification process and cashless transactions.	55,114 new accounts registered through the platform

DIGITAL FINANCE & INNOVATION

HLB	2023	2024	2025
Total number of digital retail users (Unit)	2,632,795	2,906,092	3,120,151
Digital financial transaction value for retail users (RM Billion)	203	236	260
Total number of digital business users (Unit)	734,000	830,000	919,027
Digital financial transaction for business users (RM Billion)	227	255	301

SUSTAINABILITY STATEMENT



DIGITALISATION & INNOVATION

HONG LEONG ASSURANCE BERHAD

HLA continues to utilize digital technology to enhance customers' seamless purchasing and payment capabilities through digital platforms while consistently improving its digital solutions to increase efficiency and deliver superior customer experience.

i-M SOLUTION VERSION 2 ("iMS v2")

In April 2025, HLA launched iMS v2, an advanced digital platform designed to streamline agency submissions and improve operational efficiency. It offers:

- **Cloud-Based Accessibility:** Faster downloads, easier updates, and reduced data loss.
- **Mobile Access:** Secure login on iPhone/iPad for flexible case handling.
- **Enhanced Security:** No customer data stored on devices, ensuring compliance.
- **Optimized User Experience:** Faster, cleaner interface with auto-filled data and quicker proposal generation.

Overall, iMS v2 empowers agents to focus more on client engagement while enjoying a smarter, faster, and more secure workflow.

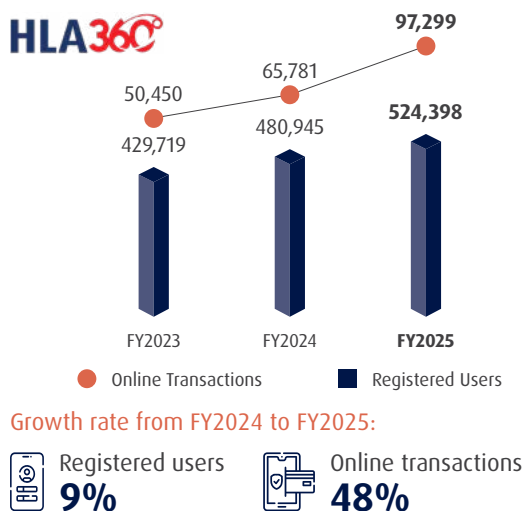
PROOF OF IDENTITY VERIFICATION ("PoIV") ENHANCEMENTS

To automate and secure customer data verification, HLA introduced the enhanced PoIV module in July 2024 with two key features:

- **Remote PoIV:** Customers can now verify their identity remotely via a secure email link, eliminating the need for face-to-face ID capture and enabling convenient, digitalised data entry.
- **Appeal Function:** Agents can self-submit appeals for valid ID details flagged as invalid, allowing real-time troubleshooting and faster case submissions with better tracking visibility.

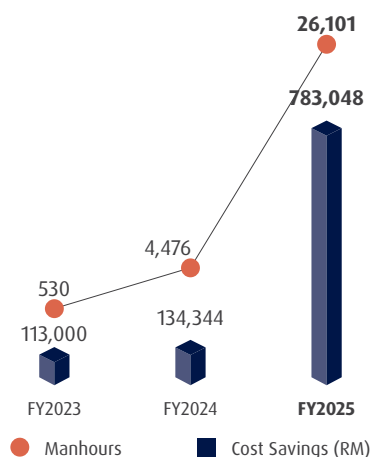
HLA360°

HLA's online customer portal offers customers convenient instant access to their policy information and e-medical card, as well as enabling them to perform self-service online transactions. With ongoing enhancements to functionality and user experience, HLA360° has continued to record steady growth in registered users and online transactions.

**ADOPTING ROBOTIC PROCESS AUTOMATION ("RPA")**

HLA has expanded the use of robotic process automation to digitalise processes that not only enhance customer experience but also increase efficiency, accuracy of information and cost savings. Key initiatives this year include automation of manual processes involving credit card standing instruction payments.

Total of **RM783,048** savings per annum



SUSTAINABILITY STATEMENT

HONG LEONG ASSURANCE BERHAD

DIGITALISATION OF AGENCY OPERATIONS

To support Malaysia's digital transformation and enhance agent productivity, several key features have been introduced to the HLA Agency Portal from late 2024 to 2025. These initiatives aim to streamline processes, reduce reliance on physical documents, and improve turnaround time.

Highlights include:

- **E-Invoices for Agency Transactions**

Available from September 2024, agents can view e-invoices and income tax statements directly via the Agency Portal—saving time and eliminating the need for printed copies.

- **E-Correspondence for Policy Servicing Requests**

Since December 2024, agents can access servicing correspondences such as counter offer letters, endorsement or approval letters, pending requirement letters, and general communications online. These are available the next day after issuance, offering a faster and paper-saving alternative.

- **E-Forms Module**

Launched in April 2025, this feature allows agents to download pre-filled forms and upload signed documents digitally, removing the need for branch visits and supporting a paperless servicing experience.



SUSTAINABILITY STATEMENT



DIGITALISATION & INNOVATION

HONG LEONG CAPITAL BERHAD

HLCB continues to prioritise digital transformation and innovation, with a focus on enhancing service accessibility, promoting financial inclusion within the investment community and improving productivity and system efficiency across its operations.

HLAM recorded a **36%** digital onboarding rate via the HL iSmart Invest app.

Digital Portals with Advanced Functionality

HL Broking**HLeBroking**

Online equities trading platform providing secure access to Bursa Malaysia and selected global markets with user-friendly digital onboarding, real time market data, and integrated research tools.

FY2025 Achievements

Recorded **2 million** transactions,
61% via mobile and 39% via internet.

HL Futures**HLeFutures**

Secure digital platform for derivatives trading introduced in FY2025, empowering clients to manage financial risks and diversify portfolios with educational resources and transparent market access.

FY2025 Achievements

100% transactions are fully digital,
with 69% via mobile and 31% via internet.

HL iSmart Invest**HLAM iSmart Invest**

Portfolio management platform to make investing simple, accessible, and professional for clients with customised discretionary portfolio management aligned to individual goals and risk appetites.

FY2025 Achievements

17% growth in cumulative number of users and
12% increase in number of online
retail transactions.

 AgencyPRO
Performance. Resources. Online.
HLAM Agency System

Introduced to empower agency force with faster and more efficient client onboarding, real-time transaction processing, and instant portfolio access, enhancing agents' productivity and enabling stronger client relationships.

FY2025 Achievements

89% increase in cumulative number of agents
registered on the platform.

SUSTAINABILITY STATEMENT



CUSTOMER EXPERIENCE

WHY IT MATTERS

Across the Group, we continue to strengthen consumer relationships by deepening engagement and expanding value-added solutions across the Group. Building on our proactive approach, we have advanced the use of customer insights to better understand evolving financial needs and accessibility challenges. This has enabled our operating companies to design more refined, tailored offerings that respond to specific customer requirements. This leads to improved customer satisfaction, bolstering loyalty and safeguarding the long-term prospects of the Group.

HONG LEONG BANK BERHAD

CUSTOMER EXPERIENCE AND INSIGHTS LAB

HLB has continued to utilise its Customer Experience (“CX”) Lab to gain deeper insights into customer needs and respond to their evolving expectations. The CX Lab combines the expertise of internal teams and external specialists, including leading technology companies, FinTech firms, start-ups and academic institutions. Through workshops and engagement sessions, the lab gathers insights and leverages technology to enhance customer experiences, products and services.

MAXIMISING CUSTOMER EXPERIENCE

HLB prioritises enhancing customers’ in-branch experience while developing inclusive digital products and solutions tailored for all. By leveraging digital finance and innovation, HLB has improved service efficiency, elevated in-branch interactions, and strengthened the overall customer experience.

Account opening and transactions

Banking transactions

Paperless Practice

Teller Assist Unit

Information dissemination

Meet@HLB, Eco Majestic Branch

Meet@HLB offers convenient access to essential banking services, including ATMs, retail banking, and cash deposit machines. Its extended daily hours — including weekends — have been well received by residents, allowing banking to fit seamlessly into their schedules.



SUSTAINABILITY STATEMENT

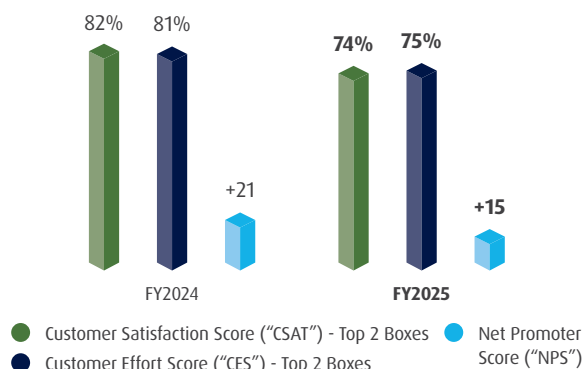


CUSTOMER EXPERIENCE

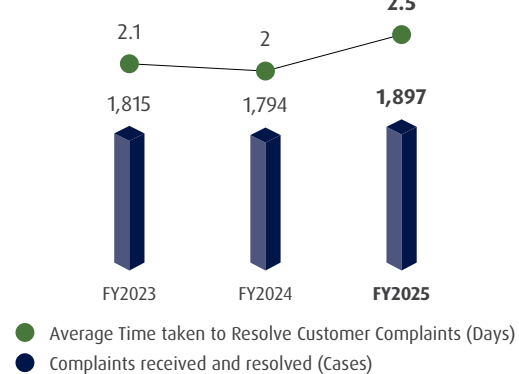
HONG LEONG BANK BERHAD

HLB proactively engages customers through the Voice of Customer ("VOC") platform to evaluate satisfaction levels and identify opportunities for continuous improvement.

HLB Customer Satisfaction Scores



HLB Customer Complaints

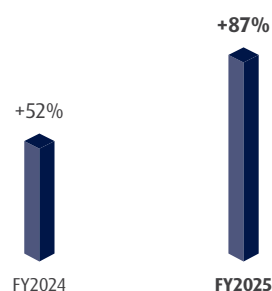


HONG LEONG ASSURANCE BERHAD

Enhancing Increased Customer Satisfaction

HLA has focused on improving customer satisfaction at its three main touchpoints. By conducting surveys with telephone, email and walk-in customers regarding the quality of customer service, HLA has been able to track its Net Promoter Score ("NPS") across these areas and implement initiatives that have led to measurable improvements.

NPS scores



SUSTAINABILITY STATEMENT

HONG LEONG CAPITAL BERHAD

Enhancing Client Service Delivery

HLCB invested in strengthening its agency force through continuous training to enhance client service delivery. HLAM conducted 65 training programmes for 2,415 unit trust and private retirement (UTC/PRC) agents, equipping them with the tools, insights, and capabilities to meet evolving client needs. The programmes included induction training as well as specialised sessions on market outlook, cybersecurity, the Private Retirement Scheme programme, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities, agency meetings, and more. Training sessions were delivered between July and December 2024.

Client Engagement Initiatives

During FY2025, HLIB completed 298 institutional engagements, providing strong client support and building lasting trust. In addition, HLAM conducted campaigns targeting first-time investors, which increased awareness of retirement-focused products and highlighted ongoing promotional offerings.

HLIB's Diverse Engagements with Our Clients**Teach-Ins**

Interactive educational sessions for institutional clients, focusing on sector-specific or company-specific insights.

Market & Thematic Presentations

Broad-based presentations that provide macroeconomic outlooks, sectoral trends, and thematic insights.

Client-Specific Engagements

Highly tailored interactions, such as private data or model requests, corporate access meetings, and conference calls.

HLAM's Key Engagement via Campaigns**Private Retirement Scheme Investment Awareness Campaign 2.0**

Incentivising long-term voluntary retirement savings.

Hello, New Investors 2025 Campaign

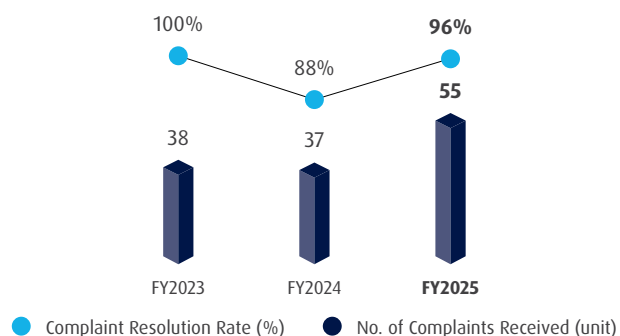
Encouraging more Malaysian's to begin investing.

Huat 88! CNY 2025 Campaign**Bijak Beraya Raya 2025 Campaign**

Providing rewards for customers who increase their participation in fund investments.

Managing Customer Complaints

In FY2025, HLCB saw an increase in complaints compared to FY2024. This was due to a rise in complaints at HLIB. The increase in HLIB complaints were primarily from channel related issues, which were proactively addressed through mobile app enhancements. Meanwhile, HLAM maintained a consistently low and stable complaint volume from FY2023 to FY2025.



SUSTAINABILITY STATEMENT



PRIVACY, DATA PROTECTION AND CYBER SECURITY

WHY IT MATTERS

As our customers shift towards digital platforms and online financial services, robust cyber security systems and controls are crucial to prevent unauthorised access, data breaches, financial losses and fraud. The proliferation of cyber attacks such as phishing scams and malware attacks have become commonplace, leaving enormous amounts of data vulnerable to theft. By ensuring responsible data handling, and strengthening our security and resiliency in critical infrastructures, we effectively safeguard our operations, and customers' data and interests.

OUR APPROACH

DATA PROTECTION AND CYBERSECURITY GOVERNANCE

Data privacy and cyber security are top priorities of the Group. The Group's holistic approach focuses on multilayered security implementations aimed at safeguarding the integrity of our systems and customer information, complemented by comprehensive internal controls and cyber security and fraud/ scam awareness and education.

We manage technology and cyber risks as part of the overall risk management strategy, effected through HLF's Technology Risk Management Policy, Cyber Resilience Policy and Personal Data Protection Policy. The Group has institutionalised the Group Board Information and Technology Committee ("GBITC"), which supports the Boards of our operating companies in overseeing technology and cyber security related matters.

The GBITC promotes consistency in practices and policies across HLF, fostering trust in the Group, building robust practices and cultivating strong cyber security awareness throughout the organisation. As custodians of our customers' assets and personal data, we continue to enhance our vigilance and cyber security capabilities in response to cyber threats.

HONG LEONG BANK BERHAD

Board Committee and Policies

- The Board Information and Technology Committee ("BITC") supports the Board of HLB in managing and overseeing technology and cybersecurity issues, safeguarding customer data and upholding the integrity of its banking infrastructure. In fulfilling this role, the BITC applies a multi-layered governance approach with clear segregation of duties to ensure robust oversight.
- Implemented Board policies on Technology Risk Management, Cyber Resilience, Data Management and Data Protection & Customer Secrecy, safeguarding data across customers, employees, and stakeholders.

Protocols and Proactive Security Measures

- Enhanced multi-layered security through automation, continuous vulnerability scanning, and deployment of centralised Security Information and Event Management and advanced Web Application Firewall strategies.
- Implemented advanced protection measures, including Distributed Denial-of-Service monitoring, Endpoint Detection and Response, and strengthened Network Access Control mechanisms.
- Proactive initiatives such as Red Teaming, phishing simulations, and a new fraud detection system integrated with HLB's data lake, ensuring continuous protection aligned with BNM latest standards.
- Implemented proactive procedures to detect, investigate, and manage fraudulent transactions and scams through prompt detection and verification of unusual activity. In addition, HLB established dedicated 24/7 Contact Centre which works closely with the fraud management unit to support affected customers and ensure swift action.

SUSTAINABILITY STATEMENT

HONG LEONG BANK BERHAD

FY2025 Training and Awareness Initiatives

- Mandatory annual e-learning on cyber security and cyber risk management, requiring employees to pass an assessment with a minimum score of 80%.
- Published Emerging Cyber Threats Newsletter to inform of the latest threat landscape.
- Conducted phishing simulation exercises to improve cyber awareness among employees.
- Cybersecurity awareness slideshow that appears on employees' computers at startup

HLB recorded **ZERO** substantiated complaints concerning breaches of customer privacy or losses of customer data in FY2025.

HONG LEONG ASSURANCE BERHAD

Governance and Policies

In 2025, the Data Governance aspects in HLA were enhanced with the formalisation of the Data Governance Committee ("DGC") in supporting the Board of HLA to manage and oversee technology and cybersecurity issues, safeguard customer data and uphold the integrity of its digital infrastructure. The DGC was established to enforce organisation-wide data governance policies and ensure data quality, consistency, and compliance across all business functions, with the following objectives:

- **Strategic oversight:** provides leadership and oversight across the organization's data governance program
- **Prioritization:** prioritizes data governance projects and initiatives to align with organizational goals
- **Support and awareness:** ensures ongoing support, understanding, and awareness of data governance practices across the organization

In addition, HLA established the data governance framework which is aligned to key BNM's and policy document, such as the Guidelines on Data Management & Management Information System Framework and Management of Customer Information and Permitted Disclosures policy document. The framework will govern the process of managing the availability, usability, integrity and security of the data in enterprise systems, based on internal data standards and policies that also control data usage.

Business Continuity Management ("BCM")

HLA's BCM policy and procedures were set in place to ensure a consistent approach and provide guidance for emergency response, detailing areas such as BCM, disruption responses, maximum tolerable downtime and recovery time, business continuity plan ("BCP") and recovery strategies. In 2025, HLA's BCM policy and procedures were updated with further technology and business-related aspects including:

- New and up-and-coming cybersecurity threats
- Supply chain disruptions arising from third-party vendor and critical infrastructure interruptions
- Updates in BCM crisis management plan in areas such as communication plan, post-crisis actions and training and testing
- Updates in call tree exercise process and test report format

SUSTAINABILITY STATEMENT



PRIVACY, DATA PROTECTION AND CYBER SECURITY

HONG LEONG ASSURANCE BERHAD

FY2025 Training and Awareness Initiatives

- **HLA Cyber Drill Exercise**
Cyber Drill Table Top Exercise for key management, focusing on incident identification, containment, eradication, recovery, and crisis communication in response to cyber threats.
- **Cyber Security Awareness Month**
Introduced in October 2024, the Cybersecurity Awareness Month campaign aims to enhance employee understanding of cybersecurity. The campaign covered trending topics such as phishing, spam, data loss prevention, and risk associated with Deepfakes, and concluded with prizes for 5 quiz winners.
- **Cyber Security Comics**
Periodic comics to provide bite-sized and casual reading on targeted themes, including safety of scanning unknown QR codes and safeguarding office laptops, devices and hardware.
- **Emerging Cyber Threats Newsletters**
 - **E-commerce** – malwares that skim for customer information on prominent e-commerce websites
 - **Personal devices safety** – malwares targeting Android devices that are able to capture sensitive information including PINs, one-time passwords (OTP) and login credentials
 - **Security and hack alerts** – news coverages on widespread hacking incidences including Gmail security alerts, malware targeting Facebook ad accounts, and targeted attacks against government entities
 - **Phishing simulation campaigns and trainings** – refined standards of phishing simulation emails to increase the realism and mimic actual phishing emails discovered. Subsequent learning points were shared on the importance of reporting suspicious emails and to be alert when receiving emails from external sources

HLA recorded **ZERO** instances of data breaches and cyber intrusions, with no identified leaks, theft or losses of customer data in FY2025.

HONG LEONG CAPITAL BERHAD

Governance and Compliance

- The Group Board Information and Technology Committee (“GBITC”) supports the Board of HLIB to manage and oversee technology and cybersecurity issues, safeguard customer data and uphold the integrity of its investment banking infrastructure.
- Compliance and vigilance are guided through robust policies and guidelines aligned with the regulations of the Financial Services Act 2013 (“FSA”), Capital Markets and Services Act 2007 (“CMSA”), and Personal Data Protection Act 2010 (“PDPA”), while following policy document prescribed by BNM, SC and Bursa Malaysia.
- In 2025, HLIB introduced the Artificial Intelligence & Machine Learning (“AI & ML”) Management Policy to guide the responsible development and use of artificial intelligence and machine learning technologies. The Policy ensures alignment with HLCB’s strategic objectives, manages associated risks, and upholds regulatory, legal, and ethical standards.

SUSTAINABILITY STATEMENT

HONG LEONG CAPITAL BERHAD

Controls and Measures

- Internal restrictions, antivirus and firewall measures and data integrity monitoring tools
- Mechanisms to enhance remote cybersecurity for employees working from home
- Systems and applications that are consistently updated and enhanced in line with the latest developments, alongside regular assessments to identify and address cybersecurity gaps
- Planned exercises simulating real-life cybersecurity scenarios to evaluate the ability to detect and respond to threats effectively
- Tipping Point Intrusion Prevention System implemented, safeguarding computer systems from vulnerability attacks and web application vulnerabilities
- Conducts regular compliance assessments and security audits to proactively identify and address potential vulnerabilities of the digital systems
- Regularly review emerging cyber threats and update the internal governance mechanisms to reinforce cyber resilience

FY2025 Training and Awareness Initiatives

- Cybersecurity Threat Modelling briefing
- Gamification of learning on malware, mobile security and phishing through videos and crossword puzzles
- Cyber Comics on cybersecurity awareness and emerging cyber threats newsletter disseminated via email, alongside instructions and assessments on password security
- Bi-weekly cybersecurity awareness pop-up slide appears upon staff login on PC or laptop
- Red Team Exercise: an attack simulation designed to measure the Group's ability to withstand real life threats
- Cyber Drill Exercise to simulate cyberattacks, information security incidents and disruptions
- Phishing emails simulation campaigns
- Malware detection training
- Internet of Things training

HLCB recorded **ZERO** instances of data breaches and cyber intrusions, with no identified leaks, theft or losses of customer data in FY2025.

FY2025 PERFORMANCE DATA

Data Privacy and Security

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data*

Year	HLFG	HLB	HLA	HLCB	Group Consolidated
FY2025	0	0	0	0	0
FY2024	0	0	0	0	0
FY2023	0	0	0	0	0

Note:

* Substantiated complaints refer to written statements by regulatory or similar official body addressed to the company that identifies breaches of customer privacy, or a complaint lodged with the company that has been recognised as legitimate by the company.

SUSTAINABILITY STATEMENT



PILLAR 5 : WORKFORCE READINESS



Talent Attraction, Development & Retention



Diverse and Inclusive Workforce



Creating a Fair and Nurturing Workplace



Fostering a Sustainability-Driven Culture

SUSTAINABILITY-RELATED RISK AND OPPORTUNITIES

Risks

- HLFG and operating companies faces operational challenges and long-term risks, if it struggles to attract, nurture, and retain skilled talent.
- A homogenous workforce can reduce creativity, innovation and the ability to attract and retain top talent particularly among younger purpose-driven professionals.
- Mismatch between employee-employer expectations could damage the Group's reputation, hinder future talent acquisition, and reduce overall employee satisfaction.
- Poor public perception may affect brand reputation, employer attractiveness and stakeholder confidence. These factors could damage our brand and employer reputation, in turn weakening financial performance, competitive positioning standing, and the long-term strength of the talent pipeline

Opportunities

- Investing in structured training and career development to enhance the Group's ability to attract a wider talent pool, productivity, and retention, as well as reducing hiring costs
- A strong commitment to diversity and inclusion enhances our employer brand and aligns with evolving societal values.
- A diverse teams brings provides broader insights into varied customer needs, strengthening market strategies and unlocking new revenue opportunities.
- Comprehensive health, safety, and wellbeing programmes contribute to higher employee satisfaction, reduce medical and insurance costs expenses, and reinforce support long-term operational resilience efficiency.

Strategic Actions

- Fosters a sustainability-driven culture by ensuring diverse representation in senior management and across the workforce, upholding inclusion through Group's CoCE for employees, and impactful initiatives.
- Structured training is provided at all levels—general, role-specific, and sustainability-focused—complemented by on-demand learning platforms and integration into performance and career development processes.
- Periodic pulse surveys and engagement assessments to understand employee sentiment and value alignment, ensuring that leadership consistently communicates and models our core values through actions, decisions, and strategic messaging.
- Workforce diversity is regularly monitored and reviewed at senior levels, with internal communications highlighting purpose-driven and inclusive successes.
- The Group enforces a comprehensive Occupational Safety and Health Policy to foster a safe and healthy work environment that sustains morale and productivity.

Metrics

- Average Training Hours per Employee
- Board and Employee Gender Composition
- Number of Incidents Reported Related to Workplace Safety Violations
- Lost Time Incident Rate

SUSTAINABILITY STATEMENT



TALENT ATTRACTION, DEVELOPMENT & RETENTION

WHY IT MATTERS

Establishing a thriving and competent workforce is vital to gaining a competitive edge in the financial industry. Through targeted recruitment strategies and comprehensive programmes that foster growth, development and job satisfaction, we aim to attract and retain top-quality talent with the skills and qualities to drive our business forward. We also emphasise talent identification and succession planning, building a continuous pipeline of future leaders to support our long-term ambitions.

OUR APPROACH

COHESIVE TALENT DEVELOPMENT

Across the Group, we have implemented a learning framework designed to offer a well-rounded approach to employee development, enhancing knowledge, experience and skills across various domains. By adopting the 70-20-10 Talent Development Model, we ensure a consistent and comprehensive approach to training, incorporating peer and mentor learning alongside extensive development programmes. Our focus spans leadership, soft skills, and both functional and technical abilities, and we strive to ensure our learning programmes are made accessible to all employees.

70-20-10 Talent Development Model

70%
On-the-Job Learning

On-the-job learning through job rotations, participation in internal projects, and engagement in stretch assignments.

20%
Learning from Others

Learning from others is promoted through focus groups, mentoring, networking, external conferences and workshops.

10%
Formal Training

Formal training is provided through structured programmes and courses.

HONG LEONG BANK BERHAD

Employees Onboarding Programme

New HLB employees are required to complete a virtual onboarding programme within 60 days of their start date. This programme includes a series of mandatory trainings designed to build familiarity with HLB's values, standards, and regulatory expectations. It comprises self-directed e-learning modules for new hires, as well as 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 & Finance." In addition, employees must complete the "Introduction to Ethics in Banking" course by the Asian Banking School, reinforcing the ethical foundation critical to responsible banking practices.

Performance over the past five years

Over **6,900** new employees have participated in our new hire induction programme to date, including **1,221** who completed it during FY2025.

Over **6,500** employees have completed the Introduction to Sustainability and Brand Promise training sessions, with **1,038** participants recorded in FY2025 alone.

Over **1,200** employees have completed the Introduction to Sustainability and Brand Promise training sessions, with **211** participants recorded in FY2025 alone.

SUSTAINABILITY STATEMENT



TALENT ATTRACTION, DEVELOPMENT & RETENTION

HONG LEONG BANK BERHAD

Upskilling and Digital Learning Platform

HLB Go1 is a fully digital learning platform designed to provide all employees with 'anytime, anywhere' access to training resources and promote a continuous learning mindset. Go1 offers access to over 80,000 modules from more than 200 content providers and is fully integrated within HLB@Workday, HLB's internal people and performance management platform. For sustainability, over 1,700 employees In FY2025 successfully completed the ESG related training, reflecting our sustained focus on building sustainability knowledge and capacity across the organisation.

Building Talent Pipelines

HLB provides structured internships and training through its Internship, Graduate Trainee, and Protégé Programmes, aiming to recruit diverse and capable young talent to support its long-term goals. This effort is further bolstered by in-person engagement at key university campuses to identify and connect with potential new hires.



BUILD YOUR CAREER WITH US
HongLeong Bank

Ready to launch your career in banking? Join our **Graduate Trainee Programme** with diverse opportunities across the bank.

- Regional Wealth Management
- Personal Financial Services
- Group Operations
- Group Technology

Gain valuable experience with **Internship** opportunities in various departments.

- Regional Wealth Management
- Payments, Partnerships & Fintech Ecosystems
- Personal Financial Services
- Group Operations

Scan the QR code to send your résumé to us



HongLeong Bank HongLeong Islamic Bank

WANT A CAREER THAT EMPOWERS FINANCIAL GROWTH?

Help others achieve their financial dreams and reach your own career goals, all while building lasting relationships and your very own network of high-net-worth clients.

Join our Personal Banker Graduate Trainee Program and fast track your way to becoming a Wealth Management expert and Priority Banking Relationship Manager.



HongLeong Bank
CAREER INSIGHTS & INTERNSHIP OPPORTUNITIES

Date: 23rd April 2025
Time: 12:00 PM – 1:00 PM
Venue: BYOD Lab, SEFB

Open to all SEFB students who will be applying for internship in July/August 2025.

EXCLUSIVE TALK JOB INTERVIEW WITH Hong Leong Bank!

WE ARE LOOKING FOR:

- Talented and ambitious SEFB final-year students
- Candidates interested in kickstarting a banking career

Register for free!
LIMITED TO 50 SPOTS!

QR code for registration

Talent Review and Succession Planning

HLB offers employees numerous opportunities for both lateral and vertical career growth by frequently advertising internal job openings and providing diverse career pathways within HLB. This is complemented by the HLB Leaders Programme, which develops potential future leaders through customised development plans and cross-functional collaborative opportunities. Initiatives such as mobility campaigns, promotion pathways, and the weekly 'Step Up to Your Next Role' newsletter reinforce career development and visibility. In FY2025, HLB launched a monthly Heartbeat Internal Newsletter to highlight success stories, promotions and upcoming opportunities to encourage internal mobility, 700 employees transitioned to new roles or received promotions internally in FY2025.

In FY2025, HLB recorded **660,697** training hours*, with **82** average training hours per employee.

* Only for business operations in Malaysia.

SUSTAINABILITY STATEMENT

HONG LEONG ASSURANCE BERHAD

Training Programmes

Several training sessions were held during FY2025 for various employee categories. Managers and executives were trained in Managing Difficult Conversations and Impact Presentation to enhance structured communication and message delivery. The Art of Communication, 'Active Listening,' and 'Questioning Techniques' sessions were offered to all employees to improve collaboration and engagement. The Leadership Series developed people managers' skills in delegation, motivation, and problem-solving. Additionally, Kursus Penulisan Surat Rasmi dan Memo supported employees in using Bahasa Kebangsaan for professional communication in line with national guidelines.

HLA L.I.V.E

Recognising the importance of building strong working relationships among colleagues across business units, HLA conducted the L.I.V.E initiative to engage employees to Learn, Interact, Value-add, and be Energised. These sessions offer a variety of engaging themes and included:

- Financial Literacy and Awareness Talks
- Nutrition, Activity and Sleep Strategies for Corporate Wellness
- Stress Buster: Practical Tips for Workplace Wellness
- Breast Cancer Awareness
- Practical Tips for Workplace CPR Administration

Employee Engagement

In FY2025, various activities were held to promote team bonding and community engagement including:

HLA Employee Wellness Day

The wellness day was organised with a theme emphasising health and wellness, with activities such as free basic health screening.

Blood Donation Drives

HLA also actively organised blood donation drives for employees, supporting these events onsite at our PJ City premise in collaboration with Pusat Darah Negara. The latest event in April 2025 attracted 55 successful donors with collection of 25,000ml of blood.

During FY2025, HLA provided

5,849 hours of training to employees,
averaging **9** training hours per employee.



SUSTAINABILITY STATEMENT



TALENT ATTRACTION, DEVELOPMENT & RETENTION

HONG LEONG CAPITAL BERHAD

High Potential (“HiPo”) Programme

HLCB continues to leverage on its HiPo Programme to identify and nurture promising employees and nurture a robust talent pipeline. Via this initiative, candidates are identified, assessed and supported through their professional development using the 70-20-10 model to meet desired goals. As of FY2025, 51 high performers and 21 potential successors for critical roles have been identified.



HLIB’s Management Associate and Graduate Trainee Programmes

HLIB’s Management Associate (“MA”) programme is designed to attract and develop future talent pipelines. This two-year programme offers participants hands-on experience across various departments, allowing management to determine where their skills fit best.

In partnership with the Securities Commission Malaysia, HLIB has additionally launched a six-month Graduate Trainee programme to nurture graduate talent in the capital market industry. A total of 14 trainees have successfully completed the programme, with 5 transitioning to permanent positions and 1 hired contractually within HLCB as of FY2025.

During FY2025, HLCB conducted **11,596** hours of training, or an average of **19** hours per employee.

FY2025 PERFORMANCE DATA

Training and Development

Year	HLFG	HLB	HLA	HLCB	Group Consolidated
Average Training Hours per Employee	12	82	9	19	68

SUSTAINABILITY STATEMENT



DIVERSE & INCLUSIVE WORKFORCE

WHY IT MATTERS

Diversity and inclusion (“D&I”) is a foundational pillar of our culture and crucial to maintaining our reputation as a progressive and sustainable organisation. Our meritocratic approach to D&I in all our HR practices – spanning recruitment, remuneration and development – ensures that we provide equal opportunities for all employees to realise their career aspirations, thus boosting our human capital and driving greater levels of employee satisfaction and retention.

OUR APPROACH

Our Code of Conduct and Ethics stipulates that all employees – regardless of their demographics, age or background – should be treated equally and be free from discrimination at all times. This forms the foundation of our deeply held commitment to D&I, informing the efforts elaborated below.

SUPPORTING GENDER DIVERSITY

We robustly promote gender diversity in the Group, across leadership teams and all employee levels, seeking to build a well-balanced workforce and provide a welcoming and comfortable workplace environment for all employees.

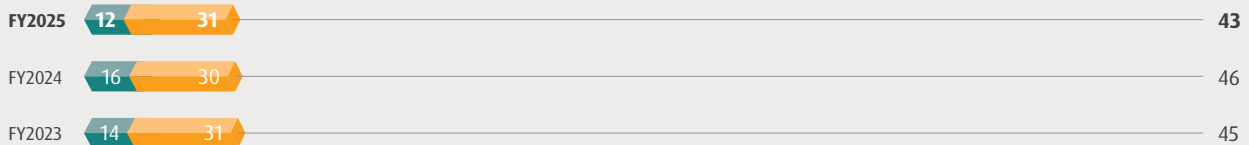
Female employees comprise

63% of the Group’s total workforce.

Employees by Gender

■ Male ■ Female

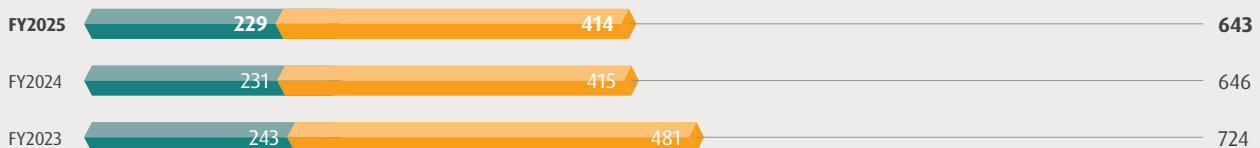
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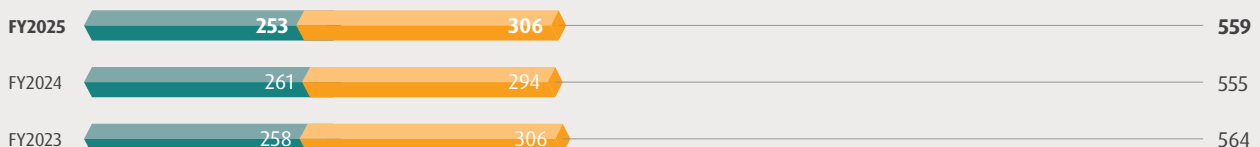
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HLA



HLCB



SUSTAINABILITY STATEMENT

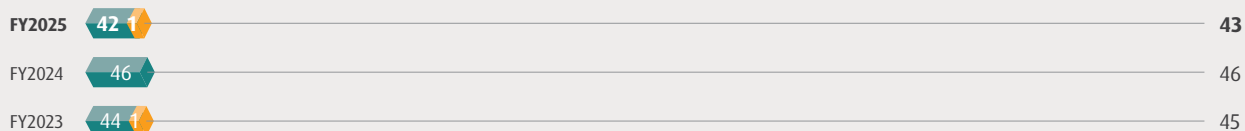


DIVERSE & INCLUSIVE WORKFORCE

Employees by Contract Type

■ Permanent ■ Non-Permanent

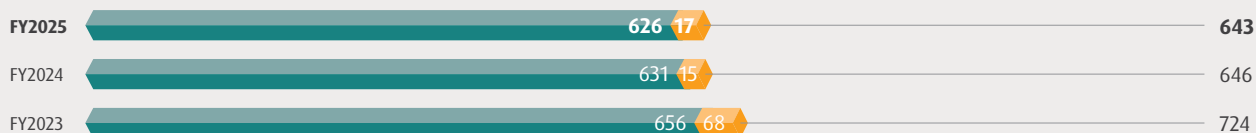
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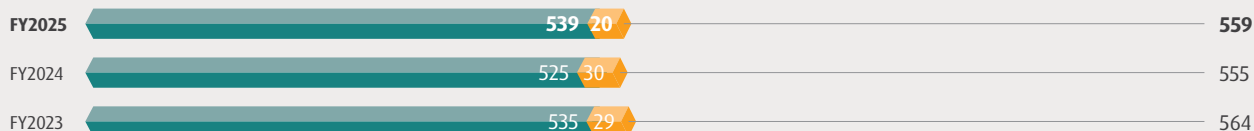
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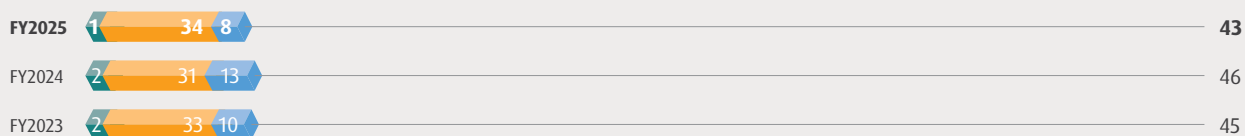
HLCB



Employees by Age Group

■ < 30 years old ■ 30-50 years old ■ >50 years old

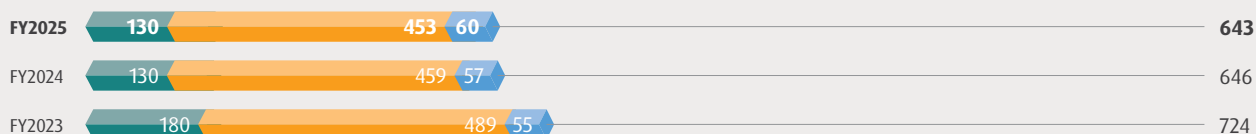
HLFG



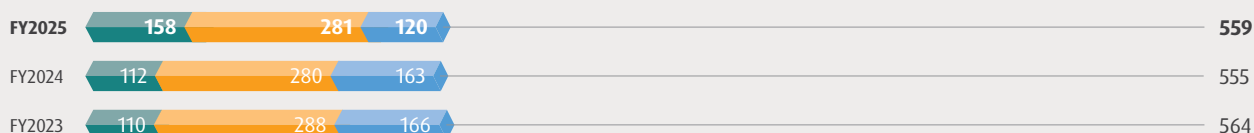
HLB



HLA



HLCB

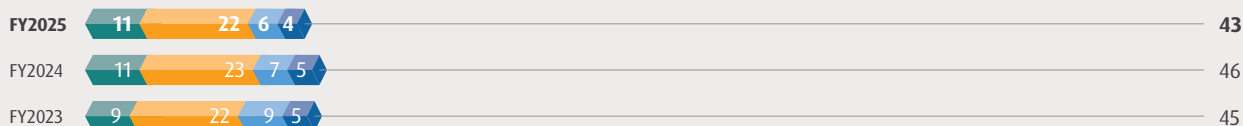


SUSTAINABILITY STATEMENT

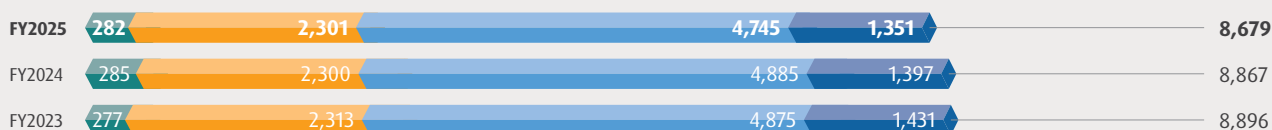
Employees by Category

■ Senior Manager ■ Manager ■ Executive ■ Non-Executive

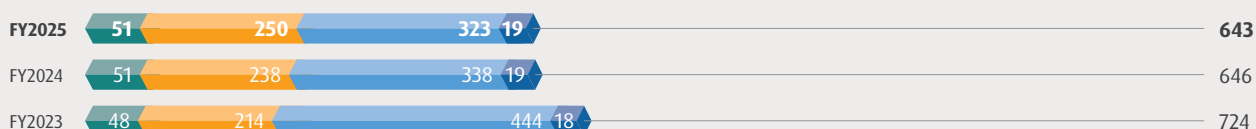
HLFG



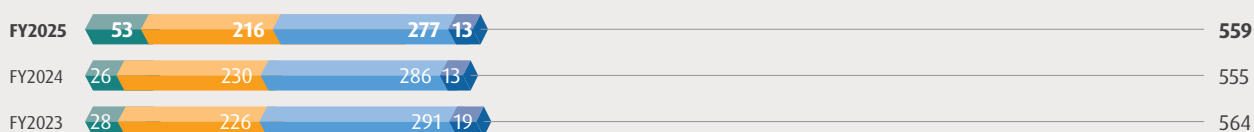
HLB



HLA



HLCB



Note:

- HLCB employee by category data is using a new categorization starting in FY2025.



SUSTAINABILITY STATEMENT



CREATING A FAIR AND NURTURING WORKPLACE

WHY IT MATTERS

Employees form the foundation of our success, and looking after their well-being, health and safety is not just our duty as a responsible employer but also a key driver of productivity, satisfaction and value creation. Across the Group, we develop initiatives to holistically safeguard and support their physical, mental and social well-being, ensuring regulatory compliance while empowering our employees to contribute their best towards achieving the Group's objectives.

OUR APPROACH

PROVIDING SAFE AND SUSTAINABLE WORKPLACES

It is our fundamental responsibility to provide a safe and healthy working environment for our employees. Developed in compliance with the Occupational Health and Safety Act ("OSH Act") 1994, HLFGB and our key operating companies, have established Occupational Safety and Health Standard Operating Procedures ("OSH SOP") to guide them in managing their occupational health and safety ("OSH") risks.

The OSH Committees of HLFGB, HLB, HLA and HLCB comprising management and employee representatives, oversee the implementation of OSH-related practices across our operations. In accordance with the key operating companies OSH SOP, the designated inspection team also conducts periodic risk assessments to identify, assess, and control safety risks and hazards at the workplace.

In FY2025, there were **ZERO INCIDENTS** reported related to workplace safety violations.

HONG LEONG BANK BERHAD

HLB has mandated that all employees complete the OSH e-learning module. In FY2025, all employees successfully completed their mandatory e-learning OSH module.

In FY2025, we recorded **ZERO FINES** or **NON-MONETARY SANCTIONS** for workplace safety violations.



Mental Health and Well-being Activities and Support

HLB offers PlusVibes, a mobile-first well-being platform, as a vital resource to support its employees in building personal resilience and enhancing their emotional and mental well-being. Accessible to all employees, PlusVibes covers a wide range of content, including finance, family, leadership, self-development, and relationships. The platform also features the Wheel of Life, a visual assessment tool that helps employees identify areas needing more attention, empowering them to practise self-care as needed.



SUSTAINABILITY STATEMENT

HONG LEONG ASSURANCE BERHAD

HLA actively developed designated staff members into OSH Coordinators. These individuals will be instrumental in ensuring effective oversight of OSH matters across all branches, aligning with the requirements of the OSH Act 1994 (including OSH (Amendment) Act 2022). This initiative provides the necessary resources and training to manage OSH at the branch level.

In FY2025, HLA conducted OSH induction training for all new employees to understand their shared responsibility in maintaining a safe workplace. The training covers fundamental safety knowledge including relevant legislation, Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”), fire safety, electrical safety, chemical safety, ergonomics and emergency procedures. The programme equipped 72 employees with the skills to identify, assess, and implement controls for potential operational health and safety risks.

In addition, HLA maintains a trained Emergency Response Team (“ERT”) and allocates resources to ensure the company can respond effectively to emergencies. The team’s readiness is supported by a total of 374 training hours, comprising both internal and external training sessions. This includes internal ERT training, Fire and Rescue Department of Malaysia training as well as Occupational First Aid, cardiopulmonary resuscitation (“CPR”) and automated external defibrillators (“AED”) training. While the primary focus is on the HQ, the first aid training is also extended to branch staff to ensure a broader response capability.

HLA takes a comprehensive approach to workplace safety, going beyond OSH training to actively support overall employee wellbeing. Ongoing initiatives focus on promoting physical health, mental wellness, and a balanced work environment, reflecting the organization’s dedication to fostering a safe, supportive, and enabling workplace where employees can perform at their best.

HONG LEONG CAPITAL BERHAD

HLCB is continuously evolving its policies and practices to address emerging health, safety and wellbeing concerns, while taking a proactive approach in identifying and addressing health and safety risks.

To ensure employees are well-prepared to respond effectively in emergency situations, HLCB regularly conducts structured occupational health and safety training sessions to familiarise all staff with the Group’s policies and practices, as well as preparedness training, such as fire drills and safety exercises. In FY2025, HLCB delivered 2 fire drill trainings on building evacuation procedures in response to simulated emergencies, which were attended by 220 employees.



FY2025 PERFORMANCE DATA

Health and Safety

Year	HLFG	HLB	HLA	HLCB	Group Consolidated
Cases of work-related fatalities	0	0	0	0	0
Lost Time Incident Rate (“LTIR”)	0	0.06	0	0	0.06

SUSTAINABILITY STATEMENT



FOSTERING A SUSTAINABILITY-DRIVEN CULTURE

WHY IT MATTERS

The Group recognises the significance of fostering ESG knowledge and capabilities in our employees to drive our sustainability agenda and amplify value for stakeholders. By inculcating a sustainability mindset and encouraging employee involvement in community-driven activities, we empower them to be champions of our ESG mission, amplifying positive change for the natural environment and the communities we serve while equipping our workforce with the agility to navigate future challenges.

OUR APPROACH

ENHANCING INTERNAL ESG COMPETENCIES

To highlight the growing importance of sustainability in today's business environment, key operating companies have embedded ESG considerations into their policies and SOPs. In addition, they are actively developing structured ESG training programmes to enhance competencies and enable employees to effectively incorporate sustainability principles into their respective roles.

To encourage collective action towards our sustainability commitments and Net Zero ambition, we are increasingly incorporating ESG performance and the development of sustainability initiatives into the scorecards of employees and senior management, ensuring everyone across the Group shares responsibility for advancing progress.

MANDATORY E-LEARNING MODULES Q3/2024

Please complete the mandatory modules within 60 days from 31st July 2024
Click on the image to complete now

Anti-Money Laundering (AML)

Sanctions

Occupational Safety and Health (OSHA)

Operational Excellence

Introduction to Sustainability

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

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

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

SUSTAINABILITY STATEMENT

HONG LEONG BANK BERHAD

Mandatory Sustainability Training

All HLB employees, including new hires, are required to complete an annual mandatory e-Learning course titled “Introduction to Sustainability” as part of their onboarding process. The training covers fundamental sustainability-related contents such as importance of sustainability to financial institutions, corporate sustainability reporting requirements, materiality assessments, identifying opportunities to create long-term business value, global ESG indices and peer benchmarking with leading practices, roles of employees in the sustainability journey, etc.

In FY2025, the Sustainability Department facilitated **1,038** employees in finishing this course.

To build on this foundation, we leverage a range of learning channels, including training programmes, brown bag sessions and internal communications, that highlight and foster discussion around current and specific sustainability-related issues. These initiatives can be included or excluded as appropriate, based on evolving business needs and relevance, to support ongoing understanding of the fast-evolving ESG landscape.



HLB Impact

HLB Impact was launched to embed sustainable practices across the organisation and promote a culture of sustainability aligned with key ESG priorities. Through internal outreach and employee engagement, various activities such as talks, workshops, and recycling events were organised to raise awareness and encourage sustainable behaviour.

Key Highlights

Over **700** participants engaged across multiple ESG-themed talks and workshops.

Recycling initiatives collected over **1,500 kg** of recyclables materials.

Knowledge scores of the employees participating in Sustainability Talk showed significant improvement from **2.8 to 3.9**.

Sustainability-linked Remuneration

To reinforce a culture of accountability and long-term commitment, HLB has integrated sustainability-related KPIs into employees' Key Result Areas under the “Here for the Long Term” pillar, with a 6% weightage.

Senior and middle management, including the Group Managing Director, are evaluated against scorecard objectives aligned with sustainability and climate targets, ranging from a minimum of 3.5% to a maximum of 70% for the Chief Sustainability Officer.

SUSTAINABILITY STATEMENT



FOSTERING A SUSTAINABILITY-DRIVEN CULTURE

HONG LEONG ASSURANCE BERHAD

ESG and Climate Risk Insights by The Risk Management and Compliance Committee ("RMCC")

RMCC provided ongoing support in managing ESG and climate risks through quarterly dissemination of reading materials.

Throughout FY2025, key materials by the committee were shared, covering topics related to climate risk and ESG, such as:

- Creating awareness on climate-related risks and introduction to the integration of ESG and climate-related risk events into the Risk & Control Self-Assessment of each department and function.
- Introduction to climate related financial disclosures, including overview of the key themes in TCFD and ISSB.

HLA e-Waste Collection Drive

In FY2025, HLA led a year-long e-Waste Collection Drive, successfully diverting 506kg of electronic waste from landfills. Employees contributed items such as desktops, laptops, smartphones, printers, and other household electronics, helping to recover valuable materials and reduce environmental harm. Alongside the drive, employees received training on responsible e-waste disposal to raise awareness and encourage sustainable habits.

Inaugural Toy Collection Drive

HLA launched the inaugural Toy Collection Drive, which invites employees to share the joy of giving by donating various types of new and gently used toys including stuffed animals, action figures, board games, puzzles and educational toys. In collaboration with The Salvation Army Red Shield Industries, over 30 bags of pre-loved toys donated by HLA employees will find new homes with underserved communities.

Sustainability-Driven Employee Engagement

HLA fosters a strong sustainability culture by engaging employees through awareness campaigns, contests, and regular communications. Initiatives such as the World Environment Day Challenge, weekly ESG quizzes, and HLA Press newsletters help build knowledge, encourage participation, and align staff with the organisation's sustainability values.

Social Media Engagement

HLA leveraged Facebook and Instagram to communicate ESG efforts and promote sustainable habits, including post on World Environment Day.



SUSTAINABILITY STATEMENT

HONG LEONG CAPITAL BERHAD

ESG Awareness and Development

HLCB partnered with the Asian Banking School to roll out a comprehensive ESG awareness training programme named “Sustainability Transformation: Driving Positive Change Through Personal Actions and Commitment to ESG”, which empowers participants to embrace sustainability as both professionals and individuals.

As part of HLCB’s commitment to embedding sustainability into its culture and operations, HLIB and HLAM have actively developed ESG advisory and financing expertise through participation in seminars, workshops, and conferences. To further strengthen internal capabilities, a total of 50 ESG training sessions (24 internal, 26 external) were conducted in FY2025. In total, 147 employees attended internal training and 37 employees participated in external sessions, equipping teams with the knowledge to meet evolving ESG expectations and stakeholder demands.

Sustainability-related Training Topics				
ESG Fundamentals	Climate Risk and Environmental Management	Sustainable Finance and Investment	Governance, Risk and Regulatory Compliance	Innovation

In FY2025, sustainability trainings recorded an average of **7.8** hours per employee.



APPENDIX I: PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023	2024	2025
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	273.02	241.22	237.98
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	34,798.69 *	33,275.27 *	31,027.29
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	14,314.98	16,010.01	14,957.85
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	47,223.92	45,287.72	42,165.07
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	253.538000 *	317.464000	229.104000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	40.73 *	153.06
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	19.38	21.98 *	27.02
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	18.75 *	126.04
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.80	94.30	93.05
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
30 Senior Managerial Under	Percentage	0.30	0.00	0.00
Between 30-50 Senior Managerial	Percentage	60.30	59.80	56.68
50 Senior Managerial Above	Percentage	39.40	40.20	43.32
Managerial Under 30	Percentage	3.10	2.40	3.19
50 Managerial Between 30-	Percentage	80.50	80.40	79.67
Managerial Above 50	Percentage	16.40	17.20	17.14
Supervisory Under 30	Percentage	45.30	43.70	42.31
50 Supervisory Between 30-	Percentage	50.10	51.20	52.16
Supervisory Above 50	Percentage	4.60	5.10	5.53
30 Non-supervisory Under	Percentage	0.30	0.10	2.09
Between 30-50 Non-supervisory	Percentage	81.00	77.00	71.23
50 Non-supervisory Above	Percentage	18.60	22.90	26.68

APPENDIX I: PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023	2024	2025
Bursa (Diversity)				
Gender Group by Employee Category				
Senior Managerial Male	Percentage	59.10	58.40	58.44
Senior Managerial Female	Percentage	40.90	41.60	41.56
Managerial Male	Percentage	41.30	40.90	41.27
Managerial Female	Percentage	58.70	59.10	58.73
Supervisory Male	Percentage	34.30	33.80	33.69
Supervisory Female	Percentage	65.70	66.20	66.31
Non-supervisory Male	Percentage	34.20	34.10	33.89
Non-supervisory Female	Percentage	65.80	65.90	66.11
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	42.86 *	42.86 *	42.86
Female	Percentage	57.14 *	57.14 *	57.14
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Supervisory	Hours	496,381	572,421	601,352
Non-Supervisory	Hours	166,484	73,833	77,304
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.30	1.20	2.30
Bursa C6(c) Total number of employee turnover by employee category				
Senior Managerial	Number	49	57	55
Managerial	Number	461	430	464
Supervisory	Number	1,572	1,342	1,166
Non-Supervisory	Number	47	50	47
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	423,785.00	1,216,350.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	30,404	31,127

APPENDIX I: PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023	2024	2025
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.06	0.03	0.06 *
Bursa C5(c) Number of employees trained on health and safety standards	Number	8,498	9,488	9,470
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Supervisory	Percentage	85.30	99.20	99.10
Non-supervisory	Percentage	97.10	97.60	94.50
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0

Internal assurance

External assurance

No assurance

(*)Restated

Notes:

1. Total amount invested in the community for FY2024 has been restated to exclude contribution from the Zakat Wakalah fund.
2. Our total energy consumption is reported in the unit of MWh. Energy consumption and Scope 2 emissions data for Malaysian operations in FY2023 and FY2024 have been restated. Previous figures were based on assumptions, but starting in FY2025, we began using actual readings from utility providers. The Scope 2 restatement also includes an updated grid emission factor.
3. We have updated the filtration criteria for total spending on local and foreign suppliers, to improve the granularity of the data. As a result, the total spending figures for FY2023 and FY2024 have been restated.
4. Water consumption data for FY2023 and FY2024 has been restated to include all Malaysian operations. The figures for these years were estimated, while FY2025 data reflects actual consumption from utility bills.
5. Scope 1 data has been restated for FY2023 and FY2024 due to the exclusion of biogenic CO₂ emission.
6. Scope 3 data has been restated for FY2023 and FY2024 due to the updated grid emission factor and exclusion of biogenic CO₂ emissions.

APPENDIX II: TCFD-ALIGNED INDEX

TCFD Recommendations	TCFD Requirement	Section	Page Numbers
Governance			
G1 (Basic)	Board Oversight of Sustainability and Climate related Matters	Our Sustainability Governance	45-47
G2 (Basic)	Sustainability Governance Structure Including Climate-Related Matters at the Management Level	Our Sustainability Governance	45-47
G3 (Basic)	Sustainability and Climate-related Board Credentials	Our Sustainability Governance-Board Skills Matrix	47
G4 (Basic)	Sustainability and Climate-Related Training	Our Sustainability Governance-ESG Capacity Building	47
G5 (Basic)	Sustainability and Climate-related Discussions in Board Meetings	Our Sustainability Governance	45-46
G6 (Basic)	Sustainability/Climate-linked Remuneration	Building Climate Resilience	73
G7 (Stretch)	Separate Committee on Sustainability and Climate-related Matters	Our Sustainability Governance	45-46
Strategy			
S1 (Basic)	Identification of Climate-related Risks and Opportunities	Our Approach to Sustainability-Our Net Zero Ambition Group Risk Management Framework-Climate Risk Management Managing Our Environmental Footprint ESG Integration into Financial Products	44 53, 68-73 60-61 77-82
S2 (Basic)	Impact of Climate-related Risks and Opportunities on the organization's businesses, strategy, and financial planning.	Group Risk Management Framework-Climate Risk Management Building Climate Resilience-Scenario Analysis ESG Integration into Financial Products	53, 68-73 68-69 77-82
S3 (Basic)	Strategy and Risk Appetite on Climate Change Related Risks and Sustainability Measures	Group Risk Management Framework-Climate Risk Management Building Climate Resilience	53, 68-73 68-69
S4 (Stretch)	Scenario Analysis as an Opportunity to Improve Strategic Resilience and Explore Climate Vulnerabilities	Building Climate Resilience-Scenario Analysis	68-73
Risk Management			
R1 (Basic)	Process for Identifying and Assessing Climate-related Risks	Group Risk Management Framework-Climate Risk Management	53, 68-73
R2 (Basic)	Process for Managing Climate related Risks	Our Sustainability Governance Sound Risk Management	45-47 49-50
R3 (Basic)	Process for Integrating I. Process for Identifying and Assessing Climate-related Risks and II. Process for managing Climate-related Risks into Overall Risk Management	Group Risk Management Framework-Sound Risk Management Group Risk Management Framework-Climate Risk Management Building Climate Resilience	49-50 53, 68-73 68-69
R4 (Stretch)	Process for Identifying and Assessing Climate-related Risks	Group Risk Management Framework-Sound Risk Management Group Risk Management Framework-Climate Risk Management Building Climate Resilience	49-50 53, 68-73 68-69
R5 (Stretch)	Process for Managing Climate-related Risks	Group Risk Management Framework-Sound Risk Management Group Risk Management Framework-Climate Risk Management Building Climate Resilience	49-50 53, 68-73 68-69
R6 (Stretch)	Process for Integrating I. Process for Identifying and Assessing Climate-related Risks and II. Process for Managing Climate-related Risks into Overall Risk Management	Building Climate Resilience ESG Integration into Financial Products	68-69 77-82
Metrics & Targets			
M1 (Basic)	Key Climate-related Metrics	Managing Our Environmental Footprint ESG Integration into Financial Products	61-66 77-82
M2 (Basic)	Key Climate-related Targets	Our Approach to Sustainability-Our Net Zero Ambition Managing Our Environmental Footprint	44 60-61
M3 (Stretch)	Key Climate-related Metrics	Managing Our Environmental Footprint	61-66

APPENDIX III: GRI CONTENT INDEX

Statement of use	Hong Leong Financial Group Berhad has reported the information cited in this GRI content index for period 1 July 2024 to 30 June 2025 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Description	Page Number
GRI 2: General Disclosures (2021)		
GRI 2-1	Organizational details	2
GRI 2-2	Entities included in the organization's sustainability reporting	40
GRI 2-3	Reporting period, frequency and contact point	40
GRI 2-4	Restatements of information	Restatement of data compared to prior years are noted in the respective sections(s) where they appear
GRI 2-5	External assurance	128-130
GRI 2-6	Activities, value chain and other business relationships	2
GRI 2-7	Employees	111-113
GRI 2-8	Workers who are not employees	112
GRI 2-9	Governance structure and composition	45-46, 48
GRI 2-10	Nomination and selection of the highest governance body	45-46
GRI 2-11	Chair of the highest governance body	45
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	45-46
GRI 2-13	Delegation of responsibility for managing impacts	45-46
GRI 2-14	Role of the highest governance body in sustainability reporting	46
GRI 2-15	Conflicts of interest	139-140
GRI 2-16	Communication of critical concerns	75-76
GRI 2-17	Collective knowledge of the highest governance body	47
GRI 2-18	Evaluation of the performance of the highest governance body	46
GRI 2-19	Remuneration policies	145-153
GRI 2-20	Process to determine remuneration	145-153
GRI 2-22	Statement on sustainable development strategy	16-21
GRI 2-23	Policy commitments	Policy references are stated accordingly
GRI 2-24	Embedding policy commitments	Policy references are stated accordingly
GRI 2-25	Processes to remediate negative impacts	75-76, 86
GRI 2-26	Mechanisms for seeking advice and raising concerns	75-76, 86
GRI 2-27	Compliance with laws and regulations	75-76
GRI 2-28	Membership associations	59
GRI 2-29	Approach to stakeholder engagement	54-55
GRI 3: Material Topics 2021		
GRI 3-1	Process to determine material topics	55
GRI 3-2	List of material topics	56
GRI 3-3	Management of material topics	57-58
GRI 201: Economic Performance (2016)		
GRI 201-1	Direct economic value generated and distributed	3-7
GRI 201-2	Financial implications and other risks and opportunities due to climate change	53, 60-73, 77-82
GRI 203: Indirect Economic Impacts (2016)		
GRI 203-1	Infrastructure investments and services supported	77-82, 87-92
GRI 203-2	Significant indirect economic impacts	87-92

APPENDIX III: GRI CONTENT INDEX

GRI Standard	Description	
GRI 204: Procurement Practices (2016)		
GRI 204-1	Proportion of spending on local suppliers	83-85
GRI 205: Anti-corruption (2016)		
GRI 205-1	Operations assessed for risks related to corruption	75-76
GRI 205-2	Communication and training about anti-corruption policies and procedures	75-76
GRI 205-3	Confirmed incidents of corruption and actions taken	75-76
GRI 302: Energy (2016)		
GRI 302-1	Energy Consumption within the organization	65
GRI 302-4	Reduction of energy consumption	63-64
GRI 303: Water and Effluents (2018)		
GRI 303-1	Interactions with water as a shared resource	65
GRI 303-5	Water consumption	65
GRI 305: Emissions (2016)		
GRI 305-1	Direct (Scope 1) GHG emissions	63
GRI 305-2	Energy Indirect (Scope 2) GHG emissions	63
GRI 305-3	Other indirect (Scope 3) GHG emissions	63
GRI 305-5	Reduction of GHG emissions	63-64
GRI 306: Waste (2020)		
GRI 306-1	Waste generation and significant waste-related impacts	66
GRI 306-2	Management of significant waste-related impacts	66
GRI 306-3	Waste generated	66
GRI 306-4	Waste diverted from disposal	66
GRI 306-5	Waste directed to disposal	66
GRI 308: Supplier Environmental Assessment (2016)		
GRI 308-1	New suppliers that were screened using environmental criteria	85
GRI 403: Occupational Health and Safety 2018		
GRI 403-1	Occupational health and safety management system	114-115
GRI 403-5	Worker training on occupational health and safety	114-115
GRI 403-9	Work-related injuries	115
GRI 404: Training and Education (2016)		
GRI 404-1	Average hours of training per year per employee	107-110
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	108-110, 116-118
GRI 405: Diversity and Equal Opportunity (2016)		
GRI 405-1	Diversity of governance bodies and employees	48, 111-113
GRI 406: Non-Discrimination (2016)		
GRI 406-1	Incidents of discrimination and corrective actions taken	86
GRI 413: Local Communities (2016)		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	87-89
GRI 414: Supplier Social Assessment (2016)		
GRI 414-1	New suppliers that were screened using social criteria	85
GRI 417: Marketing and Labelling 2016		
GRI 417-1	Requirement for product and service information and labelling	82
GRI 418: Customer Privacy (2016)		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	102-105

APPENDIX IV: IFRS S2 CONTENT INDEX

Core Element	Recommended Disclosures	Section	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	Our Sustainability Governance Building Climate Resilience Fostering a Sustainability-Driven Culture	45-51 68-73, 77-82 116-119
	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Our Sustainability Governance Sound Risk Management & Compliance	45-51 51-53
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	Pillar 1: Environmental Management Sustainability-related Risk and Opportunities Building Climate Resilience	67-71, 77-82 68-73, 77-82
	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	Building Climate Resilience	68-73, 77-82
	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	Our Sustainability Governance Managing Our Environmental Footprint Building Climate Resilience	45-51 61 68-73, 77-82
	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	ESG Integration into Financial Products	77-82
	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	Building Climate Resilience	68-73, 77-82
Risk Management			
Understand an entity's processes to identify, assess, prioritize 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.	Our Sustainability Governance Sound Risk Management & Compliance Building Climate Resilience	45-51 51-53 68-73, 77-82
	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.	Our Sustainability Governance Sound Risk Management & Compliance Building Climate Resilience	45-51 51-53 68-73, 77-82
	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.	Our Sustainability Governance	45-51
Metrics & Targets			
Understand an entity'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	Building Climate Resilience Managing Our Environmental Footprint Fostering a Sustainability-Driven Culture	68-73, 77-82 62-64 117-119
		Managing Our Environmental Footprint	62-63
		Managing Our Environmental Footprint Building Climate Resilience	60-61, 62-63 77-82
	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		

APPENDIX V: SASB CONTENT INDEX

COMMERCIAL BANK, INSURANCE, INVESTMENT BANKING AND BROKERAGE AND ASSET MANAGEMENT AND CUSTODY

SASB Code	Metric	Section	Page Numbers
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 Cyber Security	105
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Privacy, Data Protection and Cyber Security	102-105
FN-IN-270a.3	Customer retention rate	ESG Integration into Financial Products	82
FN-CB-410b.1, FN-AC-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Managing Our Environmental Footprint - Expanding Scope 3 Reporting on Financed Emissions	62
FN-CB-410b.4, FN-AC-410b.4	Description of the methodology used to calculate financed emissions	Managing Our Environmental Footprint - Expanding Scope 3 Reporting on Financed Emissions	62
FN-CB-510a.1, FN-IB-510a.1, FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Socially Responsible Business - Good Governance & Ethical Business Conduct	76
FN-CB-510a.2, FN-IB-510a.2, FN-AC-510a.2	Description of whistleblower policies and procedures	Socially Responsible Business - Good Governance & Ethical Business Conduct	76
FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Building Climate Resilience - Scenario Analysis	68-69
FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	ESG Integration into Financial Products	82
FN-IB-330a.1, FN-AC-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Diverse & Inclusive Workforce	111-113
FN-IB-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	Socially Responsible Business - Good Governance & Ethical Business Conduct	76
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Socially Responsible Business - Good Governance & Ethical Business Conduct	76
FN-IB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Building Climate Resilience - Scenario Analysis	68-69
FN-AC-000.A	Total assets under management (AUM)	ESG Integration into Financial Products	81

APPENDIX VI: SIRIM INDEPENDENT ASSURANCE STATEMENT



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Hong Leong Financial Group Berhad (hereafter referred to as HLFG) to perform an independent verification and provide assurance of HLFG Sustainability Statement FY2025. The main objective of the verification process is to provide assurance to HLFG and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to all sustainability performance information (subject matter), within the assurance scope which is included in HLFG Sustainability Statement FY2025. This Sustainability Statement presents disclosures from key operating companies within HLFG's entities, namely HLA Holdings Sdn. Bhd., Hong Leong Bank Berhad and Hong Leong Capital Berhad. Reference should be made to the dedicated assurance statements of Hong Leong Bank Berhad and Hong Leong Capital Berhad for the respective assurance coverage.

The management of HLFG was responsible for the preparation of the Sustainability Statement FY2025. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the HLFG Sustainability Statement and the Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of material matters as presented in the Sustainability Statement within HLFG sustainability pillars as follows i.e., Environmental Management, Socially Responsible Business, Community Investment, Digital at the Core, and Workforce Readiness. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1, Appendix 2 and the Report to Management, with further details provided therein.

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

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

The verification process was subjected to the following limitations:

- The scope of the work did not involve verification of other information reported in HLFG's Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.

APPENDIX VI: SIRIM INDEPENDENT ASSURANCE STATEMENT

- As part of this assurance engagement, the verification team visited the HLFGB corporate office at Hong Leong Tower, Bukit Damansara and HLA Holdings head office at Tower B, PJ City Development. However, the verification process did not include other physical inspections of any of HLFGB's operations and assets.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of HLFGB relating to the accuracy of some of the information contained in the statement. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by HLFGB. It is confirmed that changes that have been incorporated into the final version of the statement have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in HLFGB Sustainability Statement FY2025, is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the statement was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the statement;
- The Sustainability Statement FY2025 offers a reasonable and balanced presentation of Hong Leong Financial Group Berhad sustainability performance.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Suzalina Kamaralarifin	:	Team Member
3)	Ms. Farhanah Ahmad Shah	:	Team Member
4)	Mr. Azhar Mustapha	:	Team Member

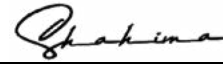
Statement Prepared by:

Statement Approved by:


AERNIDA BINTI ABDUL KADIR

Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 8 September 2025


WAN SHAHIMA BINTI MIOR AHMED SHAHIMI

General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 12 September 2025

Note: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (8 September 2025).

APPENDIX VI: SIRIM INDEPENDENT ASSURANCE STATEMENT

Appendix 2 The subject matter covered in this assessment are tabulated below.	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
OUR APPROACH TO SUSTAINABILITY				
Our Sustainability Framework				
Our Net Zero Ambition				
Our Sustainability Governance				
Sound Risk Management & Compliance				
ENVIRONMENTAL MANAGEMENT				
Decarbonization Initiatives and Driving Resource Efficiency				
Energy, Water, Paper Consumption and Waste Management				
Building Climate Resilience				
SOCIALLY RESPONSIBLE BUSINESS				
Good Governance & Ethical Business Conduct				
ESG Integration into Financial Products				
Fair Treatment of Financial Consumers				
Sustainable Supply Chain				
Human & Labour Rights				
COMMUNITY INVESTMENT				
Supporting Social Enterprises & Communities				
Financial Inclusion & Literacy				
DIGITAL AT THE CORE				
Digitalisation & Innovation				
Customer Experience				
Privacy, Data Protection and Cyber Security				
WORKFORCE READINESS				
Talent Attraction, Development & Retention				
Diverse & Inclusive Workforce				
Creating A Fair and Nurturing Workplace				
Fostering A Sustainability-Driven Culture				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (8 September 2025).

Note 2:

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

Note 3:

Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in the Management Report.

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

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

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

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

Hong Leong Financial Group Berhad

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