

Sustainability Report



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About Public Bank Group's Sustainability Report 2024

The Public Bank Group's Sustainability Report ("the Report") communicates the Group's approach to embracing and embedding sustainability into its strategic directions and operations. This Report describes the Group's sustainability approaches, initiatives and performance in 2024.

The Report covers the reporting period from 1 January 2024 to 31 December 2024, unless stated otherwise. The reporting scope covers information about the Public Bank Group's primary business operations and activities across entities in Asia, including:

- Public Bank Berhad ("Public Bank") – *Banking*;
- Public Islamic Bank Berhad ("Public Islamic Bank") – *Islamic Banking*;
- Public Investment Bank Berhad ("Public Investment Bank") – *Investment Banking*;
- Public Mutual Berhad ("Public Mutual") – *Sale and Management of Unit Trust Funds and Private Retirement Schemes*;
- Public Financial Holdings Limited (Hong Kong) ("PFHL") – *Banking and Finance*;
- Cambodian Public Bank Plc ("Campu Bank") – *Banking*;
- Public Bank Vietnam Limited ("Public Bank Vietnam") – *Banking*; and
- Public Bank Lao Limited ("Public Bank Laos") – *Banking*

The Report is approved by the Board of Directors of Public Bank, and is prepared in line with:

Global Reporting Initiative ("GRI") Standards



Malaysian Code on Corporate Governance ("MCCG") by the Securities Commission Malaysia



Sustainability Accounting Standards Board ("SASB")



Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations



Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting



STATEMENT OF ASSURANCE

In line with the Public Bank Group's commitment to achieve Carbon Neutral by 2030 and in the long-term, Net Zero Carbon by 2050, the Scope 1 and Scope 2 data in the Report have been subjected to independent assurance by KPMG PLT ("KPMG") following the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The Subject Matter, Scope and Conclusion can be found in KPMG's Limited Assurance Report, which is set out on page 269. Additionally, the sustainable finance achievements for the period from 1 January 2024 to 31 December 2024 had been subjected to an internal audit and endorsed by the Board of Directors to ensure accuracy and alignment with the Public Bank Group Sustainable Finance Framework ("SFF").

POINT OF CONTACT



Should there be any comments, submit your feedback and enquiries to:

sustainability@publicbank.com.my

Insight by Managing Director & Chief Executive Officer, and Chairman of **Sustainability Management Committee**

ELEVATING SUSTAINABILITY AS A STRATEGIC PILLAR

In 2024, the Public Bank Group moved forward with its sustainability commitments towards inclusive development and empowerment of the communities it serves. To meet its Net Zero Carbon by 2050 target, the Group remains steadfast in embedding sustainability priorities and making sustainability core to its strategy. Public Bank's Managing Director & Chief Executive Officer, and Chairman of the Sustainability Management Committee, Tan Sri Dato' Sri Dr. Tay Ah Lek, provides an overview of the Group's sustainability journey. He elaborates on how the Group continues to deliver greater sustainable value for its stakeholders and the environment.



TAN SRI DATO' SRI DR. TAY AH LEK

Managing Director & Chief Executive Officer, and
Chairman of Sustainability Management Committee



The Public Bank Group has set an ambitious Decarbonisation Plan. Can you share more about the progress made so far?

Our targets underpin the Public Bank Group's commitment to decarbonisation: Carbon Neutral by 2030 and Net Zero Carbon by 2050. Our Decarbonisation Plan outlines comprehensive strategies to reduce emissions across Scope 1, Scope 2, and Scope 3. In line with the objective of reducing our operational carbon footprint, the Group has signed a memorandum to initiate the installation of solar panels at its 135 branches in Malaysia.

Understanding that decarbonisation extends beyond direct operations, the Public Bank Group has started to engage, assess and understand its supplier profiles to identify relevant categories that influence emissions across its value chain. This includes requiring its suppliers and vendors to acknowledge the Group's Vendor Code of Conduct ("Vendor CoC"), which sets the tone for better engagement. Additionally, the Group has enhanced its Scope 3 reporting to include two additional categories that capture emissions within its supply chain. This development strengthens transparency and aligns with the requirements of the Securities Commission's National Sustainability Reporting Framework, which mandates Scope 3 disclosures by 2027 for public listed companies.

Building on our inaugural Scope 3 financed emissions reporting in 2023, the Public Bank Group has identified four key sectors — cement, construction, palm oil, and real estate — as priority areas for targeted decarbonisation. This year, the Group has set targets for cement, construction and palm oil sectors, while sectoral decarbonisation target setting for real estate is under way. Our sector-specific goals reflect a firm commitment to reducing our carbon footprint and cultivating change within interconnected industries.

Insight by Managing Director & Chief Executive Officer, and Chairman of Sustainability Management Committee



How is sustainability integrated into the Public Bank Group's overall business strategy?

Incorporating sustainability considerations into our business strategy is essential for sustainable growth and lasting impact. Central to this commitment is the Public Bank Group's target to mobilise RM100 billion in sustainable financing by 2030, guided by our Sustainable Finance Framework ("SFF"). This framework outlines our strategic approach to sustainable financing, complemented by our Sustainable Products and Services Guideline ("SPSG"), which lists over 80 environmental and socio-economic activities eligible for financing. Through the SFF and SPSPG, we have achieved over 67% progress of our RM100 billion target to date, and we hope to continue on the same trajectory or achieve an even higher level of performance moving forward.

In the meantime, our next steps include empowering our frontliners to engage meaningfully with customers in their transition to a low carbon economy. By equipping our business managers and customer-facing teams with the necessary knowledge and tools, we aim to support our customers in adopting sustainable practices, while also identifying and leveraging business opportunities to finance decarbonisation initiatives which will support the decarbonisation of our portfolio. Through these efforts, the Public Bank Group aims to drive impactful change and create long-term value for its stakeholders and the environment.



How does the Public Bank Group collaborate with stakeholders to achieve sustainability goals?

Collaboration is fundamental to achieving meaningful, sustainable change. Our Vendor CoC communicates sustainability expectations of our suppliers and vendors, ensuring alignment with our commitment to good corporate governance and responsible practices throughout our value chain.

Additionally, the newly established Public Bank Group Human Rights Policy underscores our dedication to promoting human dignity, respect, and equality in every aspect of our business. This Policy serves as a guiding framework for stakeholders – including employees, customers, and vendors – to foster an environment of ethical standards and basic human rights.

Our focus on 'Prosperous Customers and Communities' extends beyond compliance. In collaboration with Credit Guarantee Corporation Malaysia Berhad ("CGC"), we have committed RM1 billion in financing for small and medium enterprises ("SMEs") throughout Malaysia, promoting economic inclusivity. We also promote accessible homeownership for low-income earners, enhancing financial security and empowerment. Since 2020, we have mobilised over RM8 billion of affordable home financing, benefiting over 44,000 low-to-medium income earners.

Furthermore, Public Bank remains a proactive member of Bank Negara Malaysia ("BNM")'s Joint Committee on Climate Change ("JC3") and a signatory of the Partnership for Carbon Accounting Financials ("PCAF"). These partnerships strengthen our commitment to building resilience and promoting transparency in the financial sector.



How does the Public Bank Group's sustainability strategy align with national and global climate goals?

Our sustainability efforts align with both global and local climate goals. Globally, we support the Paris Agreement's 1.5°C target, reflecting our belief that financial institutions are crucial in accelerating climate action. Closer to home, we are committed to Malaysia's national objective of reducing greenhouse gas emissions intensity by 45% against gross domestic product ("GDP") by 2030.

To enhance transparency, we are preparing to adopt the International Sustainability Standards Board's ("ISSB") S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures, further evolving our sustainability disclosures and fostering stakeholder trust through greater accountability.



How is the Public Bank Group fostering a culture of sustainability within the organisation?

Our employees are integral to achieving our sustainability goals. We have implemented mandatory sustainability-related training to empower them, ensuring every team member has the necessary tools and knowledge. Our Knowledge and Learning team is continually curating training programmes and content to ensure that our employees are up to date with the latest market changes. This commitment extends to volunteerism – in 2024, our employees have contributed over 28,000 volunteer hours, demonstrating a genuine commitment to positive social and environmental impact.

Additionally, quantitative sustainability key performance indicators ("KPIs") are integrated into employee performance evaluations to align individual contributions with our broader sustainability goals. Linking ESG outcomes – such as reducing paper and energy consumption, and supporting sustainable financing – to performance metrics incentivises accountability at every level of the organisation.

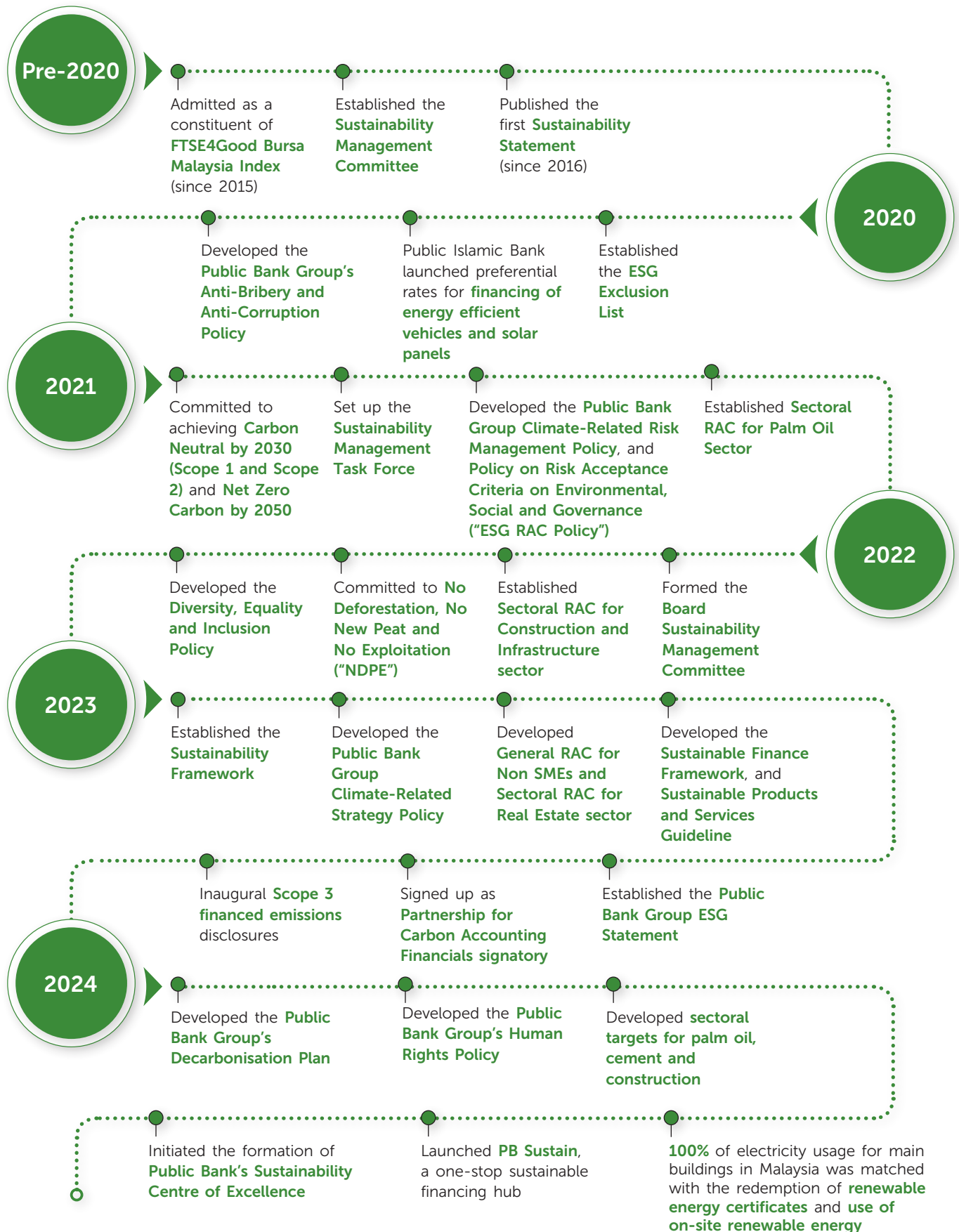


Can you highlight the Public Bank Group's recent recognitions and share its next steps in its sustainability journey?

We are proud to be recognised for our efforts. Recent accolades include being named the Biggest ESG Impact Bank in Malaysia by Finance Asia in 2024, Best Bank for Sustainable Finance in Malaysia in The Asset Triple A Sustainable Finance Awards 2024 and Gold Award in The Asset ESG Corporate Awards 2024. We also remained as a constituent of the FTSE4Good Bursa Malaysia Index (since 2015), FTSE4Good ASEAN5 Index, FTSE4Good Emerging Index and FTSE4Good All World Index. These recognitions encourage us to continue supporting sustainable finance and contributing to societal well-being.

Our work does not stop here. Through our newly developed Decarbonisation Plan, we are closely monitoring our yearly targets to ensure meaningful progress. We are also expanding social impact initiatives, with a goal of improving the lives of 1.5 million people by 2025 through community development and financial inclusion programmes. These initiatives support underserved groups, enhance financial literacy, and strengthen community resilience. Guided by our motto of being a Bank for the People, we are dedicated to making a positive difference in the lives of those we serve.

Key Sustainability Milestones



2024 Highlights

THEME 1: PROTECTING THE ENVIRONMENT



Established the **Public Bank Group's Decarbonisation Plan**



Launched **PB Sustain**, a one-stop sustainable financing hub



100% of electricity usage for main buildings in Malaysia was matched with the redemption of **renewable energy certificates** and **use of on-site renewable energy**



Mobilised **RM67.88 billion of sustainable finance** since 2020

THEME 2: PROFICIENT EMPLOYEES



Over **RM60 million** spent on **training and development**



46.2% female representation in senior management



Developed the **Public Bank Group's Human Rights Policy**



Zero incidents of **human rights violation**

THEME 3: PROSPEROUS CUSTOMERS AND COMMUNITIES



Clocked more than **28,000 employee volunteer hours** since 2023



RM2.5 million spent on the **community**



Mobilised more than **RM8 billion** of **affordable homes financing** since 2020



Improved over **1.4 million individuals' lives** since 2021

THEME 4: PRINCIPLED CONDUCT



RM2.05 billion of income tax paid in 2024



Zero incidents of **corruption**



100% of Malaysian banking entities conducted **corruption-related risk assessment**



Introduced the **PB Scam Rangers**, mobile cybersecurity fraud experts

Indices and Ratings



FTSE4Good

- Remain as a constituent in
- FTSE 4Good Bursa Malaysia Index (since 2015)
 - FTSE4Good ASEAN5 Index
 - FTSE4Good Emerging Index
 - FTSE4Good All World Index

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

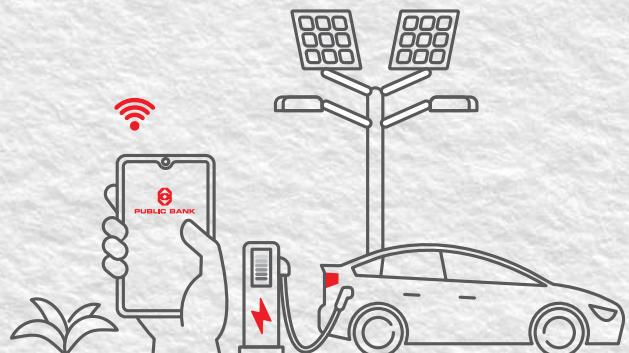
- AA rating for MSCI ESG Ratings Assessment since 2015

Awards

- 1 Gold Award** in The Asset ESG Corporate Awards since 2019
- 2 Asia's Best CSR and Sustainable Asia Award** in the 14th Asian Excellence Awards 2024 by Corporate Governance Asia
- 3 Best Bank for Sustainable Finance in Malaysia** in The Asset Triple A Sustainable Finance Awards 2024
- 4 Best ESG Impact Bank in Malaysia and Highly Commended Award for Best Sustainable Bank in Malaysia Category** in the FinanceAsia Awards 2024
- 5 Campu Bank** won **Cambodia's Best Bank for ESG** by Euromoney
- 6 Public Mutual** recognised as the award winner at The Edge Malaysia ESG Awards 2024 in the **Fund Awards Category (Climate Action)**
- 7 Talentbank 7th Graduates' Choice Award** ("GCA") 2025:
 - **Top 1% Graduates Preferred Employer** - Public Bank
 - **Top 3 Most Preferred Graduate Employer in the Banking** - Public Bank
 - **4th Most Preferred Graduate Employer in Investment Banking** - Public Investment Bank
 - **6th Most Preferred Graduate Employer in Islamic Banking** - Public Islamic Bank
- 8 Special Recognition Award** by Jobstreet Malaysia in the inaugural SEEK People & Purpose Awards 2024
- 9 Public Mutual** recognised as the **Premium Employer Partner** for the 5th consecutive year by CFA Society Malaysia
- 10 Public Investment Bank** recognised as the **Best Volunteer Coordination Lead 2024** by the Financial Industry Collective Outreach ("FINCO")

Investing in **A GREENER FUTURE.**

At Public Bank, we are **committed to sustainable growth** by integrating green initiatives into our businesses, from green financing to championing ESG principles for a resilient and sustainable future.



Sustainability Framework

Premised on the Public Bank Group's Sustainability Framework, sustainability practices are progressively embedded into the Group's business and operations. Under the Framework, the Group's approach to sustainability is driven by four sustainability themes – Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct – which align with the Group's strategic business directions through the management of 17 material matters and contribute to the United Nations Sustainable Development Goals ("UN SDGs").

Corporate Mission

To sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia

Sustainability Purpose

Embracing Sustainability

Sustainability Themes and Material Matters

Protecting the Environment	Proficient Employees	Prosperous Customers and Communities	Principled Conduct
<ul style="list-style-type: none"> Climate Change Resilience Carbon Emissions Resource Management Sustainable Finance Sustainable Supply Chain 	<ul style="list-style-type: none"> Diversity and Inclusion Employee Engagement and Development Human and Labour Rights 	<ul style="list-style-type: none"> Responsible Lending Practices Financial Inclusion and Accessibility Customer Satisfaction Community Empowerment Digital Transformation 	<ul style="list-style-type: none"> Data Privacy and Cybersecurity Governance and Business Ethics Transparency and Trust Risk Management

Sustainability Strategies

Environmental	Social	Governance
<ul style="list-style-type: none"> Contributing towards a low carbon economy 	<ul style="list-style-type: none"> Customer centric technology Financial inclusion Empowering employees and communities 	<ul style="list-style-type: none"> Upholding risk and compliance management

Aligned UN SDGs



Progress towards Sustainability Commitments

To drive progress in its sustainability journey, the Public Bank Group has set sustainability commitments underpinned by overarching targets and sub-targets. These targets are also mapped to the Group’s material matters and the UN SDGs to which the Group is in the best position to contribute.

Protecting the Environment

Overarching Target
Net Zero Carbon by 2050

- **Progress Indicator:** ★★☆☆
- **Material Matters:**

Sub-targets	Progress in 2024	Contributing to the UN SDGs
<p>Achieve Carbon Neutral position by 2030</p>	<ul style="list-style-type: none"> • Established the Public Bank Group’s Decarbonisation Plan • Scope 1 and Scope 2: <ul style="list-style-type: none"> – 2024 Total carbon emissions: 69,956 tCO₂e – 2024 Emission intensity: 3.4 tCO₂e/full-time employee (“FTE”) • Scope 1, Scope 2 and Scope 3: <ul style="list-style-type: none"> – 2024 Total carbon emissions: 99,967 tCO₂e – 2024 Emission intensity: 4.9 tCO₂e/FTE 	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> </div> <div> <p>Target 7.1: Universal access to modern energy services</p> <p>Target 7.2: Increase share of renewable energy in the global energy mix</p> <p>Target 7.3: Double the global rate of improvement in energy efficiency</p> <p>Target 7.a: Promote investment in energy infrastructure and clean energy technology</p> <p>Target 7.b: Expand infrastructure and upgrade technology for supplying modern and sustainable energy services</p> </div> </div>
<p>Achieve a minimum of 25% of building gross floor area (“GFA”) operating under green building criteria by 2030</p>	<ul style="list-style-type: none"> • Menara Public Bank 2 is certified Leadership in Energy and Environmental Design (“LEED”) Gold, equivalent to 24% of main buildings GFA in Malaysia 	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> </div> <div> <p>Target 9.3: Access of small-scale enterprises to financial services</p> <p>Target 9.4: Upgrade infrastructure with greater adoption of clean and environmentally sound technologies</p> </div> </div>
<p>Achieve a minimum 30% reduction in energy consumption from baseline by 2030*</p>	<ul style="list-style-type: none"> • Initiated the installation of solar panels at 135 branches in Malaysia • 100% of electricity usage for main buildings in Malaysia was matched with the redemption of renewable energy certificates and use of on-site renewable energy 	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> </div> <div> <p>Target 12.2: Achieve the sustainable management and efficient use of natural resources</p> <p>Target 12.7: Promote practices that are sustainable</p> </div> </div>
<p>Achieve a minimum 30% reduction in water consumption from baseline by 2030</p>	<ul style="list-style-type: none"> • Total water consumption: 486,700 m³ • Water intensity: 24.0 m³/FTE 	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> </div> <div> <p>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards</p> <p>Target 13.3: Improve education, awareness-raising as well as human and institutional capacity on climate change</p> </div> </div>
<p>Mobilise RM100 billion of sustainable finance by 2030</p>	<ul style="list-style-type: none"> • Mobilised RM67.88 billion of sustainable finance since 2020, which comprises of: <ul style="list-style-type: none"> – RM46.12 billion of low emissions vehicle financing – RM8.98 billion of social agenda financing – RM4.77 billion of corporate loans – RM4.16 billion of sustainability-linked loans – RM3.85 billion of green financing 	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;"> </div> <div> <p>Target 17.16: Multi-stakeholder partnerships to support the achievement of the SDGs</p> </div> </div>
<p>Set portfolio emissions reduction targets aligned with Paris Agreement and 1.5°C global warming trajectory</p>	<ul style="list-style-type: none"> • Established sectoral targets for palm oil, cement and construction 	
<p>100% of suppliers and vendors acknowledge the Public Bank Group Vendor Code of Conduct (“Vendor CoC”) by 2025</p>	<ul style="list-style-type: none"> • 100% of material suppliers and vendors engaged by the Group’s banking entities in Malaysia have acknowledged the Vendor CoC in 2024 	

Progress Indicator: ☆☆☆ Not on track ★★☆☆ On track ★★★ Achieved
 * 30% reduction is targeted to reduction in fossil fuel energy

Proficient Employees

Overarching Target:
Develop and invest in talent to build a future ready workforce

• Progress Indicator: ★★☆☆

• Material Matters:



Sub-targets

Maintain a minimum of 45.0% female representation at Senior Management level

Achieve a minimum of two hours sustainability-related training per year for all employees from 2024

Establish a Sustainability Centre of Excellence ("COE") to support internal and client transition by 2024

Progress in 2024

• Achieved 46.2% female representation at Senior Management level

• On average, employees have completed 3.2 hours of sustainability-related training in 2024

• Initiated the formation of Public Bank's Sustainability Centre of Excellence to drive strategic sustainability initiatives and support client transition to low carbon operations

Contributing to the UN SDGs



Target 3.4: Promote mental health and well-being



Target 4.7: Ensure all learners acquire the knowledge needed to promote sustainable development



Target 5.1: End all forms of discrimination against women

Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making



Target 8.7: Take immediate and effective measures to eradicate forced labour and end modern slavery

Target 8.8: Protect labour rights and promote safe and secure working environments



Target 10.3: Ensure equal opportunity and reduce inequalities of outcome

Progress Towards Sustainability Commitments

Prosperous Customers and Communities

Overarching Target:
 Improve financial accessibility and well-being of society

• Progress Indicator: ★☆☆ • Material Matters:

Sub-targets

Progress in 2024

Contributing to the UN SDGs

Improve lives of 1.5 million individuals through inclusive finance by 2025 starting from 2021

- Over 1.4 million individuals' lives improved since 2021
- Mobilised over RM8 billion in affordable home financing, benefitting over 44,000 low-to-medium income earners



Target 1.1: Eradicate extreme poverty for all people everywhere

Target 1.4: Equal rights to economic resources

Target 1.a: Mobilisation of resources to implement programmes to end poverty



Target 3.4: Promote mental health and well-being

Target 3.8: Access to quality essential healthcare services

Target 3.b: Support the research and development of medicines



Target 4.4: Skills for employment, decent jobs and entrepreneurship

Target 4.5: Ensure equal access to education for the vulnerable

Target 4.6: Ensure all youth achieve literacy and numeracy

Target 4.7: Ensure all learners acquire the knowledge needed to promote sustainable development

Target 4.b: Expand the number of scholarships for higher education

Achieve a minimum of 50,000 volunteer hours by 2025 and RM10 million spent on communities by 2030

- Clocked more than 28,000 employee volunteer hours
- RM2.5 million spent on the community



Target 8.3: Growth of micro-, small- and medium-sized enterprises

Target 8.5: Achieve full and productive employment for all

Target 8.6: Reduce the proportion of youth not in employment, education or training

Target 8.10: Expand access to banking, insurance and financial services for all



Target 9.2: Promote inclusive and sustainable industrialisation

Target 9.3: Increase access of small-scale enterprises to financial services

Target 9.a: Facilitate sustainable and resilient infrastructure development through enhanced financial support

Target 9.c: Increase access to information and communications technology



Target 10.2: Empower and promote social, economic and political inclusion of all

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome



Target 11.1: Ensure access to affordable housing

Target 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage



Target 17.17: Encourage and promote effective public, public-private and civil society partnerships

Progress Indicator: ☆☆☆ Not on track ★☆☆ On track ★★★ Achieved

Principled Conduct

Overarching Target:
Develop business
underpinned by ethical
conduct and compliance

• Progress Indicator: ★★☆☆

• Material Matters:



Sub-targets

100% of loans/financing undergone Environmental, Social and Governance Risk Acceptance Criteria ("ESG RAC") screening by 2025 for Large Corporates*

100% client engagement by 2025 for High Risk Large Corporates*

Establish key ESG frameworks and policies to support the Group's sustainability purpose

Progress in 2024

- Completed 100% of assessments on borrowers operating in High ESG Risk Sectors ("HERS"), and 65% of borrowers operating in non-HERS

- Developed the Public Bank Group's Human Rights Policy
- Published the Sustainable Finance Framework

Contributing to the UN SDGs



Target 9.4: Upgrade infrastructure with increased resource-use efficiency

Target 9.5: Encourage innovation and upgrade technological capabilities



Target 12.6: Adopt sustainable practices and integrate sustainability information into reporting cycle

Target 12.8: Ensure that people have the relevant information and awareness for sustainable development



Target 16.4: Significantly reduce illicit financial and arms flows

Target 16.5: Reduce corruption and bribery in all forms

Target 16.6: Develop effective, accountable and transparent institutions at all levels

Target 16.7: Ensure inclusive decision-making at all levels

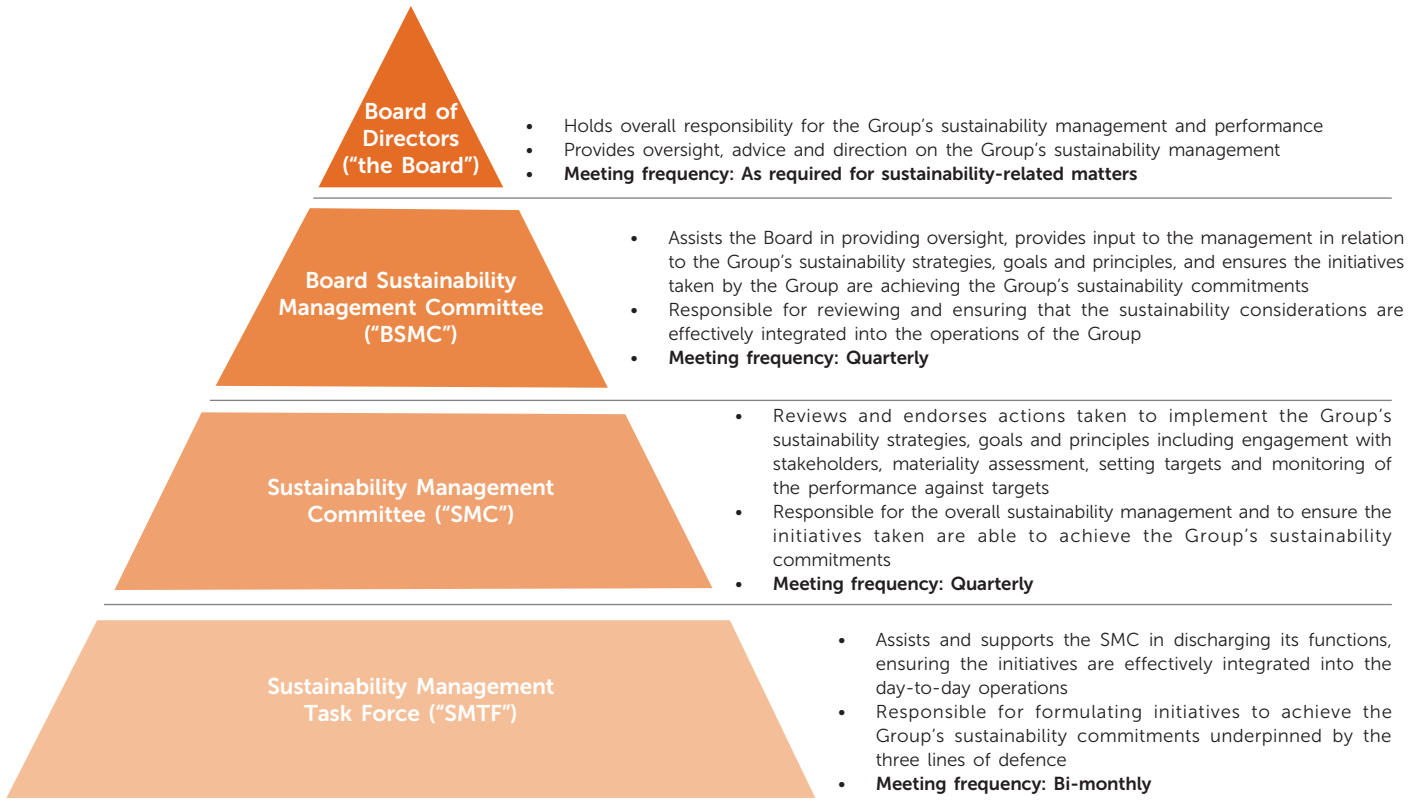
Target 16.10: Ensure public access to information and protect fundamental freedoms

Progress Indicator: ☆☆☆ Not on track ★★☆☆ On track ★★★ Achieved

* Large Corporates refer to all large corporate borrowers under the corporate financing segment

Sustainability Governance

The Public Bank Group's sustainability governance is anchored by its commitment to ensuring the effective delivery of its sustainability targets. From the Board of Directors ("the Board") to management-level committees, each provides clear strategic direction and oversight in relation to sustainability matters.



Stakeholder Engagement

The Public Bank Group is committed to obtaining a good understanding of all its stakeholders' views. It continues to improve its engagement approaches through various communication channels to ensure meaningful connections with its key stakeholder groups – virtually and in person. These connections are essential to informing the Group's strategies, building trust, and creating long-term shared value. The following tables summarise the interactions between the Group and its key stakeholders during the year.

Engagement Frequency:










 Ongoing
  Yearly
  Quarterly
  Monthly
  As and when required



Customers

Customers' continuous support ensures the Group's success and growth, positively impacting the Group's operations

Method and Frequency

Branches	
Customer service channels	
Self-service terminals	
Customer surveys	
Social media	
Integrated Annual Report	
Financial roadshows	
Webinar events	
Financial portals:	
– www.pbebank.com	
– www.pbenterprise.com	
– https://pbsustain.com	

Group's Response

- Management Discussion and Analysis
 - Serving the Customer (page 119)
 - Channel Management (page 121)

Scope of Interest





- Efficient and courteous frontline counter service
- Key performance indicators ("KPIs") on service delivery
- Availability and suitability of products
- Ethical and fair conduct in sales and marketing practices
- Efficient and prompt response in addressing customer complaints
- Fair pricing of products and services
- Shariah-compliant Islamic products and services
- Protection from fraud and scams
- Data privacy and security
- Efficient and secure internet banking
- Reachability during non-office hours on e-banking security matters
- Sustainability Report
 - Theme 3: Prosperous Customers and Communities (page 208)
 - Theme 4: Principled Conduct (page 231)
- Ethics, Integrity and Trust (page 314)



Shareholders and Investors

The Group focuses on transparent engagement with shareholders and investors

Method and Frequency

Investor relations channel	
Annual General Meeting	
Extraordinary General Meeting	
Conferences and roadshows	
Analyst briefings	
Integrated Annual Report	
Corporate Governance Report	
Media releases and interviews	
Corporate website, www.publicbankgroup.com	

Group's Response

- Statement by Chairman (page 23)
- Review by Managing Director & Chief Executive Officer (page 26)
- Management Discussion and Analysis (page 44)
- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)

Scope of Interest

- Business performance, strategies and prospects
- Return on investments and dividend payouts
- Sustainability initiatives, performance and targets
- Good business conduct
- Guidance on Key Performance Targets

- Risk Management (under Corporate Governance section) (page 307)
- Investor Information (page 342)
- Integrated Annual Report – Financial Statements

Stakeholder Engagement

Engagement Frequency:

- O Ongoing
 Y Yearly
 Q Quarterly
 M Monthly
 A As and when required



Employees

The main driving force that leads the Group towards its sustainability goals

Method and Frequency

Employee engagement events	A
Performance review	Y
Electronic communication channels (e.g. emails, circulars, newsletters, intranet portal and mobile application)	A
Employee survey	A
Sustainable financing hub, https://pbsustain.com	O

Scope of Interest

- Talent and skill development
- Career prospects
- Remuneration and benefits
- Workplace health, safety and well-being
- Labour and human rights
- Equal opportunities in employment practices
- Succession planning
- Employee engagement activities

Group's Response

- Sustainability Report
 - Theme 2: Proficient Employees (page 195)
- Ethics, Integrity and Trust (page 314)



Communities and Non-Governmental Organisations

Building positive relationships to maintain a good reputation and cultivate trust

Method and Frequency

Philanthropic activities	O
Integrated Annual Report	Y
Social media	O
Corporate website, www.publicbankgroup.com	O

Scope of Interest

- Community well-being and empowerment
- Social development
- Sustainability initiatives
- Response to climate-related risks

Group's Response

- Sustainability Report
 - Theme 1: Protecting the Environment (page 172)
 - Theme 3: Prosperous Customers and Communities (page 208)
 - Disclosures Aligned with TCFD (page 244)

Engagement Frequency:




 Ongoing
  Yearly
  Quarterly
  Monthly
  As and when required



Suppliers and Vendors

Associated with the procurement of products and services that contribute to the Group's efficient operations

Method and Frequency

Procurement process	
Suppliers/Vendors engagement activities	
Sustainability section of corporate website, www.publicbankgroup.com	

Scope of Interest

- Fair selection of suppliers and vendors
- Transparent procurement process
- Vendor Code of Conduct

Group's Response

- Sustainability Report
 - Theme 1: Protecting the Environment (page 172)
- Ethics, Integrity and Trust (page 314)



Regulators

Effective engagement with the regulators is essential for ensuring compliance and efficient risk management

Method and Frequency

Meetings	
Industry forums	
Consultation and townhall sessions	
Correspondences	

Scope of Interest

- Regulatory compliance and good corporate governance practices
- Business continuity and growth
- Financial inclusion and literacy
- Customer service
- Ethical banking conduct
- Management and response to climate-related risks
- Digital banking
- Cybersecurity
- Sustainability initiatives
- Personal data protection
- Sustainable financing

Group's Response

- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)
- Statement on Risk Management and Internal Control (page 301)
- Risk Management (under Corporate Governance section) (page 307)
- Ethics, Integrity and Trust (page 314)
- Audit Committee Report (page 318)
- Integrated Annual Report – Financial Statements

Stakeholder Engagement

Engagement Frequency:

O Ongoing

Y Yearly

Q Quarterly

M Monthly

A As and when required



Media and Public Domain

Strategic engagement is important as the media influences opinions about the Group's products, services and performance

Method and Frequency

Interviews	A
Press releases	A
Integrated Annual Report	Y
Social media	O
Corporate website, www.publicbankgroup.com	O

Scope of Interest

- Financial result, business performance, strategy and prospects
- Corporate development
- Launch of new products and services
- Sustainability initiatives, performance and targets

Group's Response

- Statement by Chairman (page 23)
- Review by Managing Director & Chief Executive Officer (page 26)
- Outlook and Strategic Directions (page 39)
- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)



Other Financial Institutions

Understanding peer banks' strategies and strengths is essential for maintaining competitive advantage

Method and Frequency

Meetings	A
Industry forums	A
Consultation and townhall sessions	A
Correspondences	A

Scope of Interest

- Regulatory compliance and good corporate governance practices
- Business continuity and growth
- Financial inclusion and literacy
- Customer service
- Ethical banking conduct
- Risk management
- Digital banking
- Cybersecurity
- Sustainability initiatives
- Response to climate-related risks
- Personal data protection

Group's Response

- Sustainability Report (page 151)
- Corporate Governance Overview Statement (page 280)
- Statement on Risk Management and Internal Control (page 301)
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Contributing to the Industry

The Public Bank Group is a member of or affiliated with the following associations and organisations.

Name of Associations/Organisations	Description
Sustainability-Related	
Partnership for Carbon Accounting Financials ("PCAF")	Signatory of PCAF
Bank Negara Malaysia ("BNM")'s Joint Committee on Climate Change ("JC3")	Member in JC3 SME Focus Group ("SFG") and Sub-Committee 1: Risk Management
BNM's Value-based Intermediation Financing and Investment Impact Assessment Framework ("VBIAF")	Public Islamic Bank is a member of BNM's VBIAF Sectoral Guide Working Group (third cohort)
Financial Industry Collective Outreach ("FINCO")	Member of FINCO CEO of Public Investment Bank is a member of the Board of Directors of FINCO
Ombudsman for Financial Services ("OFS")	Member of OFS
Institutional Investors Council Malaysia ("IIC")	Public Mutual is a signatory of IIC's Malaysian Code of Institutional Investors
Banking and Finance-Related	
The Association of Banks in Malaysia ("ABM")	Member of ABM
Perbadanan Insurans Deposit Malaysia ("PIDM")	Member of PIDM
Financial Institutions Directors' Education Forum ("FIDE Forum")	Member of FIDE Forum
Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM")	Public Islamic Bank is a member of AIBIM
Federation of Investment Managers Malaysia ("FIMM")	Public Mutual is a member of FIMM
Malaysian Financial Planning Council ("MFPC")	Public Mutual is a Corporate Member of MFPC
Financial Planning Association of Malaysia ("FPAM")	Public Mutual is a Charter Member of FPAM
Malaysian Investment Banking Association ("MIBA")	Public Investment Bank is a member of MIBA
Association of Stockbroking Companies Malaysia ("ASCM")	Public Investment Bank is a member of ASCM

ABM Seven ESG Principles

As a member of the ABM, the Public Bank Group's sustainability commitments are aligned with ABM's ESG Principles:

- 1 We commit to achieve Carbon Net Zero across our entire business and financed customer portfolio
- 2 We commit to incorporate ESG into our governance and risk management approach
- 3 We commit to identify, mitigate and manage risks of modern slavery and human rights across our supply chain
- 4 We commit to support financing for Agribusiness customers
- 5 We commit to encourage sustainable practices within the high impact sectors for ESG
- 6 We commit to social and financial inclusion to ensure a sustainable future
- 7 We commit to report on our ESG practices and progress in achieving these commitments

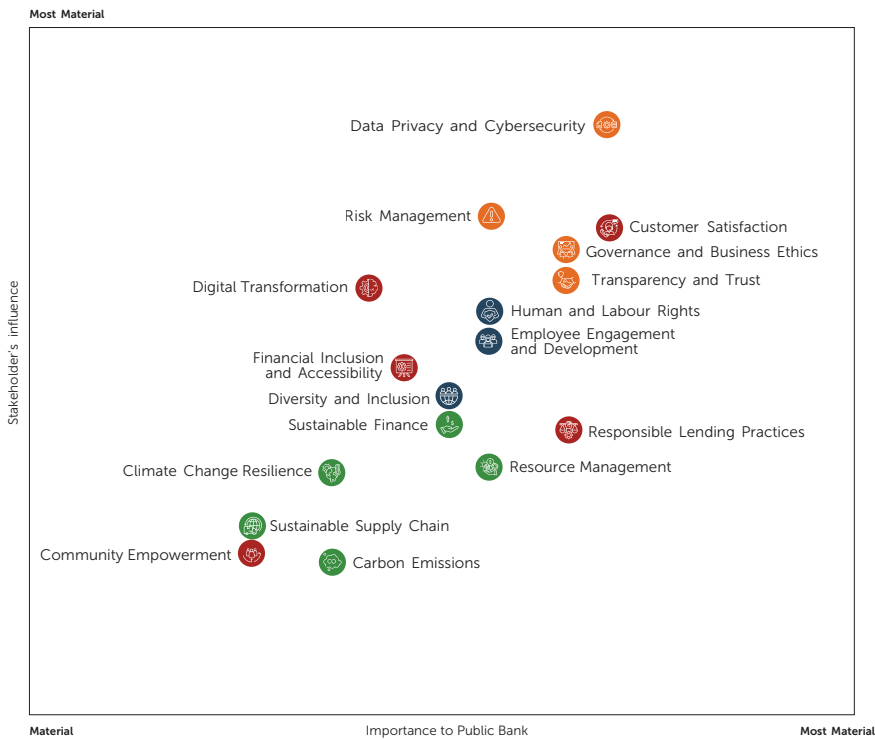
Materiality Assessment

In 2024, the Public Bank Group carried out its biennial materiality assessment exercise to validate its 17 existing material matters and identify any emerging matters to the Group. The materiality assessment was driven by a four-step approach to review the material matters identified to ensure their continued relevance to the Group’s business, and its impact and alignment with stakeholder interests and concerns.



As part of the exercise, an online Materiality Assessment Survey for key stakeholder groups was rolled out, garnering feedback from more than 2,700 respondents.

Based on the findings, the 17 material matters were mapped onto a materiality matrix according to the influence of material matters emphasised by the stakeholders and their importance to the Public Bank Group’s business. The Group confirmed that the 17 existing material matters remained relevant to the Group in 2024.



Protecting the Environment	Proficient Employees	Prosperous Customers and Communities	Principled Conduct
<ul style="list-style-type: none"> Climate Change Resilience Carbon Emissions Resource Management Sustainable Finance Sustainable Supply Chain 	<ul style="list-style-type: none"> Diversity and Inclusion Employee Engagement and Development Human and Labour Rights 	<ul style="list-style-type: none"> Responsible Lending Practices Financial Inclusion and Accessibility Customer Satisfaction Community Empowerment Digital Transformation 	<ul style="list-style-type: none"> Data Privacy and Cybersecurity Governance and Business Ethics Transparency and Trust Risk Management

All material matters under Principled Conduct remained as top priorities of the Public Bank Group and its stakeholders. This reflects the importance of upholding integrity and accountability in the Group's role as a financial intermediary and custodian of public funds. While environmental and climate-related matters and community empowerment were perceived as moderately material by the stakeholders, the Group will continue to place these matters as important to address climate change along with increasing expectations of regulators, while contributing to the community.

This year, the Public Bank Group has included biodiversity as a new emerging matter in the materiality assessment. Although biodiversity is perceived as less material by the Group's stakeholders, the Group still recognises it as an emerging matter due to its key role in addressing climate issues. Acknowledging the importance of biodiversity, the Group is mindful of its role in protecting and preventing biodiversity loss and restoring nature. Read about the Group's biodiversity conservation initiatives in **Community Empowerment** on page 219.

Theme 1:

Protecting the Environment



“DRIVEN BY OUR COMMITMENT TO NET ZERO CARBON BY 2050, THE PUBLIC BANK GROUP IS FOCUSED ON INTEGRATING SUSTAINABLE PRACTICES ACROSS OUR OPERATIONS TO PROTECT THE ENVIRONMENT, SHAPING A GREENER AND MORE RESILIENT FUTURE.”

Material Matters

- Climate Change Resilience
- Carbon Emissions
- Resource Management
- Sustainable Finance
- Sustainable Supply Chain

Related UN SDGs

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Tan Sri Dato’ Sri Dr. Tay Ah Lek
Managing Director & Chief Executive Officer

Theme 1: Protecting the Environment



Climate Change Resilience

The Group's Approach

The Public Bank Group's climate change approach is underpinned by the three climate-related Strategic Directions ("3 SD's"), institutionalised in the Climate-Related Strategy Policy ("CRSP") which provides an overarching framework to guide climate-related initiatives in achieving the Group's commitments.



Building Climate Change Resilience

The Public Bank Group has embarked on significant efforts to translate its climate targets of achieving Carbon Neutral by 2030 and Net Zero Carbon by 2050 into action. For more information on the Public Bank Group's Decarbonisation Plan, please refer to **Carbon Emissions** on page 174.

The Public Bank Group has taken actions to understand climate-related risks. This includes profiling the Group's own domestic operations covering bank branches and data centres in Malaysia against flood risk data to identify potential vulnerable locations as well as guide future initiatives to develop mitigation strategies. This action is key to ensure business continuity and minimise potential disruptions to customers and stakeholders.

To further enhance resilience towards physical risk, the Public Bank Group has also carried out a physical risk assessment on mortgage financing portfolio, allowing for a better understanding of potential climate-related risks and informed future risk management strategies.

For more information on the Public Bank Group's climate risk management strategies, please refer to the **Disclosures Aligned with TCFD** on page 244.

Why it Matters

Due to the significant impact of climate change on the society, economy and financial system, the Public Bank Group is mindful of the importance of managing climate-related risks and opportunities.

Risks

Failure to recognise and manage climate-related risks may lead to substantial financial consequences for businesses, households and the Public Bank Group.

How the Group Responds

- Ensure sound management of climate-related risks and opportunities.
- Advocate for climate change adaptation and mitigation efforts.

Key Highlights

- Continued to **step up the Group's climate action** and **move towards net zero carbon**
- Executed **climate stress testing** on the **Group's mortgage financing portfolio**
- Executed **preliminary flood risk assessment** on the Group's own domestic operations covering bank branches and data centres

Theme 1: Protecting the Environment



Carbon Emissions

The Group's Approach

The Public Bank Group acknowledges the carbon footprint of its operations, and is committed to reducing it. Guided by its Decarbonisation Plan, the Group employs a focused and targeted approach to maximise positive environmental impact.

To that end, the Public Bank Group consistently measures and discloses its carbon emissions to monitor progress towards climate targets. In the immediate-term, the Group expects an increase in expenditure on infrastructure enhancement and technology adoption in reducing its carbon emissions.



The Transition to Net Zero Carbon 2050

Anchored by the target to achieve Net Zero Carbon by 2050, the Public Bank Group made significant progress by establishing the Public Bank Group's Decarbonisation Plan ("the Plan" or "Decarbonisation Plan") in 2024. The Decarbonisation Plan details the Group's approach to decarbonising its Scope 1, Scope 2 and Scope 3 emissions, with the interim target of achieving a carbon neutral status by 2030 for Scope 1 and Scope 2. The initial plan comprises strategic enablers that are focused and practical in delivering the target, not just for its direct operational and value chain emissions but also for supporting customers' transition. The plan represents the Group's commitment with the support of senior management and the Board of Directors. The path to net zero carbon is a long-term journey, one where the Group needs to focus on driving impactful actions which not only benefit the business, but also its customers.

Why it Matters

Carbon emissions are a significant contributor to global warming. As a responsible financial institution, the Public Bank Group's is expected to contribute to the global climate agenda by reducing its own and its customers' carbon footprint through its lending and financing activities.

Risks

The Public Bank Group's emissions are interlinked with physical, transition, and regulatory risks. With increased climate events and impending carbon tax regimes in the countries where the Group operates, especially Malaysia, managing the emissions is imperative to building resilience over time.

How the Group Responds

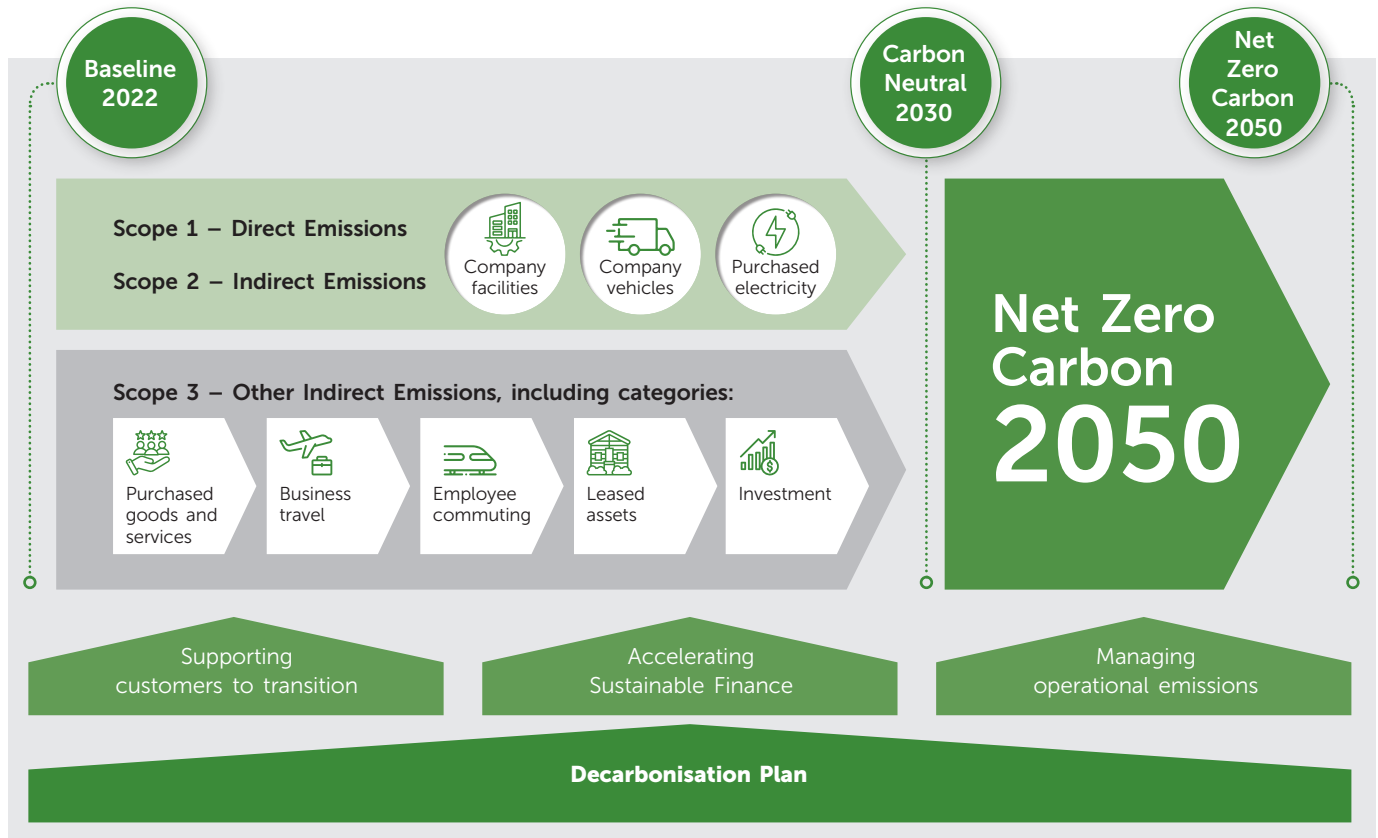
Guided by the Decarbonisation Plan, strategic enablers have been identified to scale initiatives for the Group to transition towards low-carbon operations and achieve its targets.

Key Highlights

- Established the **Public Bank Group's Decarbonisation Plan**
- 100%** of electricity usage for main buildings in Malaysia was matched with the redemption of **renewable energy certificates** and **use of on-site renewable energy**

Targets/Sub-targets

- Achieve **Carbon Neutral position (Scope 1 and Scope 2) by 2030**
- Achieve **Net Zero Carbon by 2050**



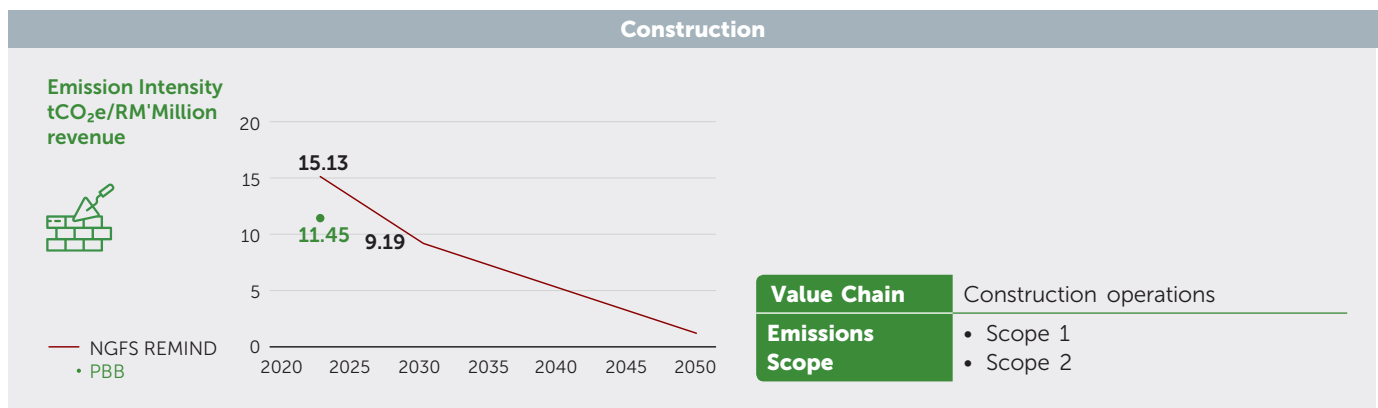
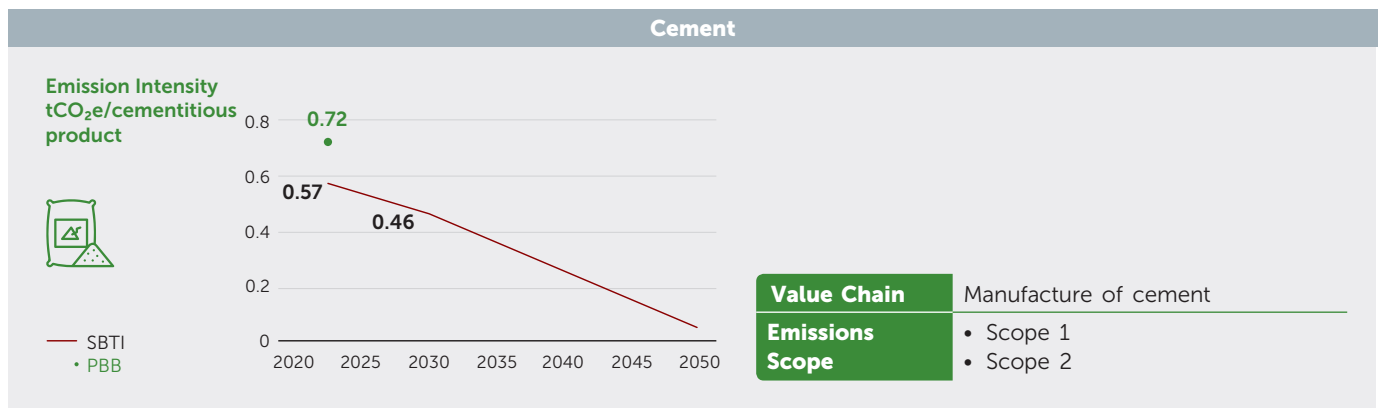
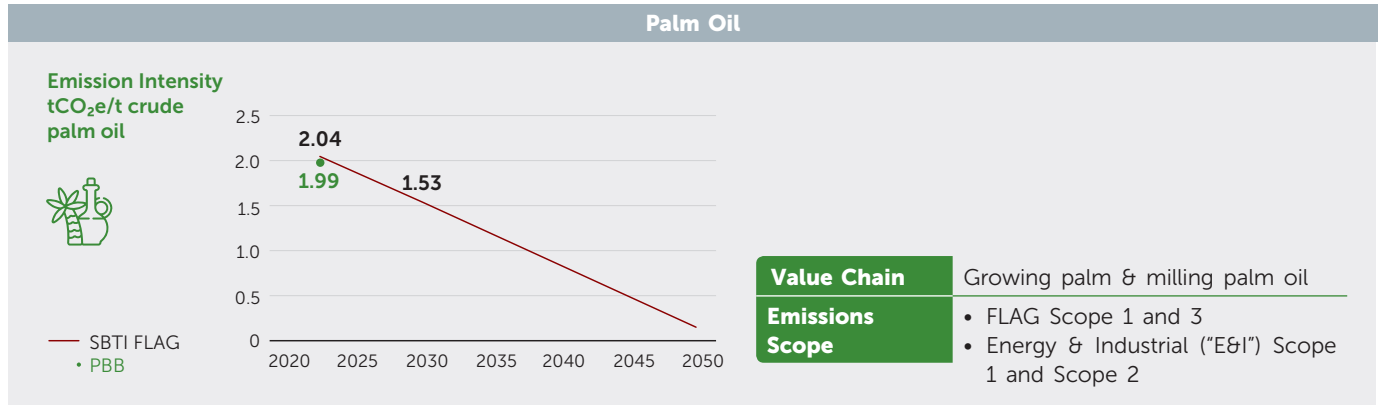
Delivering on Net Zero Carbon 2050

The Public Bank Group's lending and financing activities are closely interlinked with climate change, both as a source of risk to the Group's portfolio and as a driver of the Group's indirect impact on climate change. Given that the Group's largest source of emissions arises from its financed emissions, it is fundamental for the Group to strategically finance and mobilise capital to support its customers' decarbonisation and transition to a low carbon economy.

To deliver on the Net Zero Carbon 2050 target, the Public Bank Group has set targets for three priority sectors – palm oil, cement and construction, which are aligned with the Paris Agreement on limiting global temperature increase to 1.5°C. Globally, a significant amount of carbon emissions arises from the use of fossil fuels, especially in the energy sector, followed by manufacturing, construction, buildings, agriculture, forest, and land use ("AFOLU") sectors. While the Group is cognisant of the need to support the transition of customers across all sectors to achieve the net zero carbon target, these sectors have been identified as priorities for decarbonisation efforts within its portfolio.

Theme 1: Protecting the Environment

Sectoral Targets



Notes:

1. SBTi: Science Based Targets initiative.
2. FLAG: Forest, Land and Agriculture.
3. NGFS REMIND: Network for Greening the Financial System Regional Model of Investments and Development.

The sectoral decarbonisation targets are guided by science-based reference pathways which limit global warming to 1.5°C by 2050. While the availability and quality of emissions data continue to improve globally, challenges remain, especially in developing countries. The Public Bank Group relies on the best available customer data and references from scientific literature and is committed to setting and reviewing the decarbonisation targets in line with the latest available science. For sectoral targets, the baseline year is set to 2023, the most recent year for which reliable emissions data are available.

Supporting Customers to Transition

Central to the success of decarbonisation is the Public Bank Group's collaboration with customers. By prioritising high-emitting sectors, the Group aligns its business objectives with climate goals, creating a synergistic impact across interconnected sectors within its portfolio. Decarbonising the cement and construction sectors, for instance, is expected to generate positive spillover effects, accelerating the broader decarbonisation of the mortgage and real estate sectors.

In operationalising its approach, the Public Bank Group recognises the importance of a balanced transition that decarbonises while supporting economic growth and societal needs. Adopting intensity-based targets balances the demand for growth in sectors, especially those offering essential goods and services with the need for climate action. The Group also recognises that different sectors require different levels of decarbonisation intensity over time and endeavours to engage with customers to make a positive impact through its capabilities to support as a financial institution.

While decarbonisation targets currently focus on the corporate portfolio, the Public Bank Group continues to identify opportunities to finance environmental economic activities in the retail sector, including financing low emissions vehicles and green buildings. Recognising that customers' sustainability needs are evolving, the Group remains resolute to stay ahead by equipping its employees – especially customer-facing officers – with the knowledge and tools necessary to support customers on their decarbonisation journey. To achieve this, the Group is actively developing the infrastructure and resources needed to capacity-build its employees and foster a net zero mindset. This approach ensures the Group can effectively link lending and financing opportunities to transition, while meeting customers' needs in a dynamic and increasingly sustainability-driven business landscape.

Progress of the Decarbonisation of Financed Emissions

The Public Bank Group signed on as a PCAF signatory in 2023 and has adopted the PCAF methodology to estimate its financed emissions. The estimated financed emissions span five asset classes, namely, motor vehicles, mortgages, commercial real estate, business loans, and project finance. Building on this foundation, the Group expanded its financed emissions data coverage to include overseas operations in Hong Kong.

Estimated Financed Emissions Dashboard

Year	Asset Class	Absolute Emissions (ktCO ₂ e)			Outstanding Balance (RM'Billions)	Emissions Intensity (tCO ₂ e/RM'Billions)		PCAF data quality score
		Scope 1&2	Scope 3	Total		Scope 1&2	Scope 3	
2022	Motor Vehicle ^{i, iii}	2,894.0		2,894.0	58.8	49.2		3.8
	Mortgage ⁱⁱⁱ	1,564.5		1,564.5	155.7	10.0		4.0
	Commercial Real Estate ⁱⁱⁱ	816.9		816.9	70.3	11.6		4.1
	Business Loan ^{ii, iii}	1,892.7	1,992.8	3,885.5	35.9	52.7	55.5	5.0
	Project Finance ⁱⁱⁱ	25.8		25.8	6.2	4.1		5.0
2023	Motor Vehicle ^{i, iii}	3,041.5		3,041.5	64.8	46.9		3.8
	Mortgage ⁱⁱⁱ	1,590.9		1,590.9	165.5	9.6		4.0
	Commercial Real Estate ⁱⁱⁱ	689.1		689.1	73.6	9.4		4.1
	Business Loan ^{ii, iii}	2,086.2	2,173.6	4,258.9	38.3	54.5	56.8	5.0
	Project Finance ⁱⁱⁱ	25.8		25.8	6.2	4.2		5.0
2024	Motor Vehicle	3,264.7		3,264.7	73.2	44.6		2.8
	Mortgage	1,598.5		1,598.5	174.7	9.2		4.0
	Commercial Real Estate	759.9		759.9	78.0	9.7		4.1
	Business Loan	2,085.1	2,305.4	4,390.4	41.8	49.9	55.2	5.0
	Project Finance	22.9		22.9	5.4	4.2		5.0
2022 Total		7,193.9	1,992.8	9,186.6	326.9	22.0	6.1	
2023 Total		7,433.5	2,173.6	9,607.2	348.4	21.3	6.2	
2024 Total		7,731.1	2,305.4	10,036.4	373.1	20.7	6.2	

Theme 1: Protecting the Environment

Estimated Financed Emissions Dashboard (by sector)


Year	Sector	Absolute Emissions (ktCO ₂ e)			Outstanding Balance (RM'Billion)	Emissions Intensity (tCO ₂ e/RM'Billion)		PCAF data quality score
		Scope 1&2	Scope 3	Total		Scope 1&2	Scope 3	
2022	Cement	210.7	40.8	252.0	0.2	914.0	176.9	5.0
	Construction	10.7	203.4	214.1	3.7	2.9	55.6	5.0
	Palm Oil	495.7	318.7	815.0	2.4	205.3	132.0	5.0
2023	Cement	284.2	55.0	339.2	0.3	914.0	176.9	5.0
	Construction	11.0	209.3	220.3	3.8	2.9	55.6	5.0
	Palm Oil	818.9	487.1	1,306.0	3.1	267.1	158.9	5.0
2024	Cement	237.0	45.9	282.9	0.3	798.5	154.5	4.3
	Construction	10.4	200.0	210.4	3.4	3.1	58.9	4.9
	Palm Oil	899.6	529.9	1,429.5	3.3	270.9	159.6	4.9

Notes:

- Estimated financed emissions disclosed for positions as at 31 December 2022, 31 December 2023 and 31 December 2024.
- Outstanding loans and/ or financing used to estimate the financed emissions cover 88% of the Group loans and/ or financing in 2024.
- Emissions and outstanding balance are derived from loans and/ or financing in Malaysia and Hong Kong.
- The following figures are restated to enhance data coverage:
 - Motor Vehicle for 2022 and 2023 to cover all vehicle types financed in Malaysia;
 - Business Loan for 2022 and 2023 to cover Scope 1, Scope 2 and Scope 3 emissions for all financed sectors; and
 - Motor Vehicle, Mortgage, Commercial Real Estate, Business Loan, and Project Finance for 2022 and 2023 to include financed emissions from Hong Kong.
- Project finance consists of construction projects.
- Sector emissions only include Business Loans financed in Malaysia.
- PCAF data score of 1 to 5 represents data quality from good (more actual data representation e.g. actual emissions or energy consumption) to worse (estimation using average data e.g. sector average).
- Emissions from change in organisational boundary will require at least one full financial year to be reflected.


To improve quality of data, the Public Bank Group has captured customer data sourced from public disclosures for selected sectors.

Recognising the current limitations in calculating financed emissions due to incomplete or unavailable data, the Public Bank Group endeavours to enhance data quality and completeness. As more accurate and comprehensive data becomes available, the Group expects to refine and adjust its emissions values accordingly.

 For more information on the Public Bank Group's data on carbon emissions, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.

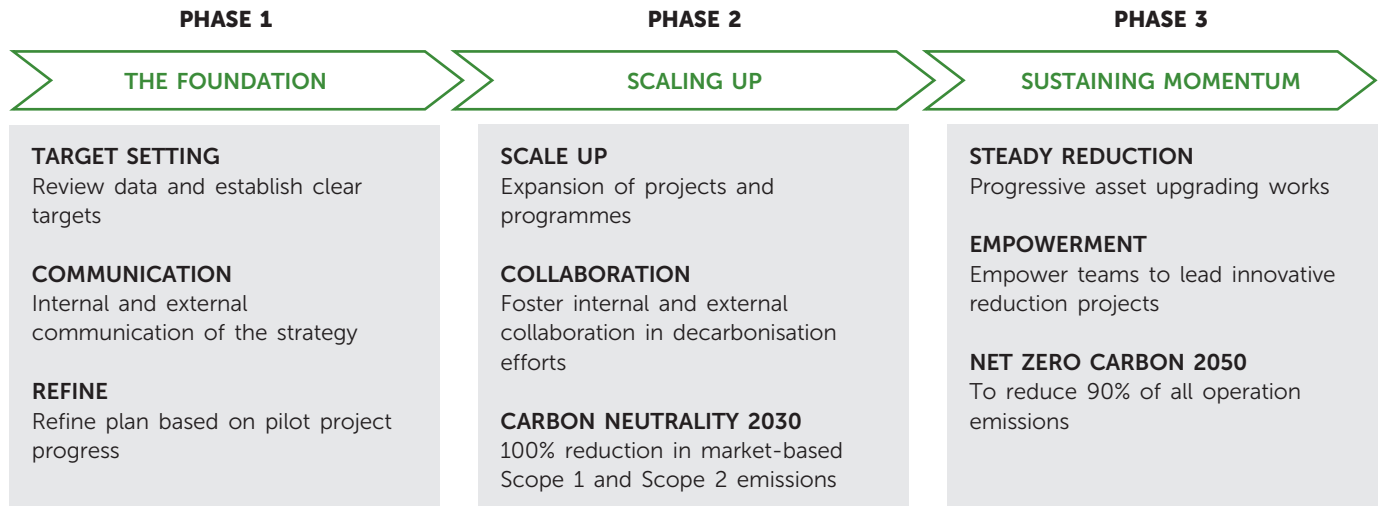
Accelerating Sustainable Finance

As one of the largest retail banks in the region, the Public Bank Group is well-placed to support the transition to a low carbon economy. Driven by the target of achieving RM100 billion of sustainable financing by 2030, the Group offers various ESG and sustainability-related products to customers of different backgrounds and sizes. In this regard, innovation and tailoring loan and financing products are vital.

 For more information on the Group's sustainable financing products, progress and achievements, please refer to **Sustainable Finance** on page 187.

Managing Operational Emissions | Scope 1 and Scope 2

The Public Bank Group's approach to decarbonising its operational emissions is structured into three phases, which ensures steady and consistent progress. Each phase builds upon the previous one to progressively achieve emissions reduction while empowering long-term change.

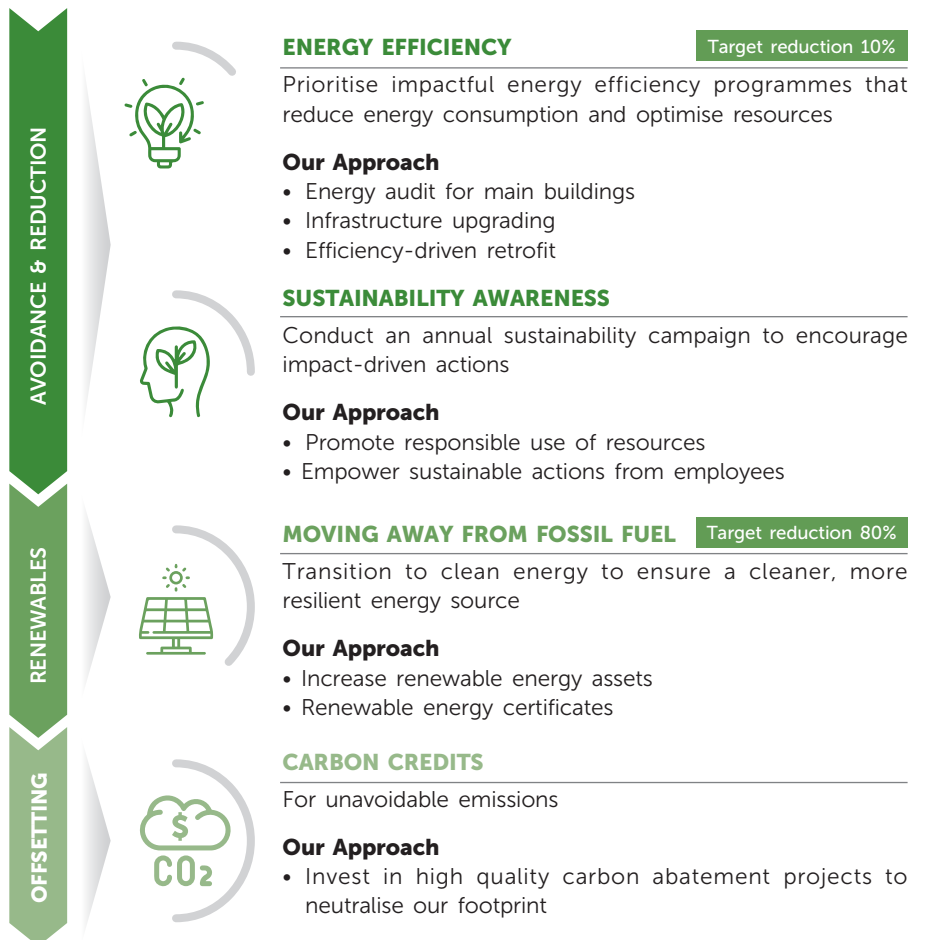


Strategic Enablers to Carbon Neutral 2030

The Public Bank Group's decarbonisation approach for operational emissions follows the principles of the energy hierarchy, prioritising energy demand reduction to minimise environmental impact. The Group will enhance energy efficiency and reduce wastage to promote sustainable energy use across all business operations.

Alongside this, the Public Bank Group will deploy renewable energy, specifically solar energy, while phasing out reliance on fossil fuels and advance the transition to cleaner energy. The Group will address unavoidable emissions by leveraging high-quality carbon offset mechanisms.

The Public Bank Group aims to achieve reduction of at least 90% of Scope 1 and Scope 2 emissions by 2030. Apart from maintaining the state of carbon neutrality, the Group will continue to advance towards the Net Zero Carbon by 2050 goal by developing replicable and scalable actions to achieve emissions reductions and reduce dependency on market-based emissions reduction strategies.



Theme 1: Protecting the Environment

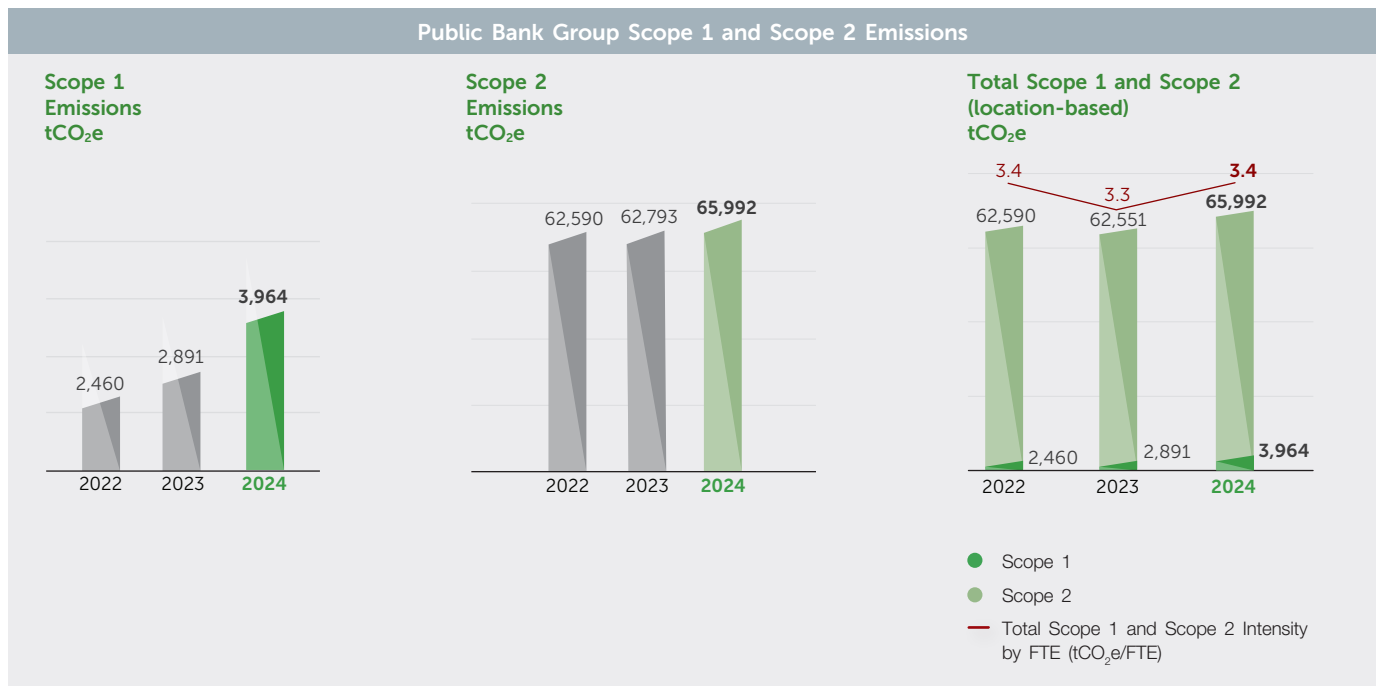
Public Bank Group Scope 1 and Scope 2 Emissions 2024

The Public Bank Group has, in 2024, implemented a series of targeted initiatives aligned with its strategic enablers.

Following an energy audit conducted in 2023, the Public Bank Group has replicated the initiative across other main buildings in Malaysia to identify areas of priority for energy efficiency improvements. The Group has also set in motion the installation of solar panels across 135 branches in Malaysia. This initiative will take place over the next three years, building up the renewable energy generation capacity towards 2030.

In 2024, for the first time, all the main buildings in Malaysia achieved zero Scope 2 emissions (market-based). This was accomplished by matching the main building grid-electricity usage with the redemption of local Renewable Energy Certificates ("RECs"). The purchase directly contributes to the development of additional renewable energy capacity in the country. Building on this progress, the Public Bank Group has set a target to reduce fossil-based energy use in its main office buildings in Malaysia by 3% in 2025.

This significant progress reflects the Public Bank Group's dedication to driving impactful change for a sustainable future.



Note: Scope 2 emissions were restated due to the changes in grid emission factors.

Managing Operational Emissions | Scope 3 Value Chain

The Public Bank Group continues to disclose its Scope 3 emissions – Categories 6 (Business Travel) and 7 (Employee Commuting). In line with its Net Zero Carbon 2050 target, an assessment was conducted to identify relevant and material categories to facilitate the development of the Decarbonisation Plan for its value chain. Through the assessment, two additional categories have been identified as relevant and reportable – Category 1 (Purchase of goods and services) and Category 13 (Downstream leased assets).


Scope 3 Category	2022	2023	2024
C1: Purchased Goods and Services	69	1,098	1,615
C6: Business Travel	1,407	1,693	1,939
C7: Employee Commuting	24,829	21,467	25,872
C13: Downstream Leased Assets	NA	NA	585
Total	26,305	24,257	30,011

Notes:

1. Scope 3 Category 13 emissions only cover Malaysia.
2. Emission factors used for Categories 1 and 7 are from the Department for Environment Food and Rural Affairs ("Defra") and corresponding available data from manufacturers. Emission factors for Category 6 are from Defra and International Air Transport Association ("IATA").
3. Employee commuting is extrapolated from the Group-wide survey, of which 70% of the Group's employees responded.
4. NA: Not Available.

The Public Bank Group's suppliers are key enablers in decarbonising the value chain. Achieving Net Zero Carbon 2050 across the Group's value chain relies on the suppliers' ability to decarbonise. To support this, the Group has begun engaging its suppliers by requiring them to acknowledge the Group's Vendor Code of Conduct. This is a key step in fostering stronger collaboration, enabling a deeper understanding of their capabilities and sustainability progress over the medium-term to long-term.


In the coming year, the Public Bank Group will evaluate and assess its supply chain to better understand its broader impact, identify areas for improvement, and manage potential risks. Additionally, the Group is also working towards enhancing data capture, which is critical for quantifying carbon emissions and identifying areas for improvement across both upstream and downstream emissions. Another key measure to decarbonising is reviewing and managing how the Group procures and uses resources responsibly. To this end, internal targets and KPIs have been set to drive reductions in paper and water usage.

 For more information on the Public Bank Group's supply chain practices and initiatives, please refer to **Sustainable Supply Chain** on page 193.

Moving Forward

The Net Zero Carbon 2050 target is an ambitious target for the Public Bank Group. The Group will closely govern and monitor delivery, progress, and consistent implementation to achieve the target. This entails annual monitoring and assessment of progress against targets and key metrics identified.

To ensure reliability, the Public Bank Group had, in 2023, obtained its first external assurance on Scope 1 and Scope 2 emissions. This year, the Group continued to obtain assurance on Scope 1 and Scope 2 emissions for 2024. Please refer to **Limited Assurance Report** for 2024 on page 269.

 For more information on the Public Bank Group's data on carbon emissions, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.

Theme 1: Protecting the Environment



Resource Management

The Group's Approach

The Public Bank Group actively works to minimise its environmental impact and promote the efficient use of resources. To achieve these objectives, the Group manages, measures and reports the environmental impact from its business operations. The Group has also implemented various initiatives to reduce its operational carbon footprint, including increasing the use of renewable energy where feasible, operating energy and water efficient properties, and improving waste management practices.

Looking ahead, the Public Bank Group aims to explore new opportunities to enhance resource management while fostering greater environmental awareness amongst its employees and stakeholders.



Energy Management

Since embarking on its sustainability journey, the Public Bank Group has invested in several energy-saving measures, including the installation of solar panel systems. The Group remains focused on improving energy efficiency across its operations and increasing the adoption of renewable energy sources where possible.

To support these efforts, the Public Bank Group has conducted feasibility studies and implemented various operational initiatives in 2024 to drive energy efficiency and expand the use of renewable energy.

Why it Matters

Sustainable resource management is vital for protecting the environment while achieving cost efficiency. By implementing effective resource management initiatives, the Public Bank Group can drive long-term value for its stakeholders and safeguard ecosystems for future generations.

Risks

Failure to comply with environmental legislation may result in fines and penalties, reputational damage, and adversely impact the surrounding environment.

How the Group Responds

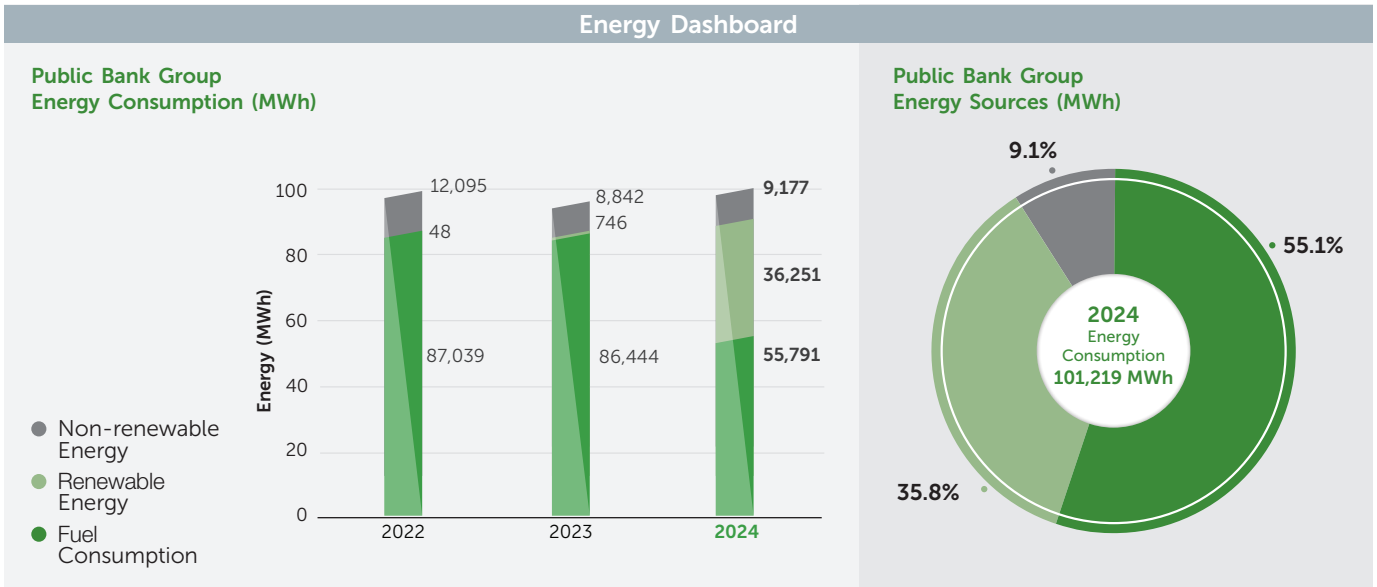
- Ensuring proper and mindful use of resources to minimise environmental impact.
- With a focus on the efficient use of resources, the Group aims to optimise the 3R Principle – Reduce, Reuse and Recycle—in its business operations.

Key Highlights

- Redemption of **36,000 MWh** in renewable energy certificates
- **251 MWh** renewable energy consumption
- **135 branches** owned by the Group in Malaysia will be equipped **with solar panels** in the next three years

Targets/Sub-targets

- Achieve a **30% reduction in energy consumption** from baseline by 2030
- Achieve a **30% reduction in water consumption** from baseline by 2030
- Achieve a minimum of **25% of Gross Floor Area ("GFA") operating under green building criteria** by 2030



Past key initiatives include a chiller optimisation study, replacement of T5 fluorescent bulbs with energy-efficient light-emitting diodes (“LED”), installation of motion sensors, and replacement of air conditioners. To further improve energy efficiency across its operations, the Public Bank Group has, in 2024, installed LED signages for its bank branches in Malaysia and Public Bank Hong Kong. The Group has also replaced end-of-life non-inverter air conditioners with inverter types at its domestic bank branches, which efficiently regulate energy used for cooling.

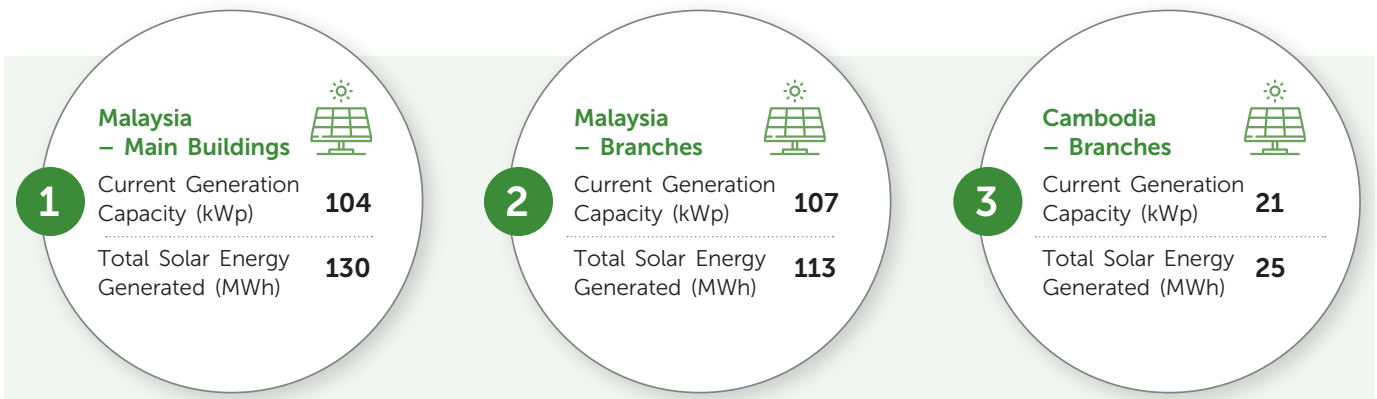
Moving forward, the Public Bank Group will continue identifying opportunities to further improve energy efficiency by reducing energy demand and optimising resource use.

Use of Renewable Energy

The Public Bank Group’s support of renewable energy adoption spans several key initiatives. This includes Menara Public Bank 2, which is certified Gold under the Leadership in Energy and Environmental Design (“LEED”) Green Building Rating System Certification by the United States Green Building Council. Additionally, the Group had, in 2024, purchased a total of 36,000 megawatt-hours (“MWh”) of renewable energy certificates. This resulted in a reduction of 100% fossil-fuel generated electricity in Malaysia’s main buildings and contributed to a total reduction in carbon emissions from these buildings.

To maximise its renewable energy production, the Public Bank Group continues its expansion of solar panel installations at its domestic and overseas premises. In 2024, the Group had a total generation capacity of 232 kilowatt peak (“kWp”), which resulted in 268 MWh of solar energy generated over the year.

Solar Energy Generation in 2024



Theme 1: Protecting the Environment

In Focus: Scaling Renewable Energy

Clean Energy

In 2023, two pilot renewable energy projects in Malaysia were completed as proof of concept for its branch operations. Since then, over **347 MWh** of clean energy was consumed and **264 tCO₂e** avoided. In 2024, the Public Bank Group installed solar panels on the rooftop of Menara Public Bank, equivalent to a total area of **250 square meters ("m²")**. With growing energy demands across the business operations, these pilot installations solidified the Group's commitment to scale its renewable energy generation capacity.

Making a Difference

Building on the success of the projects, a Memorandum of Understanding was signed to implement the large-scale expansion of solar panel installations at 135 branches in Malaysia, with a total planned capacity of **7,110 kWp**. The project is estimated to take three years to complete, and will further accelerate the Public Bank Group's efforts to achieve carbon neutrality by 2030, with a broader target of Net Zero Carbon by 2050.



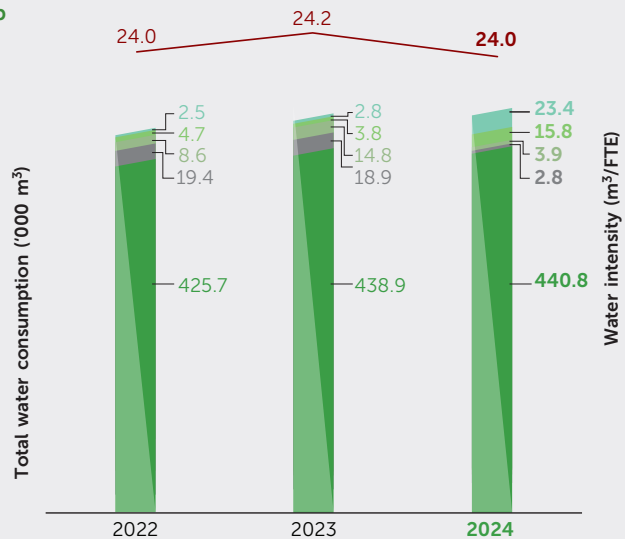
Water

Recognising the importance of water as a key natural resource to the community, the Public Bank Group strives to reduce its water consumption. To enhance monitoring of its water footprint, the Group closely tracks water consumption in all domestic and overseas offices and branches sourced from the local municipal water supply. The Group has also implemented water optimisation measures, including the installation of water-efficient fittings to reduce water consumption.

In 2024, the Public Bank Group's water consumption was at 486,700 cubic meters ("m³"), representing a decrease of 0.8% in overall water intensity per full-time employee over the same period.

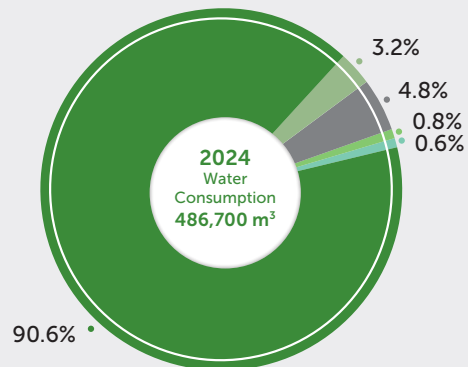
Water Consumption Dashboard

Public Bank Group
Total Water
Consumption and
Water Intensity
(m³/FTE)



Public Bank Group
Water Consumption
(m³)

- Malaysia
- Vietnam
- Cambodia
- Hong Kong
- Laos
- Intensity

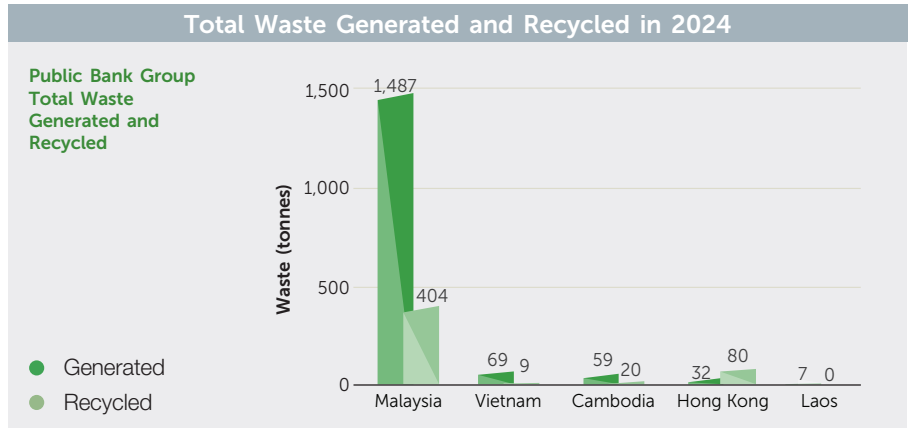


Waste Management and Paper Consumption

The Public Bank Group endeavours to manage its waste responsibly and reduce the amount sent to landfills. Emphasising sustainable practices based on the 3Rs—Reduce, Reuse, and Recycle, the Group ensures that its waste management practices comply with national environmental guidelines.

The Public Bank Group appoints vendors licensed by the Department of Environment to manage solid waste and electronic waste. Strict disposal policies are in place for sensitive documents to ensure proper disposal and recycling.

In 2024, the Public Bank Group generated an estimated 1,654 tonnes of waste and recycled about 513 tonnes of waste,



including items such as paper, plastics and cardboard. As part of the Group's initiative to reduce its carbon footprint, the Group has started issuing cards made from sustainable materials. The Group aims to ensure that over 80% of its credit cards are eco-friendly by 2029.

In Focus: Recycling

Public Bank Fabric Recycling Campaign

In line with its commitment to a sustainable future, Public Bank launched a large-scale fabric recycling initiative in Malaysia. The initiative aimed to reduce the growing amount of unwanted fabrics in landfills.

Making a Difference

The fabrics include unwanted garments, clothing accessories and household textiles. The unwanted fabrics were sorted based on usability and then distributed to charitable organisations such as underprivileged homes, B40 communities, disaster relief victims and Orang Asli communities. Those in poor condition were recycled.

Public Bank collected **2.9 tonnes** of fabrics throughout the three-month campaign.



Wastewi\$e Certificate

The Wastewi\$e Certificate of the Hong Kong Green Organisation Certification ("HKGOC") acknowledges companies and organisations that demonstrate dedication and actions towards environmental protection by reducing waste and promoting recycling. In 2024, HKGOC awarded the Wastewi\$e Certificate in Good Level to Public Bank Hong Kong to recognise its contribution to environmental protection.

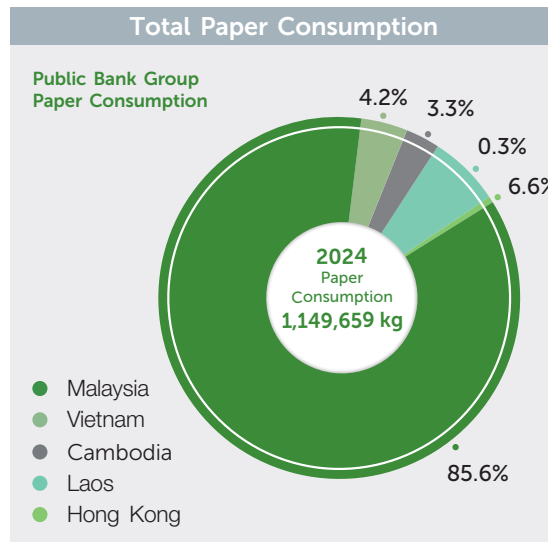


Theme 1: Protecting the Environment

Paper Consumption

The Public Bank Group aims to reduce paper consumption by promoting digitalisation in all its business operations. The Group continues to monitor its paper consumption by tracking paper purchases. Additionally, the Group manages paper waste by recycling destroyed documents at proper disposal facilities.

In 2024, the Public Bank Group’s total consumption amounted to 1,149,659 kg of paper¹. Measures to reduce paper consumption include automating internal processes, issuing electronic statements and digital promotion flyers, and introducing online applications for banking products. A paper consumption reduction target was also set to accelerate the shift in consumption behaviour. While the Group acknowledges that reduction measures require time to implement, the Group has ensured that the paper purchased is certified by the Programme for the Endorsement of Forest Certification (“PEFC”).



In Focus: Recycling

Public Bank’s Collaboration with HP Go Green Programme

Understanding the importance of a circular economy, Public Bank collaborated with Hewlett-Packard (“HP”) in the HP Go Green Programme. This initiative involves recycling empty printer toner cartridges and supports tree planting efforts. Plastic from the empty toner cartridges are recycled to make new cartridges. Meanwhile, for every 30 empty toner cartridges collected, HP coordinates with Animal Projects & Environmental Education Sdn Bhd (“APE Malaysia”) to plant a tree on behalf of the Bank.

Since 1 August 2024, a total of **1,130** empty toner cartridges have been collected from Public Bank’s head office and branches. This amounted to **37 trees** being planted to restore the forest corridor along the Lower Kinabatangan in Sabah, Malaysia.



For more information on the Group’s environmental footprint, please refer to **Sustainability Performance Data 2024** on Public Bank’s corporate website.

¹ Paper consumption includes A3 and A4 paper.



Sustainable Finance

The Group's Approach

The Public Bank Group remains steadfast in its commitment to helping its customers transition and capitalise on low carbon opportunities. The Group's approach is guided by its sustainable financing framework and guidelines, and further supported by its targets to mobilise RM100 billion in sustainable financing by 2030 from 2020.

The Public Bank Group continues to develop and deliver sustainable financing solutions by integrating sustainability perspectives into its credit process to meet customers' different needs while managing their environmental and social impact.



Sustainable finance is defined based on the following three parameters:

1

Use of Proceeds, whereby the Bank ensures financing proceeds are directly channelled to or used for the environmental and social economic activities under the eligible categories;

2

Business profile, whereby if financing is catered for general corporate purposes, and the use of proceeds is not specified, sustainable financing will be assessed based on the customer's business profile; and

3

Sustainability-linked products, whereby financing instruments (financing) for which the pricing, margin of advance and incentives offered to customers are linked to the customer's pre-determined sustainability performance targets.

With this in mind, the Public Bank Group remains focused on supporting businesses that create lasting positive impact and value for society and the environment.

Why it Matters

The Public Bank Group recognises its responsibility in the low carbon transition, by directing capital towards environmentally and socially sustainable economic development. The Group supports its customers in the transition to net zero through the offerings of sustainable financing solution and customer engagement.

Risks

Failure to integrate sustainability considerations into loan decision-making could result in financial loss from higher default rates and devaluation of collateral values.

How the Group Responds

- Set target to mobilise RM100 billion of sustainable finance by 2030.
- Developed the Sustainable Finance Framework and Sustainable Products and Services Guideline.
- Implemented policies, tools and risk management processes to manage ESG risks such as ESG RAC Policy and Sectoral and General RAC checklists.

Key Highlights

- Mobilised **RM67.88 billion** of sustainable finance since 2020
- Launched **PB Sustain**, a one-stop sustainable financing hub
- Developed **sectoral targets for palm oil, cement and construction**

Targets/Sub-targets

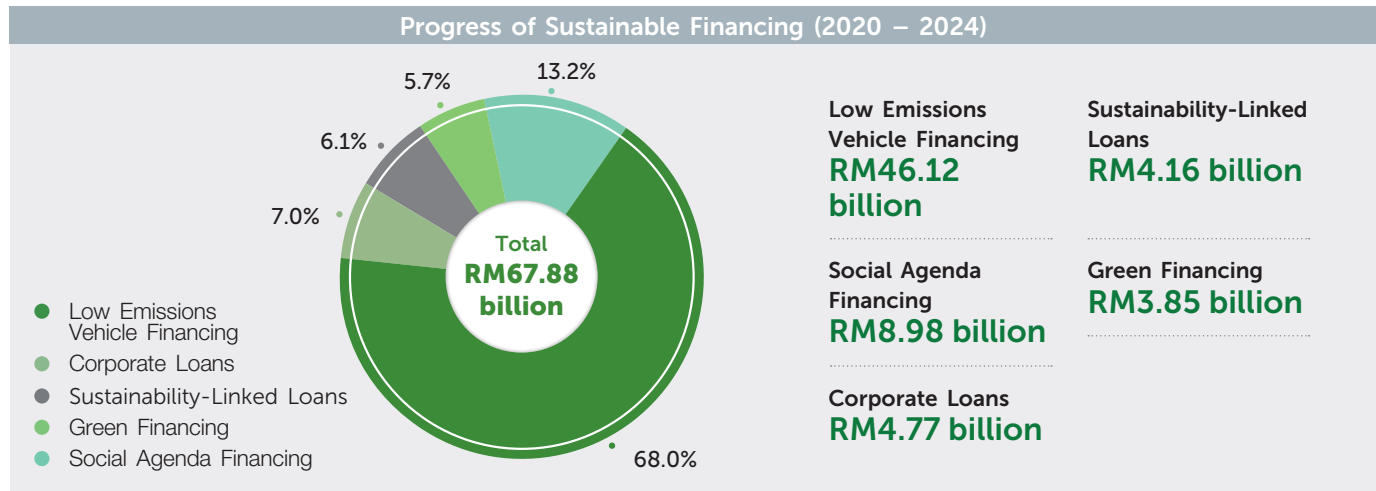
- Mobilise **RM100 billion of sustainable finance** by 2030
- Set **portfolio emissions reduction targets** aligned with Paris Agreement and 1.5°C global warming trajectory

Theme 1: Protecting the Environment

Making Progress towards Sustainable Finance Target

The Public Bank Group continues to progress toward mobilising RM100 billion of sustainable finance by 2030. This target is one of the key components of the Group’s broader sustainability commitments.

Since 2020, the Public Bank Group has mobilised RM67.88 billion of sustainable finance, achieving over 67% of the Group’s target to mobilise RM100 billion by 2030. Sustainable financing has been channelled mainly towards the financing of low emissions vehicles and the social agenda, which includes affordable homes, and green financing. As the focus on impact financing increases, the Group’s portfolio of sustainability-linked loans steadily grows, totalling RM4.16 billion as at the end of 2024.



*The sustainable finance achievement has been internally audited. For more information on the Group’s sustainable finance, please refer to **Sustainability Performance Data 2024** on Public Bank’s corporate website.*

To facilitate the mobilisation of sustainable finance, the Public Bank Group is guided by the following:

Sustainable Finance Framework

Introduced in 2023, the Public Bank Group Sustainable Finance Framework (“SFF”) provides the overarching approach towards sustainable financing opportunities and safeguards. The SFF provides the governance process for sustainable finance classification to prevent greenwashing and social washing.

High ESG Risk Sectors Position Statement

The High ESG Risk Sectors (“HERS”) Position Statement entails ESG expectations for sectors, which are considered as having inherently elevated potential for negative environmental and social impact, to benchmark against good industry practices.

*Read more on **Public Bank Sustainable Finance Framework** and **Public Bank High ESG Risk Sectors (“HERS”) Position Statement** at <https://www.publicbankgroup.com/sustainability/sustainability-report/>.*

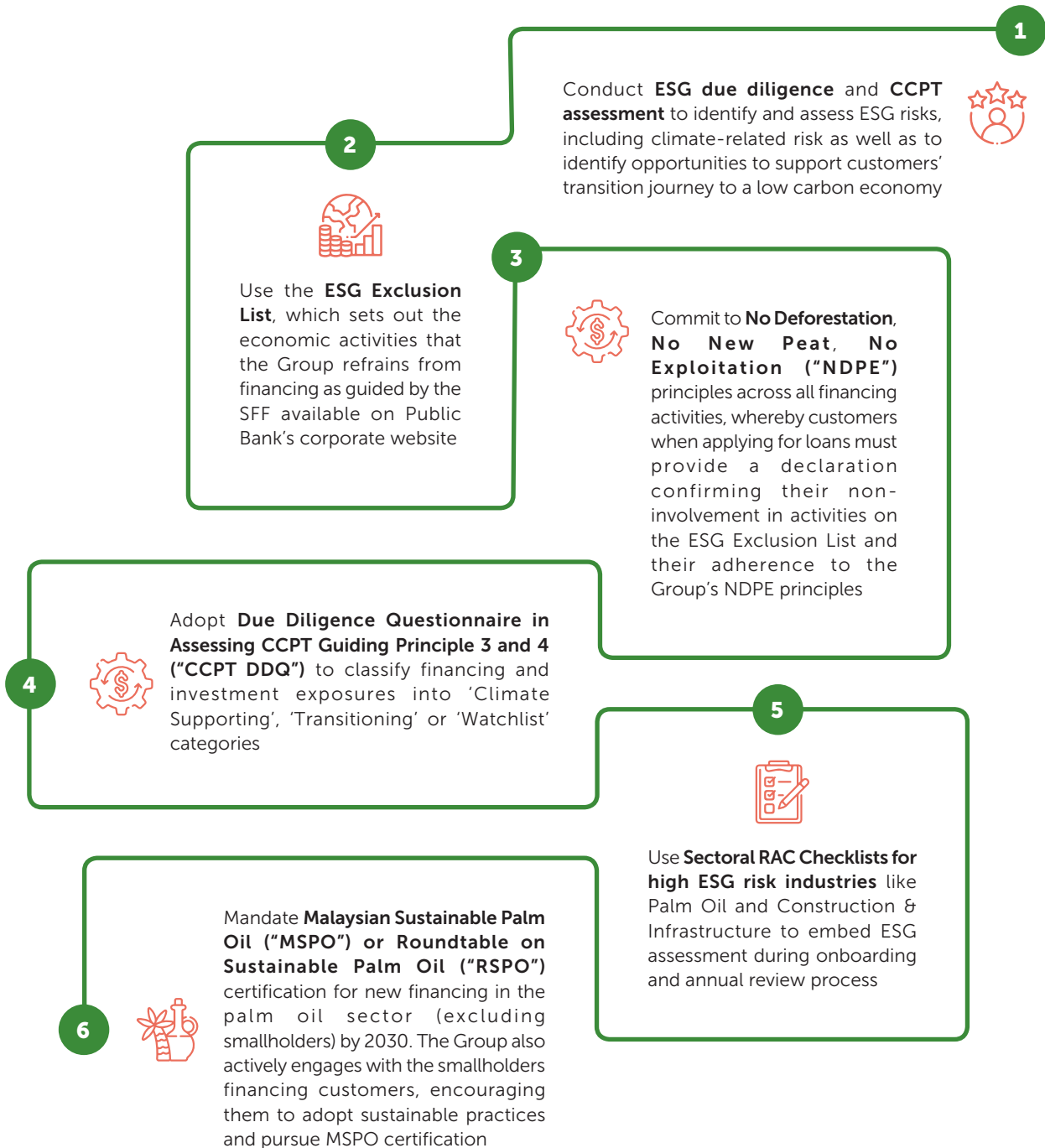
Sustainable Products and Services Guideline

The Public Bank Group Sustainable Products and Services Guideline (“SPSG”) sets out the eligible economic activities for the Group’s sustainable financing, whereby the economic activities must fulfil criteria listed in the environmental and social economic activities to be deemed as sustainable financing.

The SPSG was developed with reference to the principles and standards, such as International Capital Markets Association (“ICMA”) Green, Social, and Sustainability-Linked Bond Principles; Loan Market Association (“LMA”), Loan Syndications & Trading Association (“LSTA”) and the Asia Pacific Loan Market Association (“APLMA”) Green, Social, & Sustainability-Linked Loan Principles; and Climate Bonds Initiative (“CBI”) Climate Bonds Standard.

Managing ESG and Climate-Related Risks through the Credit Process

The Public Bank Group aims to screen financing from material risk of environmental or social impact. The Group has developed the following processes and procedures to manage ESG and climate-related risks arising from its financing activities:



Theme 1: Protecting the Environment

Sustainable Financing Solutions

By developing and providing sustainability-related products, the Public Bank Group offers its customers a wide range of choices to meet their diverse needs and to support their transition to a low carbon economy.

Dedicated Green Financing Facilities

Cover environmentally friendly economic activities, including financing for green-certified properties, solar panel purchases, energy-efficient equipment, sustainable agro-technology, and capital raising for Research & Development in energy-saving technologies

Mobilised over **RM940 million** of green financing in 2024

Sustainable Financing Package

Collaborate with reputable developers to offer financing to purchase residential, industrial and commercial properties which are green-certified or under the Low Carbon Cities Framework

Mobilised over **RM860 million** of financing under the package in 2024

Low Carbon Transition Facility

BNM financing scheme to support SMEs' low carbon transition via funding a wide range of green-related capital expenditure as well as sustainability capacity building and the engagement of sustainability consultants

Mobilised over **RM24 million** of financing under the facility in 2024

Social Agenda Financing

Financing of social activities that promote strong social values and positive social impact, such as purchase of affordable homes, and development of public infrastructure projects (e.g. roads, public transport)

Mobilised over **RM1 billion** of social agenda financing in 2024

Financing for Low Emissions Vehicles

Automotive financing options for low emissions vehicles and electric vehicles ("EVs"). Efforts to strengthen the Group's market position in low emissions vehicles and EV segment, including collaboration with cars dealers and distributors, exclusive tie-ups, interest subsidy programme and promotional campaigns.

Mobilised over **RM7 billion** of financing for low emissions vehicles in 2024

Public Islamic Bank's Solar Financing Initiatives

As part of its ongoing support to the Government's initiative to encourage Malaysia's Renewable Energy uptake, Public Islamic Bank, had in 2020, introduced the Solar Plus BAE Personal Financing-i, designed specifically for residential owners, followed by the launch of Solar BAE Term Financing-i in 2021 for commercial property. Additionally, the Bank offers a 0% profit facility via a credit card easy payment plan for employees and customers who wish to install solar panel systems with the Bank's solar energy partners.

Since the launch of the offering, Public Islamic Bank has assisted more than 900 homeowners in owning solar energy systems and reducing their monthly electricity bills. This figure contributed towards almost 1.0 tCO₂e savings per year.

To further accelerate solar energy adoption, Public Islamic Bank participates in offering the Low Carbon Transition Facility, which was established by BNM to support SMEs in adopting sustainable and low carbon practices through funding capital expenditure or working capital.

In 2024, Public Islamic Bank approved more than RM23 million worth of solar financing transactions (inclusive of credit card transactions), which marked a 13% growth compared to RM20.3 million in 2023. As part of the Bank's Value-Based Intermediation agenda and commitment to sustainability, the Bank will continue to positively contribute to the global climate change agenda by financing renewable energy projects for a cleaner and greener future.

Accelerating Sustainable Financing

To further educate customers on the impact of climate change and the benefits of adopting eco-friendly business practices, the Public Bank Group leverages its extensive branch network to engage with its customers, particularly SMEs, and distribute digital climate change message flyers embedded in the Letter of Offer issued upon financing approval.

Additionally, the Public Bank Group continues to enhance employee capacity building, especially those working in the branches, ensuring its employees are well-equipped to guide customers on sustainability transitions.

In Focus: SME Engagement

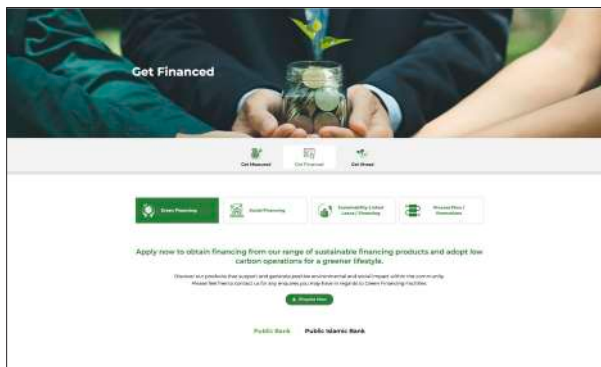
Supporting SMEs to Kick-start their Sustainability Journey

During the year, the Public Bank Group organised a one-day Green Real Estate seminar for SME property developers in the southern and east coast regions of the Peninsular Malaysia.

The seminars were organised as part of the "Embracing Sustainable Development: The Way Forward for SME Developers" series, which aimed to raise SME developers' awareness of sustainable development. More than **190 delegates** from Johor, Melaka, Negeri Sembilan, Pahang and Kelantan attended the events.



Sustainable Financing Hub



To improve customer engagement, the Public Bank Group launched PB Sustain, a one-stop digital platform for customers to kick-start their sustainability journey. PB Sustain serves as an informative platform with sustainability impact calculators, sustainable finance offerings, and an avenue for customers to source for capacity-building programmes and explore sustainability tools. The platform has been designed to be user-centric and intuitive to ensure a seamless experience.

 For more information, visit <https://pbsustain.com>



Get Measured

Features quick access tools to assist customers in measuring their carbon footprint from current operations or potential impact from intended loan or financing



Get Financed

Showcases sustainable financing products tagged by customer groups for ease of navigation, guidance for the loan application process and a range of sustainability-related promotions



Get Ahead

Features sustainability events, news updates, learning content and tools curated to boost engagement and knowledge on the sustainability landscape

Theme 1: Protecting the Environment

Supporting Sustainable Development across the Region

In line with the Public Bank Group's sustainability commitments, the Group's overseas operations continue to make progress in mobilising sustainable financing. Campu Bank offers financing for affordable homes and electric vehicles ("EVs"), and to private water and electricity producers for the expansion of the power grid and water supply. Meanwhile, Public Bank Vietnam remains supportive of the environmental agenda with its offering of financing for the purchase of EVs and solar panel installations.

The Public Bank Group's subsidiary in Hong Kong, Public Bank (Hong Kong) Limited, continues to enrich its Green Financing Programmes, which comprises a Green Mortgage Plan, a Green Business Financing Plan, and an Electric Vehicle Promotion Programme.

ESG considerations are embedded into the credit assessment process during customer onboarding. For instance, overseas banking operations in Hong Kong, Cambodia and Vietnam have adopted the Public Bank Group's ESG-friendly business and economic sectors and the ESG Exclusion List, which align with the Group's sustainable financing practices.

Sustainable Investment Advisory

The Public Bank Group's investment banking subsidiary, Public Investment Bank, remains guided by the Securities Commission's Sustainable and Responsible Investment ("SRI") Sukuk Framework in considering ESG aspects in its financial decisions to drive sustainable returns. Accordingly, Public Investment Bank provides advisory services for issuers of sustainable financing via the issuance of SRI Sukuk and Bonds under the ASEAN Green, Social and Sustainability Bond Standards.

Sustainable and Responsible Investing

Sustainability is embedded in Public Mutual's values as the premier private unit trust and Private Retirement Scheme ("PRS") provider in Malaysia. It aims to deliver long-term value to all its stakeholders by focusing on ESG aspects in the business direction while protecting stakeholders' interests.

Public Mutual's responsible investing approach encompasses two key strategies:

- 1 Incorporating ESG considerations in the investment process of its unit trust and PRS funds
- 2 Offering more SRI products to cater to investors' preference for sustainability-focused funds

Public Mutual has the SRI Framework in place, which outlines its approach to incorporating ESG considerations in the investment process. This includes monitoring, engaging, and proxy voting for its investee companies regarding material ESG matters.

Public Mutual's SRI funds incorporate ESG considerations and invest in qualified ESG securities based on whether the companies are constituents of relevant ESG indices or meet minimum ESG grades based on ratings provided by ESG data providers or an internal evaluation. The ESG factors considered are referenced from Bursa Malaysia's Sustainability Reporting Guide, Securities Commission Malaysia's Malaysian Code on Corporate Governance, and from ESG index and data providers.

In line with its commitment towards responsible investing, Public Mutual became a signatory of the Malaysian Code for Institutional Investors ("MCII") in 2021. Public Mutual incorporates the fundamental stewardship principles under the MCII in managing its unit trust and PRS funds, and publishes the Statement of Compliance with the MCII on its corporate website highlighting the monitoring, engagement and voting policies of Public Mutual.

Highlights of 2024

- Launched the **Public Islamic Global Sustainable Growth Fund and Public Islamic Sustainable Growth Fund**, raising the total number of its SRI funds to seven. Its aggregate net asset value ("NAV") of SRI funds under management amounted to RM2.11 billion as at the end of 2024
- The largest Islamic fund manager in the private unit trust industry with **66 Shariah-based funds and aggregate NAV of over RM47 billion** as at the end of 2024
- Won **two awards under the Funds Category** – Best Impact (Climate Action) at The Edge Malaysia ESG Awards 2024
- Awarded **the Islamic Asset Manager of the Year** – Retail award for Malaysia by The Asset Triple A Islamic Finance Awards 2024 for 14 consecutive years



Sustainable Supply Chain

The Group's Approach

The Public Bank Group's supply chain encompasses diverse categories, ranging from equipment vendors to IT service providers who drive the Group's business forward. The Group acknowledges the contributions of its suppliers and vendors, and the Group remains dedicated to boost collaboration with them to meet the Group's sustainability goals.

To mitigate potential risks arising from its business when dealing with suppliers and vendors, the Public Bank Group is committed to conducting its business in a legal, ethical and socially responsible manner, including reducing and managing the Group's environmental impact. To this end, the Group's suppliers and vendors are expected to maintain high standards in key sustainability areas such as ethical business conduct, human rights, labour practices and environmental management.



Prioritising Local Supply Chains

The Public Bank Group continues to prioritise local supply chains for its procurement as socio-economic multiplier effects are then created for local businesses and the community in terms of economic growth, job creation and enhanced livelihoods.

Over 97%
procurement spent
on local suppliers

Encouraging Sustainable Practices amongst Suppliers

The Public Bank Group's sustainability expectations across its supply chain are exemplified through the Group's Vendor Code of Conduct ("Vendor CoC"), which sets out the best practices for sustainable procurement. The implementation of the Vendor CoC is focused on all vendors and/or suppliers who are directly engaged by the Group.

Key Topics in the Public Bank Group Vendor Code of Conduct

Environmental

- Resource Management
- Carbon Emissions Management
- Climate Resilience

Social

- Human Rights
- Health and Safety
- Forced and Child Labour
- Discrimination and Harassment
- Working Environment
- Freedom of Association
- Product Quality and Safety

Governance

- Anti-Bribery and Anti-Corruption
- Business Integrity and Ethics
- Confidentiality and Data Protection

Why it Matters

A sustainable supply chain management protects a company from potential supply chain disruptions or single point of failure from suppliers' mismanagement of sustainability matters. The Public Bank Group is committed to advocating sustainable practices amongst its suppliers and vendors to safeguard a responsible value chain that will ensure long-term value creation.

Risks

- Legal and reputational risk due to unethical practices of suppliers.

How the Group Responds

- Developed the Public Bank Group Vendor Code of Conduct to ensure alignment with sustainable practices.
- Engaged with key suppliers and vendors for acknowledgement of the Public Bank Group Code of Conduct.

Key Highlights

- **100%** of material suppliers and vendors engaged by the Group's banking entities in Malaysia have **acknowledged the Public Bank Group Vendor Code of Conduct in 2024**
- Over **500 vendor due diligence reviews conducted** in 2024

Targets/Sub-targets

- **100%** of suppliers and vendors to acknowledge the **Public Bank Group Vendor Code of Conduct by 2025**



Read more on **Public Bank Group Vendor Code of Conduct** at <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

Theme 1: Protecting the Environment

To mitigate the sustainability risks and impact associated with procurement activities, the Public Bank Group expects its suppliers and vendors to acknowledge and adhere to the requirements set out in the Vendor CoC. In 2024, a total of 457 suppliers and vendors were engaged by the Group's banking entities in Malaysia, of which 56 were identified as material suppliers and vendors. All identified material suppliers and vendors have formally acknowledged the Vendor CoC, marking a key milestone in embedding sustainability and ethical practices across the supply chain.

100%
material suppliers and vendors acknowledged the Vendor CoC in 2024

**Public Bank and Public Islamic Bank*

Key Priorities and Goals for Sustainable Supply Chain

The Public Bank Group has set a target of 100% of material suppliers and vendors acknowledging the Vendor COC by 2025. To achieve the target, efforts to onboard suppliers and vendors will be accelerated in the coming year, ensuring full alignment across the Group. This proactive approach strengthens the Group's ability to address Scope 3 emissions, effectively managing indirect supply chain emissions with broader sustainability objectives.

There is a need to focus on collaborating with suppliers and customers to enhance their understanding of emissions reporting and develop the capability to measure and report these collectively. By leveraging supplier data, indirect climate impact can be assessed and monitored more effectively, enabling informed steps toward achieving net zero carbon.

Initiatives are being developed and designed to work with suppliers and vendors to reduce carbon emissions. As part of these initiatives, data analysis will be conducted to evaluate suppliers' capabilities, understand their progress toward net zero carbon, and identify areas where support is needed.

Supporting Human Rights

The Public Bank Group is committed to promoting and respecting human rights through the consistent implementation of policies and practices that encompass its employees, customers, and third-party suppliers and vendors. In the coming years, review meetings will be conducted with key suppliers and vendors to address critical issues such as modern slavery and human rights. Efforts will focus on strengthening due diligence processes related to modern slavery. Enhanced training on modern slavery and human rights will be developed and provided for small suppliers and vendors in Malaysia. For more information on the Group's human rights commitment, please refer to **Human and Labour Rights** on page 204.

Other Initiatives towards a Sustainable Supply Chain


- Selection of suppliers and vendors through a stringent and fair process
- Conduct vendor due diligence
- Embed sustainability criteria into supplier screening process
- Conduct annual site visits
- Require suppliers and vendors to sign a Letter of Indemnity on confidentiality and data protection
- Openly communicate with suppliers and vendors to understand their perspectives
- Monitor the performance of suppliers and vendors to ensure prompt service delivery and business continuity
- Actively encourage suppliers and vendors to use electronic purchase orders
- Periodically review the Group's procurement procedures and practices

527
Vendor due diligence conducted

115
ESG screenings performed

**Public Bank and Public Islamic Bank*

To effectively respond to financial risks and disruptions to supply chains due to climate change, the Public Bank Group ensures that vendors of critical services are being identified, and their climate-related risks are being managed to prevent disruption to the provision of the Group's products and services. The Group also practises a multi-vendor system to avoid overreliance on a single link in the supply chain.

 For more information on the Group's data on suppliers, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.

Theme 2:

Proficient Employees

Material Matters

-  Diversity and Inclusion
-  Employee Engagement and Development
-  Human and Labour Rights

Related UN SDGs



“**PROFICIENT EMPLOYEES ARE AT THE HEART OF THE PUBLIC BANK GROUP'S OPERATIONS, DIRECTLY CONTRIBUTING TO CUSTOMER SUPPORT AND LOYALTY, AND REINFORCING THE FOUNDATION OF OUR CONTINUED SUCCESS.**”

Dato' Chang Kat Kiam
Deputy Chief Executive Officer

Theme 2: Proficient Employees



Diversity and Inclusion

The Group's Approach

Diversity, Equality, and Inclusion (“DEI”) are the cornerstones of the Public Bank Group’s culture and are embedded in its human resource management practices. This inclusive approach reflects a commitment to fostering a diverse, equitable, and inclusive workforce, which is imperative to driving the Group’s long-term success and resilience.



Advancing People-Related Policies

The Public Bank Group’s commitments are integrated into the following sustainable employment practices and processes:

- ▶ Equal employment opportunity, elimination of all forms of forced and compulsory labour as well as non-discrimination towards race, gender, religion, ethnicity, age, disability, nationality, culture, marital and parental status, physical impairment and religious beliefs;
- ▶ Fair and equal access to all developmental and career advancement opportunity;
- ▶ Prioritising the safety, health and well-being of employees;
- ▶ Fair and equitable remuneration, recognition and rewards;
- ▶ Transparent and fair performance appraisal system;
- ▶ Compliance with fair labour practices, uphold freedom of association, right to collective bargaining and minimum wage;
- ▶ Compliance with local law on working hours and overtime;
- ▶ Eradicate human trafficking or labour exploitation; and
- ▶ Embed supportive and inclusive culture through women empowerment in support of equal rights for women.

➔ Read more on the **DEI Policy** at <https://www.publicbankgroup.com/sustainability/diverse-and-inclusive-workforce/>.

Why it Matters

A culture of diversity and inclusion strengthens the Public Bank Group’s ability to adapt, innovate and promote sustainable growth.

Risks

A lack of diversity and inclusion decreases the Group’s ability to attract and retain top talent as the workforce of the future increasingly values diversity and inclusion in the workplace.

How the Group Responds

- Key diversity metrics are tracked for measurable progress, accountability, and to identify areas for improvement in fostering an inclusive workplace.
- The DEI Policy outlines the Group’s commitment to sustainable inclusion, equity and diversity practices, ensuring fair opportunities for all individuals.

Key Highlights

- **46.2% female representation** in Senior Management
- Over **2,400 new hires** during the year
- Healthy employee turnover rate at **8.7%**

Targets/Sub-targets

- **More than 45.0% female representation** at Senior Management level

The DEI policy is communicated to all stakeholders through publication in the internal employee portal and Public Bank’s corporate website to further strengthen awareness, promote its objectives, and establish a common understanding.

Diverse and Inclusive Workforce

The Public Bank Group’s talent management approach is underpinned by cultivating a diverse, future-ready workforce and fostering a culture of innovation, growth, and customer-centricity.

Adopting a gender equality principle and complementing the government’s measures to enhance human capital by leveraging women’s talent, the Public Bank Group promotes an environment for women’s representation in the management of the Group’s business and operations.


The Public Bank Group has a robust pipeline of female talent. In 2024, over 60% of its employees and more than 46% of its top management were women.

As an advocate of diversity, equality, and inclusiveness, the Public Bank Group employs 28 differently abled individuals within its banking operations. By integrating differently abled employees, the Group not only fosters a supportive and inclusive environment but also sets an example for others in the industry and demonstrates the value of diverse perspective and talent.

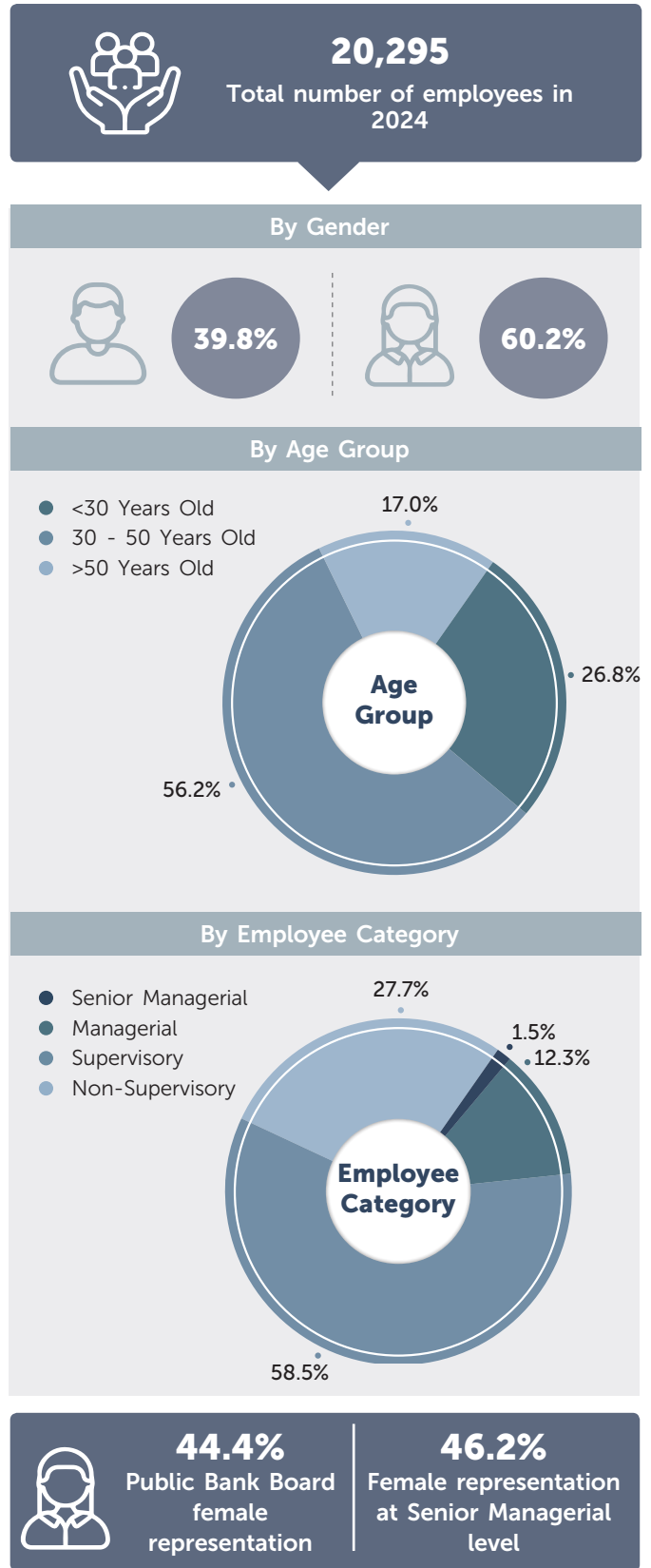
Promoting Equal Opportunities

The Public Bank Group applies consistent employment practices for all employees, regardless of gender and background. All employees are subject to fair and equitable employment terms and equal opportunities for career advancement based on individual performance and merit. In 2024, 1,109 female employees and 839 male employees were granted promotions. For the domestic operations of the Group, the gender pay gap for female employees was 0.1 points less than the male index (based on a male index of 1.0).



 For more information on the Public Bank Group’s data on employee diversity, please refer to **Sustainability Performance Data 2024** on Public Bank’s corporate website.

Employee Diversity Dashboard



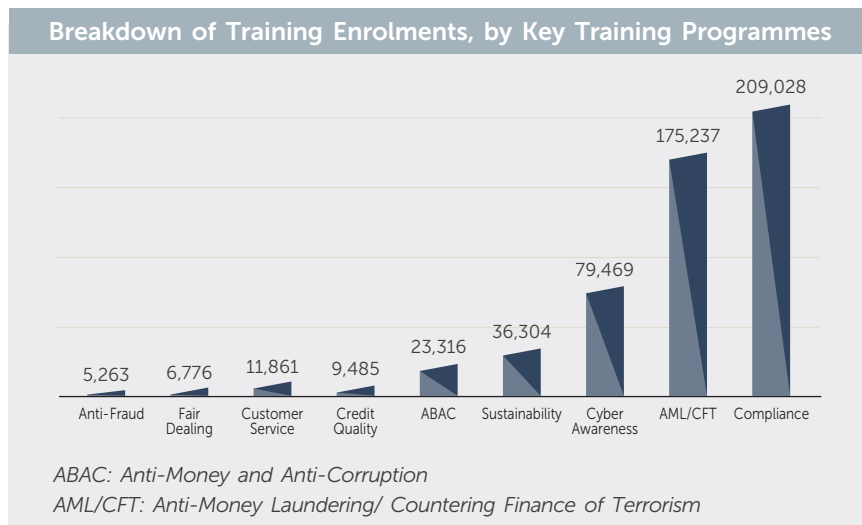
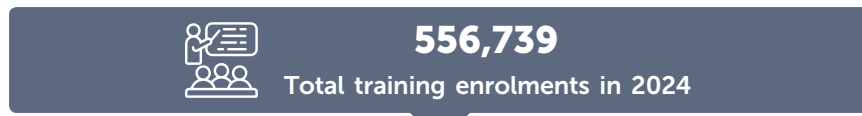
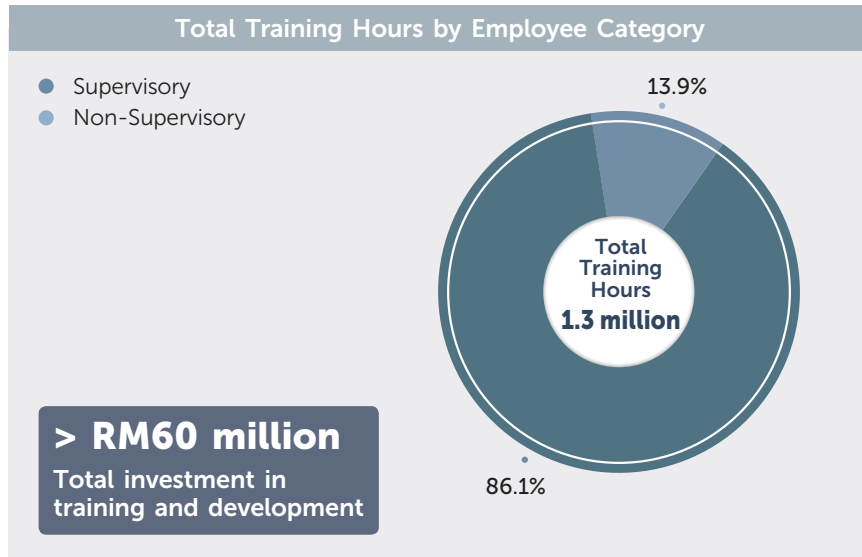
Theme 2: Proficient Employees

Employee Engagement and Development

The Group's Approach

Continuous learning, leadership development, and employee well-being create a workplace that enables employees to remain agile, future-ready, and thrive. This belief underscores the Public Bank Group's approach to ensuring its employees are engaged and empowered to perform better, reach their full potential, and contribute to the long-term success of the Group.

Employee Training Dashboard



Why it Matters

The Public Bank Group recognises that strategic employee engagement and development are the cornerstones to fostering a motivated and skilled workforce, driving both individual and organisational success.

Risks

- High talent turnover due to lack of engagement or development opportunities.
- Skill gaps impacting productivity and performance.

How the Group Responds

- Implement talent development strategies to enhance employee capabilities, build leadership pipelines and drive organisational innovation.
- Offer employees opportunities for skill enhancement and career growth.

Key Highlights

- Over **RM60 million** spent on training and development
- Achieved more than **1.3 million** total training hours across the Group
- Achieved an average of **3.2 hours** of sustainability-related training completed

Targets/Sub-targets

- Achieve a minimum of **two hours sustainability-related training per year** for all employees from 2024
- Establish a **Sustainability Centre of Excellence** to support internal and client transition by 2024

For more information on the Public Bank Group's data on employee training, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.



Building a Future-ready Workforce

In 2024, the Public Bank Group strengthened its commitment to ensuring employee growth and resilience by aligning its development strategy with the Future Skills Framework, launched by BNM in July 2024. This alignment ensures the Group's employees are equipped with the skills needed to excel in a dynamic financial landscape, driving both organisational success and industry relevance.

The Public Bank Group's strategy for developing proficient employees is holistic, blending continuous learning, practical experience, and alignment with business goals. The Group empowers employees through targeted training with technical expertise, regulatory and sustainability knowledge, digital fluency, and essential skills needed in a dynamic and highly regulated landscape. Beyond formal training, on-the-job mentorship connects employees with experienced leaders for guidance and knowledge-sharing. Additionally, the Group provides curated courses from renowned platforms such as Coursera, LinkedIn Learning, Harvard ManageMentor, and Udemy, ensuring its employees have the best tools to succeed in a rapidly evolving industry.

Driving Certification and Professionalism

Maintaining the highest standards of professionalism is essential to the Public Bank Group's success. Employees are encouraged to acquire knowledge and skills by pursuing professional certifications to strengthen their foundation and elevate their professionalism.

Professional Certifications Held by Employees

- ▶ Chartered Banker
- ▶ Certification in Bank Management
- ▶ Certification in Regulatory Compliance
- ▶ Certification in Credit
- ▶ Certification in Bank Auditors
- ▶ Certification in Anti-Money Laundering/Counter Financing of Terrorism

In 2024, the Public Bank Group held the record of having the most Asian Institute of Chartered Bankers ("AICB") graduates for the 10th consecutive year. The 2024 graduates included 81 employees who were conferred the inaugural Associate Chartered Banker ("ACB") title.



Number of AICB Graduates in Public Bank

2015 – 2023 : **2,952**
2024 : **351**

In Islamic banking, the Public Bank Group actively collaborates with external training and certification providers, including the Islamic Banking and Finance Institute Malaysia, the Association of Islamic Banking Institutions Malaysia and the Chartered Institute of Islamic Finance Professionals.

Intermediate Qualification in Islamic Banking:
19 employees



Chartered Professional in Islamic Finance:
2 employees



Associate Qualification in Islamic Finance:
492 employees



Certified Professional Shariah Auditors:
7 employees



Fundamental Certificate in Islamic Banking:
747 employees



Certified in Islamic Banking & Finance:
265 employees



Theme 2: Proficient Employees

In Focus: Credit Training

Credit Skills Health Check: Skill Gap Assessment on Credit

In 2024, a comprehensive Skills Gap Assessment (“SGA”) on Credit was undertaken, involving over **2,000** participants across Public Bank’s branches and Head Office, to evaluate the knowledge and competencies of the Bank’s credit team. By determining key competency gaps, the SGA enables the Bank to take proactive steps to support employee development and ultimately increase effectiveness in their roles. To address these gaps promptly, the Bank conducted SGA review sessions nationwide, ensuring its credit team is well equipped to navigate demands of today’s financial landscape while advancing the Bank’s strategic goals.

Elevating Sustainability Awareness

With sustainability becoming the way of the future, training curricula on sustainability have been curated to cater to employees’ needs through various learning modes. The training modes vary from dedicated classroom training to cater to specific needs for climate risk and sustainability assessment to keeping leaders up-to-date with contemporary sustainability issues via Learning Bites and increasing general awareness of the masses via various self-learning content on general sustainability topics. Sustainability is also duly incorporated into learning activities. Sustainability-related questions were embedded into the Skills Gap Assessments on Frontline Operations and Islamic Financing, and in question banks used during gamification campaigns.

Average 3.2

hours of sustainability-related training completed in 2024

Nurturing Talent

Talent management continues to be a key focus for the Public Bank Group. As part of its continued efforts to build a sustainable talent pipeline, the Group held various engagement activities in 2024 to strengthen its branding and reputation amongst young budding talents.

PB TalentMax Programme

The Group considers graduate recruitment and development a crucial strategy for fostering human capital and achieving sustainable economic growth. The Group’s flagship PB TalentMax Programme includes classroom training, on-the-job training, projects or learning assignments, mentoring and attachments in relevant Head Office divisions. This Programme grooms young employees and prepares them for their transition into job positions. In 2024, **1,393** fresh graduates were enrolled in this Programme.

Growing Local Talent

The Group assumes its role as a socially responsible corporate citizen in a tangible manner and adheres closely to national policies and objectives, thereby contributing towards the progress of the nation. In this regard, the Group upholds the philosophy of “hire local” first in its human resource strategy, creating employment opportunities and developing employability skills of the local talents. In 2024, **2,471** new hires were recruited into the Group’s workforce.

Internship Programme

The Group’s internship programme serves as the first foray into the professional environment for young talents as they gain practical insights into the day-to-day functions and work culture of the Group. A total of **93** interns were hired during the year. Candidates with remarkable performance were selected for full-time employment.

Return to Work Programme

Mindful of the other end of the workforce spectrum, the Group created the Return-to-Work Programme to provide meaningful employment for its retirees and enable them to continue contributing to the Group and the community. In 2024, the Group employed **77** retired employees to leverage their skills and experiences for special projects.

Strengthening a Resilient Leadership Pipeline

The Public Bank Group acknowledges that its future growth depends on the strength of its leadership team. The Group has a comprehensive leadership development programme tailored to equip leaders at every stage of their journey. These programmes include training for emerging leaders, mid-level management, and senior executives, addressing the unique challenges leaders face at every job level.



To ensure a sustainable leadership pipeline, the Public Bank Group has a comprehensive succession plan. It identifies potential successors early and equips them through targeted training for critical roles. Succession planning activities are carried out throughout the year to build a talent pool with the right skill set, experience, and leadership qualities to prepare them for the succession of Key Leadership Positions within the Group.

In upholding the Public Bank Group's philosophy of providing employees with opportunities for career advancement, 2,051 employees were assessed in 2024 and included in the Group's talent pool.

Theme 2: Proficient Employees

Driving Performance of Employees

The Public Bank Group's strength lies in creating a high-performance culture and driving sustained change by designing a motivating, fair, and employee-centric performance management system. The system takes into account both qualitative and quantitative factors to promote the Group's core values and expected conduct and behaviour.

Performance assessment and remuneration are determined by achieving KPIs set yearly. The KPIs are translated into achievements against budgets or business targets (financial and operational targets) and qualitative measures regarding key competencies relevant to their jobs and positions.

Quantitative Sustainability KPIs

- Sustainability KPIs comprising among others, carbon reduction, resource management and sustainable financing were integrated into the annual performance evaluation of the Management team.
- Quantitative sustainability KPI on "Achievement of Sustainability Targets in respect of sustainability Initiatives" was incorporated into the performance assessment of the C-suite and Senior Management in Public Bank and Public Islamic Bank, as well as the CEOs of Public Mutual Berhad and Public Investment Bank Berhad.
- Quantitative sustainability KPI on "ESG Friendly Economic Activities/Green Initiatives" was assigned for Regional Managers and Branch Management Personnel (including Hire Purchase ("HP") Centres and HP Hubs).
- A Bank-Wide sustainability KPI on an "Annual five percent year-on-year reduction of paper usage" in the Bank's day-to-day operations has been included for Public Bank and Public Islamic Bank's C-Suites, Senior Management and Branch Management employees (including HP Centres and HP Hubs).

The Public Bank Group practices a structured and transparent performance assessment system, which correlates to an equitable reward and recognition system. Eligible employees are awarded performance-based bonuses, salary increments, and/or commissions commensurate with individual achievements and accomplishments, including career advancement. In 2024, 1,948 employees were promoted to take on greater responsibilities as part of their career advancement.

The conducive work environment and effective reward system have enabled the Public Bank Group to achieve a healthy attrition rate of 8.7% in 2024.

Employee Engagement

The Public Bank Group believes an engaged workforce leads to a stronger, more dynamic and more resilient business. The Group encourages open and honest communication by actively listening to its employees and understanding their views to foster impactful collaboration.

SEED Programme

The SEED ("Support, Engage, Empower and Develop") programme continues to bolster the development of young graduates, equipping the newly recruited Trainees also known as the "Apprentice" with essential values and critical skills to be a potential future leader.

The appointed "Talent Development Partner" ("TDP") assigned to each Apprentice plays a significant role in grooming and supporting the Apprentice's professional journey, which includes offering encouragement during challenging times, sharing knowledge and life experiences, as well as facilitating discussions on goal setting and career development.

The strong collaboration created between the TDPs and the Apprentice through active communication and engagement would not only enrich the learning experience of the Apprentice but can also sustain a high-employee engagement culture in the workplace for improved productivity and retention. This engagement effort led to a positive retention rate of management trainees at **84.1%** in 2024.

In Focus: Employee Awareness Campaign

Cybersecurity Awareness Campaign: "Be Alert, Stay Secure"

Public Bank organised a one-day cybersecurity awareness event, "PB Cybersecurity Day," at Menara Public Bank in 2024. With the tagline "Be Alert, Stay Secure," the event aimed to raise awareness about cybersecurity risks and empower employees to actively contribute to the Bank's digital security and resilience.

Throughout the event, employees participated in various interactive games and challenges designed to deepen their cybersecurity knowledge in a fun way. Popular activities included the **CyberDunk**, **CyberWheel**, **Phishing Game**, and **Hotspot Game**. An innovative "Escape Room" team challenge was also part of the day's programme, where participants had to solve puzzles while learning key cybersecurity concepts to complete the challenge.

The event was the highlight of the **2024 Cybersecurity Awareness Campaign**, which engaged employees in cybersecurity training and activities all year round. The campaign includes two tailored learning levels: **Level 1**, designed for selected users of the Internet and functional email, and **Level 2**, catered to all employees.

Overall, this campaign reinforced the message that cybersecurity is a shared responsibility, and that all employees should stay vigilant and secure at all times.



7,853
employees participated



Awards and Recognition

The Public Bank Group's dedication to supporting our people has garnered various recognitions in 2024.

Public Bank

- **Top 3 Best Employer in the Banking sector** for the 7th consecutive year in the 2024 Graduates' Choice Award
- **Top 1% among Graduates Preferred Employer (Graduates' Top 25 Preferred Employers in Malaysia)** for the 4th consecutive year in the 2024 Graduates' Choice Award
- **Special Recognition Award** by Jobstreet Malaysia in the inaugural SEEK People & Purpose Awards 2024
- **Top 10 Graduate Recruiters** by Sunway University
- **Top Employer of the Year 2024** by INTI International University

Public Islamic Bank

- **Talentbank Graduates' Choice Award (#6 Best Employer in Islamic Banking)**

Public Mutual

- **Premium Employer Partner** for the 5th consecutive year since year 2020 by Chartered Financial Analyst ("CFA") Society Malaysia

Public Investment Bank

- **Graduate's Choice Award 2024 (#4 in Investment Banking)**

Public Bank Hong Kong

- **Super Manpower Developers Award** by Employees Retraining Board ("ERB") for 14 consecutive years since 2011

Theme 2: Proficient Employees



Human and Labour Rights

The Group's Approach

The Public Bank Group's commitment to respecting human and labour rights is longstanding. By staying informed on evolving employment laws, industrial relations laws, international industry standards and human rights developments in communities where the Group operates, the Group integrates human rights considerations across all its operations. The Group expects all employees and partners across its value chain to adhere to the Group's Human Rights Policy to foster a safe, respectful, and inclusive environment for all its stakeholders.



Protecting Human and Labour Rights

The Public Bank Group developed the Human Rights Policy in 2024 in response to increasing stakeholder expectations of the Group's ability to identify, prevent, and avoid human rights violations and, should they occur, mitigate their impacts transparently and responsibly.

The Human Rights Policy — guided by fundamental principles and standards set out in the United Nations Sustainable Development Goals ("UN SDGs") and the International Labour Organisation ("ILO") Declaration on Fundamental Principles and Rights at Work — articulates the Public Bank Group's commitment and aspiration to uphold human rights across its business activities and operations.

To this end, the Public Bank Group upholds zero-tolerance towards any malpractices, including, but not limited to, violations of human rights, labour practices, disrespectful behaviour, discrimination, or harassment of any form.

Why it Matters

As a 'Bank for the People', upholding human and labour rights reflects the Public Bank Group's core belief in ensuring dignity, fairness, and equal opportunities for all individuals. Protecting these rights fosters a positive work environment and supports long-term social and economic sustainability.

Risks

- Reputational risk arising from violations of human and labour rights can damage the Group's public image, leading to a decline in stakeholders' confidence.
- Compliance risk arising from failure to comply with local and international laws can result in legal liabilities.

How the Group Responds

- Established the Public Bank Group's Human Rights Policy to promote ethical practices, ensure compliance with international standards, and safeguard the rights and dignity of all stakeholders.
- A Safety and Health Steering Committee is responsible for maintaining a safe work environment.

Key Highlights

- Developed the **Public Bank Group's Human Rights Policy**
- **Zero** incidents of human rights violation

To reinforce the Public Bank Group's commitments, all employees are encouraged to raise concerns regarding human or labour rights violations through whistleblowing channels or the staff grievance portal. All concerns are treated with sensitivity and strict confidence without any risk of reprisal.




Zero Incidents of human rights violations, unfair labour practice, and/or discrimination reported in 2024

Three fundamental policies, the Public Bank Group's Human Rights Policy, DEI Policy and the Vendor Code of Conduct, communicate the Group's expectations to the relevant stakeholders.

Recognising the potential impact of its business relationships, the Public Bank Group holds its suppliers and vendors to the same high standards, expecting them to respect human rights, prohibit forced or child labour, and comply with relevant employment and labour regulations.

Moving forward, the Public Bank Group is committed to transparency by reporting the progress of its efforts concerning human rights, the impact of human rights on its business and supply chain activities, and key performance metrics of human rights as part of its disclosure on human rights in the annual Public Bank Sustainability Report.

 Read more on the **Public Bank Group's Human Rights Policy** at <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

Creating Awareness on Sexual Harassment

Established in 2023, the Anti-Sexual Harassment Policy is designed to provide a safe work environment for all employees, free from sexual harassment arising from and during employment.

Sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace due to employment responsibilities or employment relationships. If a sexual harassment incident occurs in the workplace, a proper investigation will be conducted, and disciplinary action will be taken if the complaint is verified.

Following this, Non-Tolerance towards Sexual Harassment posters were posted on the notice board in office areas and on the intranet portal to communicate and raise awareness of the topic to all employees. This ensures that employees understand their role in helping to create a work climate which is free from sexual harassment.







Health and Safety in the Workplace

The Public Bank Group Occupational Safety and Health ("OSH") Policy was developed to create a safe and healthy workplace environment. The Policy is guided by local regulatory guidelines, including the Occupational Safety and Health Act 1994 and its recent amendment — the Occupational Safety and Health (Amendment) Act 2022.

A Safety and Health Steering Committee is responsible for developing and reviewing workplace safety and health standards and procedures. The Steering Committee is further supported by an OSH Unit that conducts inspections to identify, assess, and mitigate potential workplace risks to the employees' health, safety, and security.

The Public Bank Group consistently ensures employees are equipped with comprehensive OSH training and knowledge to protect themselves and other stakeholders. In 2024, 262 OSH coordinators were trained and certified under the Section 29A Act, demonstrating the Group's proactive response to the Ministry of Human Resources of Malaysia's gazette and appointing a designated OSH coordinator at Public Bank's premises with five or more employees.

Reporting process to manage any accidents or mishaps that may occur:

-  Employee reports accident or mishap to their superiors, who shall immediately notify the OSH unit
-  A report is presented to the Safety and Health Committee ("SHC")
-  An assigned SHC member inspects the place of accident or mishap and investigates the claim
-  The SHC recommends corrective action and makes the necessary recommendations to Management, if any
-  Corrective and preventive actions are taken
-  A report is presented to the OSH unit for review or onward submission to Department of Occupational Safety and Health ("DOSH")

Theme 2: Proficient Employees

OSH Co-ordinator’s Role and Responsibilities

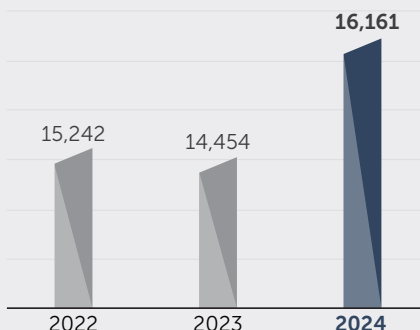


- Ensure adherence to Occupational Safety & Health Act (“OSHA”) 1994 and other relevant regulations
- Implement the Bank’s internal OSH policies and procedures
- Conduct risk assessments and develop mitigation strategies
- Promote safety culture by disseminating safety guidelines and updates
- Conduct regular workplace inspections to identify hazards
- Document and report workplace incidents, injuries and near misses
- Ensure readiness of emergency response plan within the branch
- Act as liaison personnel between branch, head office and authorities
- Maintain accurate records of OSH-related documentation

Additionally, the Public Bank Group continues to provide e-learning courses on OSH-related topics, such as Office Ergonomics, to raise employee awareness.

The Public Bank Group expects its suppliers, contractors and vendors to adhere to the same OSH principles and standards. The Group participates in the NIOSH-Financial Institution Safety Passport (“NFISP”) initiative alongside other prominent banks, using the National Institute of Occupational Safety and Health (“NIOSH”) platform to promote compliance, awareness and protection for all stakeholders. Suppliers, contractors and vendors operating within the Group’s premises must adhere to its OSH Policy and requirements to maintain a safe working environment.

Number of employees trained on health and safety standards



OSH Dashboard



0 accidents
with fatalities



0.1 per 100 employees
Lost Time Incident Rate



262
certified OSH coordinators

➔ For more information on the Public Bank Group’s data on OSH, please refer to **Sustainability Performance Data 2024** on Public Bank’s corporate website.

Giving Voice to Employee Concerns

Open and honest communication promotes impactful collaboration. The Public Bank Group adopts an open-door policy to foster a positive and harmonious working environment where employees have access to appropriate channels of communication for feedback and grievance resolution.

Grievance Handling Mechanism

Staff Grievance Policy – A systematic and structured grievance handling mechanism for employees to voice concerns through the ‘Staff Grievance Portal’ digital platform.

Whistleblowing Policy and Procedures – A confidential avenue for employees and third parties to speak up and raise legitimate concerns about any wrongdoings at the workplace without any fear of reprisal.

Supporting Employees' Well-being

Caring for employees has long been entrenched in the Public Bank Group's corporate philosophy. This value inspires the Group to create a workplace which places well-being at the top of the management's mind. To this end, employee benefits are regularly reviewed to enhance their well-being.

Financial Assistance

- Childcare allowance
- Medical insurance subsidy for immediate family members
- Natural disaster financial aid/loan moratoriums
- Employee festive advance scheme
- Interest free solar panel financing
- Special loan schemes for the purchase of tablet/smartphone/computer, medical expenses for immediate family members, funeral expenses, disaster relief, pursuit of further studies and renovation of employee's residence
- Social Engagement Fund

Health and Wellness

- Medical benefits for employees and immediate family members
- Medication Safety Locker
- Dedicated in-house clinic for on-site medical services
- Lactation facilities
- Long Term Medication Programme
- Various sporting events such as the inaugural Run for Change 2024, bowling and badminton tournaments
- Time-off for eligible female pregnant employees in their 22nd week of pregnancy and above

Work-Life Balance

- Maternity leave up to maximum of 98 days on half-pay basis in addition to the 98 days paid maternity leave
- 10 days paternity leave
- 10 days marriage leave
- Study and exam leave
- Compassionate leave
- Sabbatical leave up to 24 months
- Volunteer leave
- Flexible work arrangements
- Smart casual work attire

The Public Bank Group's Wellness Programme includes a biennial medical examination to ensure its employees are healthy and facilitate early detection and treatment of any serious illness. This is further supplemented by the Staff Health and Wellness Day, conducted in collaboration with an appointed pharmacy to enhance employee well-being. Activities such as on-site health screening and virtual health talks were organised during the Staff Health and Wellness Day to encourage participation.

The Public Bank Group also recognises that education is the foundation of success and aims to help employees achieve their educational aspirations. To ease the financial burden, the Group has, in partnership with higher education institutions such as HELP University College, Taylors University, and Universiti Malaya Centre for Continuing Education ("UMCCed"), continued to offer discounted tuition fees for the Group's employees and their family members to pursue academic growth for a secure future.

The Sustainable Employment Practice Taskforce ("SEPTF") was set up to champion initiatives on work-life balance. In April 2024, a survey was conducted to obtain specific feedback from the branch network regarding three focus areas - working hours, work processes, and employee well-being-to identify causes of concern. The feedback was analysed, and targeted actions were implemented to address identified concerns.

Theme 3:

Prosperous Customers and Communities



Material Matters

-  Responsible Lending Practices
-  Financial Inclusion and Accessibility
-  Customer Satisfaction
-  Community Empowerment
-  Digital Transformation

“ A STRONG, THRIVING COMMUNITY IS THE CORNERSTONE OF THE PUBLIC BANK GROUP’S ENDURING SUCCESS AND SUSTAINABLE FUTURE. ”

Related UN SDGs



Dato’ Sulaiman Bin Abd Manap
Senior Chief Operating Officer



Responsible Lending Practices

The Group's Approach

The Public Bank Group's responsible lending approach promotes a prudent credit culture, supported by its stringent credit appraisal system with individual accountability and reinforced by strong centralised credit control and risk management systems. A high level of lending prudence is essential to ensure a sound assessment of the borrowers' creditworthiness and maintain the resilience of the Group's loan portfolio.

The Public Bank Group's prudent lending practices are guided by the Public Bank Group Credit Policy, which aims to ensure the overall objectives in lending are achieved. It is imperative that the loan portfolio is strong and healthy and that credit risks are well diversified, which is in line with the Group's Risk Appetite.

The Public Bank Group Credit Policy provides a comprehensive framework covering lending directions, procedures, management of credit risks, and minimum credit standards in line with the Group's credit culture. It also embodies the top management's values and beliefs, creating a lending environment and behaviour acceptable to the Group.



Embedding Responsible Lending Principles across the Group

The Public Bank Group has put in place Risk Acceptance Criteria ("RAC") for housing loan/financing, hire purchase, commercial retail loan/financing, retail SME financing and corporate loans, which is in line with the sectoral concentration risk and key factors aligned with the Group's business strategy.

As a result of the Public Bank Group's approach to prudent lending, the Group's gross impaired loan ratio remained well below the industry's gross impaired loan ratio, both locally and abroad, including the Group's operations in Hong Kong, Cambodia and Vietnam.

Why it Matters

As the Public Bank Group grows its financing portfolio, the Group is cognisant of its duty to undertake responsible lending practices and act in the customers' best interests to prevent excessive debt and preserve the stability of the financial system.

Risks

Credit risk arising from a bank borrower failing to meet its obligation.

How the Group Responds

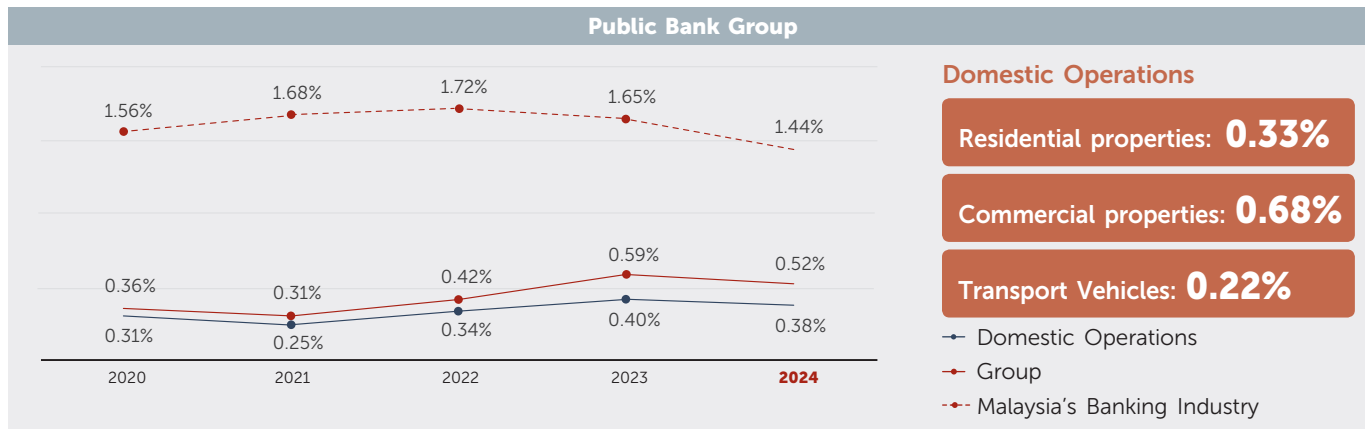
- Credit Policy sets out prudent and responsible lending criteria.
- Flexible repayment assistance is available to help borrowers overcome financial hardship.

Key Highlights

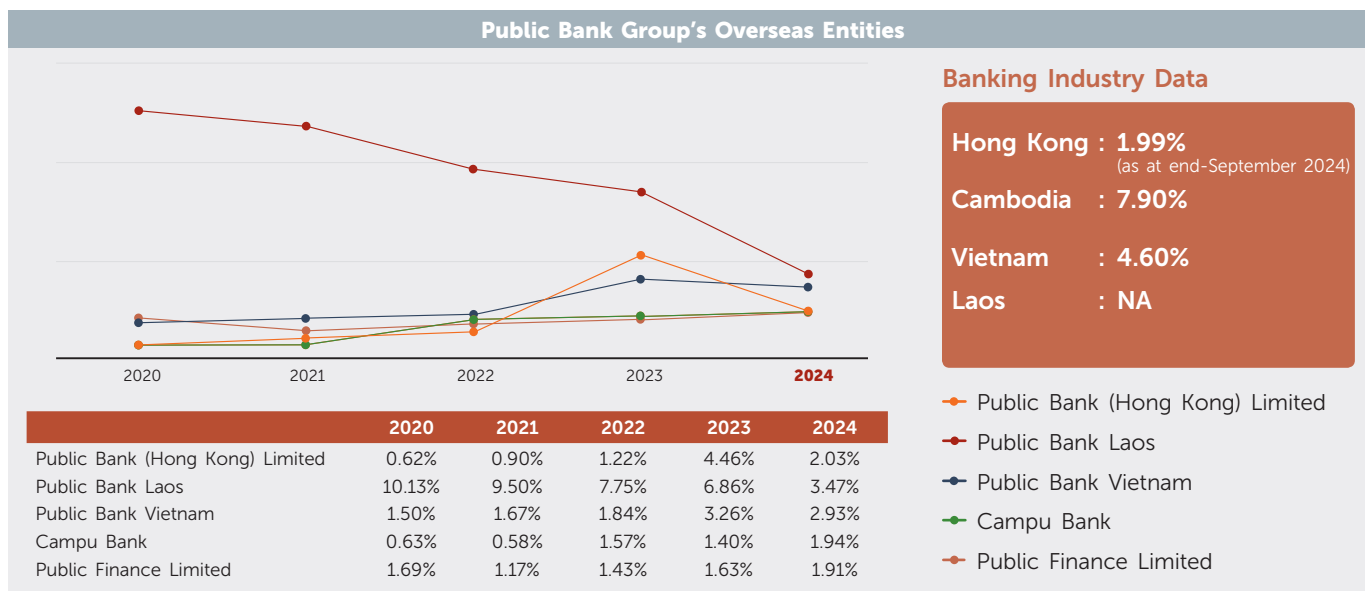
- Over **13,000 customers** benefitted from the Group's financial assistance programmes in Malaysia
- Organised **179 Financial Advisory Clinics and Carnivals**, attracting more than **2,600 customers**

Theme 3: Prosperous Customers and Communities

Gross Impaired Loans Ratio



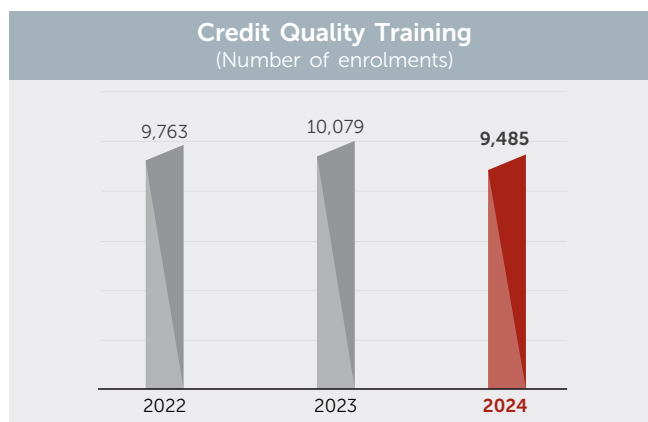
Notes: 1. Industry's figures for 2021 onwards were based on the new set loan/financing data reflecting the latest requirements.
 2. Domestic operations data covers Public Bank (excluding overseas branches), Public Islamic Bank, Public Bank (L) Ltd and Public Mutual.



Notes: 1. Public Bank (Hong Kong) Limited and Public Finance Limited are major subsidiaries of PFHL.
 2. NA: Not Available.

Competent Credit Assessment

Having a well-trained credit assessment team is essential to promoting prudent lending practices and ensuring employees are equipped with the credit skills and knowledge to assist borrowers. The Public Bank Group conducts regular training to enhance the credit team's skills and expertise.



Note: Data excludes Public Mutual.

Helping Borrowers Overcome Financial Hardship

The Public Bank Group recognises the importance of responding to customers' financial hardships. The Group offers flexible repayment assistance programmes to assist individuals and businesses with cash flow constraints.

AKPK's Debt Management Programme

- Repayment Relief Programme in collaboration with Agensi Kaunseling and Pengurusan Kredit ("AKPK") under Debt Management Programme
- Borrowers were given guidance to restructure their repayment and regain control of their finances

Referred more than **6,300** customers' accounts with loans over **RM840 million** to AKPK for repayment assistance in 2024

Repayment Arrangement/Rescheduling and Restructuring

- Extension of facility tenure with re-amortisation of monthly instalment
- Retail loan/financing customers can digitally apply for repayment assistance in a hassle-free manner via Public Bank's website at www.pbebank.com

Approved over **RM1.5 billion** of Repayment Arrangement and Rescheduling and Restructuring for more than **7,000** borrowers in 2024

Flood Moratorium

- Loan Repayment Relief of up to six Months Repayment Moratorium for borrowers affected by floods

Granted flood moratoria for more than **100** customers amounting to about **RM28 million** in 2024



In collaboration with AKPK, the Public Bank Group has set up a Financial Advisory Clinic programme to assist and educate retail customers facing financial difficulties via a one-stop platform for financial assistance.

179 Financial Advisory Clinics and Carnivals were organised in 2024, attracting more than **2,600 customers** nationwide

Theme 3: Prosperous Customers and Communities



Financial Inclusion and Accessibility

The Group's Approach

Financial inclusion is key to the nation's balanced and sustainable economic growth and development.

In supporting this national agenda, the Public Bank Group continues to play its part in ensuring financial inclusion by serving the public and ensuring accessibility for all. The Group provides access to financial services to all customer segments, encompassing corporate, SME and retail customers.

The Public Bank Group's commitment to financial inclusion extends beyond providing loans/financing to promoting financial literacy to targeted segments to help them take control of their financial future and build long-term wealth.



Extensive Delivery Network

The Public Bank Group's presence is well established across its footprint in Asia to serve the financial needs of the public. Leveraging advanced banking technology, the Group constantly improves its digital banking platforms with enhanced and innovative features to further accelerate the efficiency of its internet and mobile banking services.

In 2024, the Public Bank Group continued to extend the coverage of its delivery network and registered increased usage of its digital banking platforms.

Why it Matters

Promoting financial inclusion is crucial for the broader economy and society to grow and develop in a just manner. As a trusted financial institution, Public Bank is mindful of its role in improving the overall quality of life of the community through financial aspects.

Risks

Lack of access to finance will cause income inequality and slower economic growth and stagnate the progress of a just transition.

How the Group Responds

- Extensive service delivery channels are available for convenient accessibility.
- Enable a fairer and more equitable shift to a sustainable and low carbon economy through its retail and SME products and services.

Key Highlights

- Mobilised over **RM8 billion** of affordable home financing since 2020
- Elevated the financial well-being of over **1.4 million** individuals since 2021
- Extended about **RM4 billion** of Government and BNM initiated financing schemes to benefit more than **20,000** businesses

Targets/Sub-targets

- Improve lives of **1.5 million individuals** through inclusive finance by 2025 starting 2021

Network of Delivery Channels

	Malaysia	Hong Kong ³	Cambodia	Vietnam	Laos
No. of bank branches	264	73	32	40	4
No. of self-service banking terminals	2,061	27	87	66	5
Internet banking subscribers (% y-o-y)	8.3 ¹	9.1	16.2	62.2	1.5
Mobile banking subscribers (% y-o-y)	22.8 ²	62.4	17.6	121.1	NA

Notes:

1. This figure covers PBe and PB enterprise.
2. This figure covers MyPB app and PB engage.
3. Data covers Public Bank (Hong Kong) Limited only.
4. NA: Not Available.



For more information on the Group's data on digital banking, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.

Inclusive Financing

Since 2021, the Public Bank Group has improved the lives of over 1.4 million individuals through its inclusive financing. The Group continues to offer affordable financial products and services accessible to all customer segments, enabling them to acquire funding to improve their lives and achieve their life goals, such as home ownership, purchase of motor vehicles and starting or expanding a business.

New Loans Approved in 2024



over **RM23 billion**
for more than **48,200**
home purchasers



over **RM26 billion**
for more than **314,200**
motor vehicle buyers



over **RM19 billion**
for more than **50,700** SMEs

Financing for affordable homes has always remained a priority in the Public Bank Group's business. Since 2020, the Group has mobilised over RM8 billion in affordable home financing, benefiting over 44,000 low-to-medium income earners.

The Public Bank Group also has a dedicated home financing scheme for young adults who want to own their first home. In 2024, the Group launched the PB Young Graduate scheme, which offers up to 110% margin of finance and is intended to enable young graduates and professionals to secure financing for their first home purchase from the primary or secondary market.

Theme 3: Prosperous Customers and Communities

Enhancing Financial Inclusion for SMEs

As the SME industry progresses, the Public Bank Group has supported SMEs in expanding their operations, growing their business, and contributing to the economy by providing them with access to credit through various business funding solutions catering to their different needs. In addition to the Group's flagship SME financing product, the SWIFT Plan, the Group has been proactively supporting financing schemes established by the Government and BNM. As at the end of 2024, the Group approved more than RM4 billion of Government and BNM initiated financing schemes, benefitting over 20,00 businesses.

- | | |
|--|--|
| <ul style="list-style-type: none"> ▶ Special Relief Facility ▶ Government Guarantee Scheme MADANI ▶ Government Guarantee Scheme MADANI 2 ▶ BNM All Economic Sectors Facility ▶ PEMULIH Government Guarantee Scheme ▶ BNM Agrofood Facility ▶ BNM Micro Enterprises Facility | <ul style="list-style-type: none"> ▶ BNM Automation and Digitalisation Facility ▶ PENJANA SME Financing ▶ BNM PENJANA Tourism Financing ▶ Targeted Relief and Recovery Facility ▶ BNM High Tech & Green Facility ▶ BNM Disaster Relief Facility 2022 ▶ BNM Business Recapitalisation Facility ▶ BNM Low Carbon Transition Facility |
|--|--|

Initiatives to Support SME Growth

The Public Bank Group implemented several initiatives to support SMEs' growth, which include the following:

- Provide an ecosystem to support SME businesses via PB enterprise, enabling SMEs to adapt to evolving market changes and keep pace with rapid digitalisation;
- Offer the PB enterprise Digital SME Assist, a collaboration programme with SME digital partners to provide businesses with exclusive privileges and rewards for digital business solutions;
- Participate in the imSME online portal managed by Credit Guarantee Corporation Malaysia ("CGC") to help SMEs gain quick access to financing options; and
- Establish the SME Helpdesk based in the headquarters, extending virtual support for queries, and designated officers at the branches to assist SMEs with financing inquiries.

In Focus: SME Financing

Public Bank's Strategic Collaboration with CGC

In 2024, Public Bank continued its partnership with CGC to extend **RM1 billion** in financing, reinforcing its commitment to supporting the growth and sustainability of SMEs. This financing includes the fifth and latest tranche of the Portfolio Guarantee scheme in which the Bank participates, specifically designed to assist SMEs with viable businesses that may lack the collateral to obtain financing. As at the end of 2024, a total of **RM473 million** of the RM1 billion financing guaranteed by CGC has been disbursed.



Promoting Financial Literacy

Recognising that knowledge about personal finance planning and management forms the bedrock of the path to financial stability and good quality of life, the Public Bank Group actively organised various financial literacy programmes and events in 2024:

- ▶ Public Bank conducted four virtual SME roadshows for **89** SME participants, offering advisory services on available financing options and financial literacy resources;
- ▶ Public Investment Bank participated in Bursa Malaysia's The Youth Empowerment Fair 2024 and Karnival Saham Bersama Bursa Malaysia 2024, as well as Securities Commission's InvestSmart Fest® 2024 and Capital Market Graduates Programme ("investED"); and
- ▶ Public Mutual organised the MoneyKu talkshows – Beware of Debt and Heed the Danger Signs & Money Scams Targeting Millennials, Money Management Talks for single mothers and B40 entrepreneurs, webinars on Women & Money - Taking Control of Your Finances and Building Financial Resilience, and Fostering Young Minds programme for secondary school students, as well as Investors' Day 2024 - Navigating Investments for Long-Term Wealth Growth.

Expanding Financial Inclusion in Cambodia



In collaboration with an affordable housing developer, Campu Bank has assisted more than 390 customers in owning a home, with approved affordable homes financing approximately USD11 million in 2024. In addition, Campu Bank continues to participate in the Business Recovery Guarantee Scheme by the Credit Guarantee Corporation of Cambodia ("CGCC") to support micro, small and medium enterprises. Under this scheme, CGCC provides guaranteed coverage of 70%-80% of the principal loan amount to businesses. In 2024, Campu Bank approved more than USD1.2 million of financing under this scheme.



Theme 3: Prosperous Customers and Communities

Customer Satisfaction

The Group's Approach

In line with the Public Bank Group's corporate tagline, "Excellence is Our Commitment", the Group continually strives to maintain a high standard of service delivery. The Group remains customer-centric, understanding customers' needs and expectations while listening to their feedback through appropriate contact channels. The Group aims to maintain and expand its customer base in the long-term, which will strengthen the Group's foundation to stay ahead in the market.



Maintaining Excellent Customer Service

The Public Bank Customer Service Charter, established in 2011, outlines the key commitments and service standards for all bankers when providing services to customers.

Customer Service Charter

Pillar 1	Pillar 2	Pillar 3	Pillar 4
<p>Know Your Customer</p> <p>To understand the customer profile that enables the Bank to:</p> <ul style="list-style-type: none"> Anticipate the customer's needs and preference. Offer products and services as per his/her requirements. 	<p>Timely and Efficient Service</p> <p>Deliver a seamless banking services wherein the customer is aware of:</p> <ul style="list-style-type: none"> Time that will be taken. Broadly, the steps involved in executing their instructions. 	<p>Transparent and Personal Service</p> <p>Endeavour to deliver the customer experience wherein the customer:</p> <ul style="list-style-type: none"> Is given access to products and services-related information. Is handled by competent and knowledgeable employees. 	<p>Banking Made Accessible</p> <p>Offer an engagement model wherein the customer is aware of:</p> <ul style="list-style-type: none"> Multi-channel options. Accessibility.

Why it Matters

Customer experience is the defining differentiator in the financial services industry, driving financial institutions to a greater degree of customer centricity and providing customers with superior service standards. The Public Bank Group always prioritises customer satisfaction, solidifying its position as the preferred financial institution.

Risks

- Reputational risk arising from poor customer relationship management.
- Lack of customer satisfaction could potentially diminish the Group's customer base.

How the Group Responds

- Continuously deliver customer service excellence, in line with the Public Bank Customer Service Charter.
- Reinforce an effective and efficient complaint management solution to address customer concerns promptly and satisfactorily.

Key Highlights

- Public Mutual established **Process & Procedures on Treatment of Vulnerable Investors** to protect their vulnerable clients

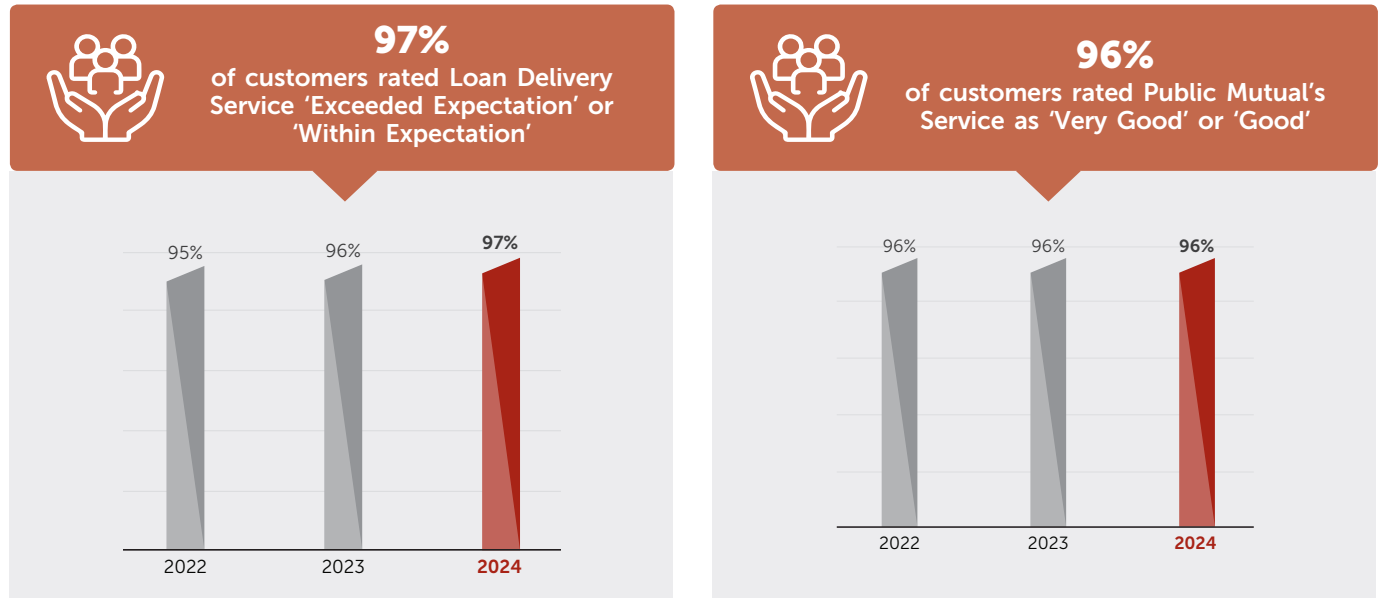
The Public Bank Group was awarded the **Top Performer Pillar 4 Banking Made Accessible, Top Performer Online Banking** in the Customer Satisfaction Survey 2023 Awards by the Association of Banks in Malaysia



Customer Feedback Surveys

The Public Bank Group constantly seeks customer feedback on its service quality. This has enabled the Group to identify areas needing further improvement to increase customer satisfaction.

In terms of performance, the Public Bank Group achieved a conformance rate of 86% in meeting the 10-minute Waiting Time, exceeding the minimum industry standard of 80%, in 2024. Internally, the Group's higher expectations of serving customers within the 2-minute Standard Waiting Time achieved a conformance rate of 64% in 2024.



ISO 9001 Certified Frontline Service and Loan Delivery

The Public Bank Group's initiatives in providing customers with compelling experiences have continued to be validated by external recognition. The Group obtained a bank-wide ISO 9001:2000 certification for Quality Management System Frontline ("QMSFL") in 2001 and Quality Management System Loan Delivery ("QMSLD") in 2003. The QMSFL and QMSLD were subsequently upgraded to ISO 9001:2015 in 2018, a verification of the Group's service excellence.

Customer Complaint Management

The Public Bank Group has developed several monitoring systems to ensure all complaints received are tracked, recorded, and followed up by the respective stakeholders effectively. Despite having a standard response timeline for complaints and feedback, the Group emphasises prompt response to ensure that complaints and feedback are addressed and responded to quickly.

The Public Bank Group has put in place an efficient customer complaint resolution process to ensure customers' banking complaints are addressed promptly and efficiently within the internally set standard of 10 days. In 2024, the Group achieved 100% compliance in meeting its internal turnaround time, whereby acknowledgement and addressing the complaints were within one day and 10 days, respectively. Meanwhile, Public Investment Bank and the Group's overseas operations in Vietnam, Cambodia and Laos remain committed to resolving customers' complaints within the industry standard of 14 days, while Public Mutual and Hong Kong's operations have set a standard of 30 days to resolve any complaints received.

Theme 3: Prosperous Customers and Communities

Responsible Marketing and Investing Practices

The Public Bank Group aspires to be the preferred financial service provider by putting its customers first. The Group aims to sustain its organisational success and foster strong relationships with customers by ensuring fair treatment. Through the 'Treat Customers Fairly Charter' and the Group's Fair Treatment of Financial Consumers ("FTFC") Policy, the Group pledges to uphold the highest standards of fairness in all customer dealings.

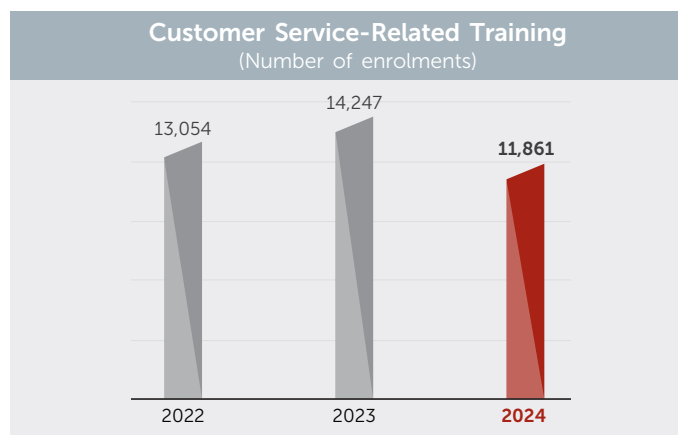
For Public Mutual, the Process & Procedures ("P&P") for the Treatment of Vulnerable Investors were established in 2024. The P&P outlines the roles and responsibilities of relevant parties regarding the treatment of vulnerable customers, including policies on handling complaints and training to enable employees to address customers' needs effectively.

When promoting products and services, the Public Bank Group is guided by internal policies to provide clear and transparent information in marketing and advertising materials. The Product Disclosure Sheet provides information, such as products' features, fees, and charges to facilitate customers' decision-making. To ensure due compliance, sales and marketing personnel are required to attend the half-yearly briefing on Prohibited Business Conduct, Code of Ethics, and Rules of Professional Conduct, and undertake an assessment on Ethics in Selling for Sales and Marketing Executives.

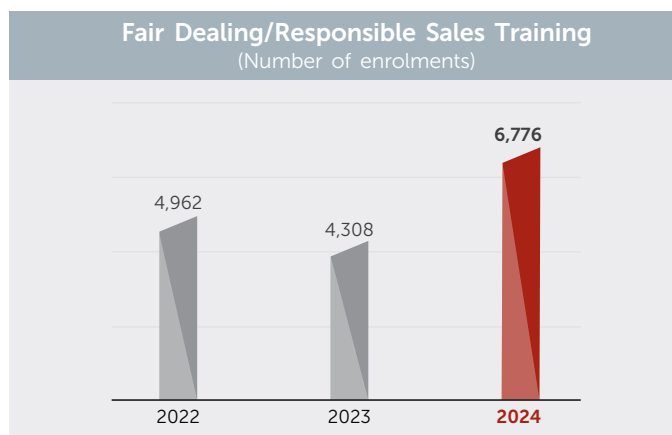
With these robust controls in place, the Public Bank Group reported no material non-compliance with regulatory requirements concerning marketing communications in 2024.

Enhancing Service Quality with Effective Training

To better serve the customers, the Public Bank Group provides a pipeline of training programmes to constantly upgrade employees' customer service skills.



Note: Data excludes Public Bank Laos.



Note: Data excludes Public Bank Laos, Public Mutual and Public Investment Bank.

➔ For more information on the Group's data on Customer Satisfaction, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.



Community Empowerment

The Group's Approach

As a socially responsible financial institution, the Public Bank Group has a duty to contribute to community welfare and development beyond financial support. The Group ensures that its conscious efforts generate long-lasting effects on the well-being of the communities where it operates.

The Public Bank Group's community engagement programmes are anchored by three focus areas, namely Community Well-being, Education and Environment.

Key Focus Area and Priorities



Community Well-being

To enrich the lives of the communities



Education

To nurture future generations for nation development



Environment

To raise environmental awareness among the community

Why it Matters

The Public Bank Group believes that empowering and supporting sustainable development in communities will build stronger and more resilient societies. For this, the Group reaches out to the communities where it operates through impactful initiatives that underscore the Group's commitment to delivering a positive impact on the communities it serves.

Risks

Potential reputation risk arising from the absence of effective community engagement and inability to address the community needs.

How the Group Responds

- Various initiatives implemented to achieve the objective of the three focus areas of community well-being, education and environment.
- Employee volunteerism connects employees and the Group to the communities, strengthening its relationship with stakeholders.

Key Highlights

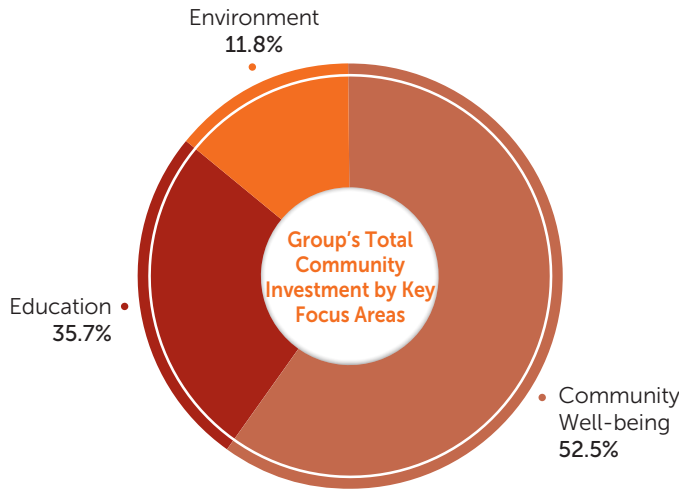
- Clocked more than **28,000** volunteer hours
- **RM2.5 million** spent on the community

Targets/Sub-targets

- Achieve a minimum of **50,000** volunteer hours by 2025 and **RM10 million** spent on communities by 2030

Theme 3: Prosperous Customers and Communities

Community Investment Dashboard



Donated about **RM1.3 million** in cash and in-kind to more than **100** community groups

Over **RM890,000** invested in education-related programmes, benefitting more than **850** schools

Contributed over **290,000** to support environmental-related programmes

RM2.5 million spent on the community, benefitting over **7,000** people in 2024

For more information on the Group's data on community investment, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.



Community Well-being

The Public Bank Group continues to foster strong relationships with the communities it serves, by enhancing their quality of life and supporting their overall social and economic well-being. Key initiatives implemented in 2024 to support communities' diverse needs include:

<p>Donation to charity homes</p> <p>The Public Bank Group provided monetary and non-monetary assistance to improve the lives of the underprivileged.</p>	<p>About RM270,000 donated to more than 60 nursing centres, welfare homes and orphanage homes</p>
<p>Access to healthcare</p> <p>The Public Bank Group contributed to improving community access to healthcare.</p>	<p>Over RM70,000 donated to Institut Jantung Negara Foundation, as well as to more than 10 hospitals for their blood donation drives</p>
<p>Food for the homeless</p> <p>The Public Bank Group helped serve and distribute meals to homeless people through four soup kitchens and food banks.</p>	<p>Contributed about RM66,000 to four soup kitchens and food banks</p>
<p>Advancing rural people</p> <p>The Public Bank Group conducted programmes aiming to narrow the socioeconomic disparity within the Orang Asli community.</p>	<p>About RM11,000 spent on the programmes</p>

In Focus: Making a Difference

Public Bank Run for Change 2024

In 2024, the Public Bank Group held the Run for Change 2024, which aimed to champion sustainable health and well-being, and enhance the quality of life through sustainable practices within the community.

In conjunction with World Environment Day, the inaugural Run for Change 2024 was held at Padang Merbok Kuala Lumpur, with over **1,200** Participants from Public Bank employees.

A portion of the participation fees was allocated towards purchasing young trees, which is in line with the nation's green initiative to enhance environmental sustainability and promote the importance of preserving nature for future generations. To make the event more inclusive, **100** students from the Public Bank Green Growth Asia Foundation ("GGAF") Eco-Schools programme and residents from three special homes—Lovely Disabled Home, Persatuan Kebajikan Kanak-Kanak Istimewa Insan, and Pusat Penjagaan Kanak-Kanak Cacat Taman Megah joined the run.



The second instalment of the Run for Change 2024 was held at Padang Kota Lama in Georgetown, Penang, attracting over **2,300** participants, including Public Bank employees, customers, friends, families, and business associates. Blind runners from St. Nicholas Home took part in the run, further highlighting the event's inclusive spirit. A total of **RM39,000** was donated to support four charitable homes across Penang.

Theme 3: Prosperous Customers and Communities



Education

The Public Bank Group is a firm believer that education plays a vital role in creating a better world. The Group strives to equip the young generation with the skills, knowledge and values needed to shape a brighter future for all. Key initiatives implemented in 2024 include:

School Adoption Programme

The Public Bank Group continues to promote financial education and smart saving habits amongst school children with its participation in the School Adoption Programme. The Group has conducted financial literacy programmes and activities which include financial education talks, essay writing contest, drawing contest, video contest and opening of savings account at selected adopted schools nationwide. School children were exposed to basic concepts of financial planning, cashless transactions and online scams and safety tips.

860 schools
were adopted

Star Achiever Programme

The Public Bank Group's Star Achiever Programme rewards WISE Savings Account holders who excel in the Sijil Pelajaran Malaysia examinations to motivate students towards educational excellence while encouraging the habit of saving.

RM65,200
awarded to
250 students

Financial Industry Collective Outreach ("FINCO")

The Public Bank Group continues to support FINCO, a collaborative initiative pioneered by all financial institutions in Malaysia to educate underprivileged children and youth with the support of BNM.

About
RM1.5 million
contributed since
2017

In Focus: Grooming Future Sustainability Champions

Eco-Schools Programme

Public Bank embarked on the Eco-Schools programme pilot project in 2023 to foster environmental awareness and sustainability education amongst students who will become leaders of society. The programme is carried out over a period of three years from 2023-2025, in collaboration with the GGAF, the Ministry of Education and state education departments.

The programme includes workshops on financial literacy, energy consumption, water conservation, green financing, and waste management. The programme also features climate action labs and practical projects such as energy retrofitting, rainwater harvesting, permaculture gardening, and food waste composting.

The programme benefits not just the students but also the teachers and school management who can integrate sustainability into their curriculum and lesson plans, thus enriching the educational experience. Local communities also benefit from sustainability projects such as permaculture gardening and energy retrofitting.



Contributed over **RM400,000** in 2024, the second tranche of total sponsorship of **RM1.2 million** over three years

In 2024, the second year of its implementation, rigorous environmental action workshops were conducted, during which students learnt about fundamental principles, the concept of the environment, and sustainable practices.



Environment

The Public Bank Group aims to raise awareness of environmental issues by working with local communities and organisations. The Group's initiatives promote environmental protection and raise conservation awareness amongst the community. Key initiatives implemented in 2024 include:

Tree planting programmes

The Public Bank Group supports the Government's Greening Malaysia 100 million Tree Planting Campaign, which aims to preserve biodiversity and combat climate change. The Group has implemented tree planting initiatives at several key ecosystems in Malaysia, successfully planting 1,000 trees in 2024.

About **RM70,000** spent on tree planting initiatives

Protect and preserve wildlife

The Public Bank Group has collaborated with Zoo Negara to raise awareness of the importance of protecting and preserving wildlife in Malaysia. The partnership supports Zoo Negara in its efforts to conserve and protect endangered species and their habitats, promote education and public awareness about wildlife, conservation, and environmental issues, and create a positive social impact by providing access to nature, encouraging leisure activities, and enhancing the overall well-being of the community.

About **RM50,000** donated to Zoo Negara

Beach clean-up

The Public Bank Group completed beach clean-up programmes at several beaches and coastal areas in Malaysia. The programmes aimed to spread awareness and educate employees on the devastating impact of plastic pollution especially on marine life, and the importance of conserving a sustainable ecosystem and ecotourism.

About **RM21,000** spent to clean-up the coastal areas

Gotong-royong

The Public Bank Group organised *gotong-royong* programmes with local communities to ensure the environmental cleanliness of the surrounding areas.

About **RM20,000** spent to organise the programmes

Theme 3: Prosperous Customers and Communities

In Focus: Preserving Biodiversity

Tree Planting Initiatives

Acknowledging the importance of biodiversity, the Public Bank Group is mindful of its role in preventing biodiversity loss and restoring nature. The Group's environmental conservation initiatives are targeted at supporting nature and biodiversity conservation organisations. In 2024, the Group conducted a large-scale tree planting initiative covering several key ecosystems, where each of the ecosystems was selected for its ecological role and potential to sequester carbon effectively.

Urban Flood Reservoirs

Flood reservoirs help manage rainwater and mitigate urban flooding risks, while also providing a green space that promotes urban biodiversity. The initiatives include:

- Collaborated with Jabatan Pengairan dan Saliran ("JPS") Wilayah Persekutuan and Malaysian Nature Society ("MNS") in a multi-year establishment of a green lung at Kolam Takungan Banjir Sri Johor in Cheras, Kuala Lumpur. Since the project began in 2007, over **12,000** trees have been planted, amounting to an estimated annual carbon absorption capacity of **275,000** kilograms over **8.72** hectares of land.
- Partnered with Universiti Putra Malaysia ("UPM") and JPS to plant **100** rare, indigenous fruit trees and other suitable fruit-bearing trees and contributed up to **RM1.2** million in the purchase and maintenance of the trees since 2007.

Coastal Mangroves

The Public Bank Group's tree planting initiative also extends to coastal mangroves. Volunteers collaborated with Yayasan Hijau Malaysia in support of the "Greening Malaysia Programme through National 100 Million Tree Planting Campaign". Through this campaign, **900** mangrove saplings were planted across Selangor and Perak to preserve and conserve the forest heritage in degraded forest areas.

The Public Bank Group's tree planting initiative reflects a comprehensive approach to sustainability, achieving impactful results through scientific planning, ecosystem-specific strategies, and active community participation. By expanding natural carbon sinks and restoring vital ecosystems, the Group is making a meaningful contribution to global climate goals and local ecological health, ensuring future generations inherit a balanced and resilient environment that supports both natural systems and human communities.



Employee Volunteerism

Volunteerism plays a vital role in nurturing workplace relationships and providing employees with a greater sense of belonging, identity, and purpose. Employees are encouraged to actively participate in community initiatives. Their contributions will not only enhance their sense of purpose and fulfilment but also boost morale, enhance engagement, strengthen alignment with the Public Bank Group's values, and reinforce the Group's reputation.

In 2024, the Public Bank Group developed an employee volunteering mechanism to nurture a positive work culture and demonstrate the Group's purpose and shared responsibility to make a positive impact. Public Bank's first-ever community engagement platform on Instagram, @publicbankcares, has also been actively engaging with the communities, aligning with the Group's mission to reach out to the underprivileged through volunteerism. In 2024, the Group clocked more than 28,000 employee volunteer hours, with over 6,800 employees participating in the activities.



Key volunteering activities in 2024 include:







Theme 3: Prosperous Customers and Communities

Public Islamic Bank: Supporting Economic Empowerment

Public Islamic Bank supports economic empowerment through its distribution of *Zakat Wakalah*, which aims to support eligible beneficiaries, including orphans, *Asnaf* (eligible recipients from an Islamic perspective), students, old folks, the homeless and the underserved communities.

In 2024, Public Islamic Bank assisted in the distribution of *Zakat Wakalah* to benefit underprivileged communities in the following sectors:

 <p>Over RM100,000 to charity homes</p>	 <p>Over 250,000 to support community well-being</p>	 <p>Over RM200,000 for educational initiatives</p>	 <p>Over RM170,000 to assist <i>Asnaf</i> entrepreneurs (including from iTEKAD)</p>
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In Focus: Empowering Micro-entrepreneurs

iTEKAD Programme

Launched in 2023, Public Islamic Bank’s iTEKAD 1.0 and 2.0 have assisted low-income micro-entrepreneurs through seed capital and structured training. Driven by the success of the two programmes, the Bank continued to launch iTEKAD 3.0, which focuses on **20** *Asnaf* micro-entrepreneurs in the sewing sector based in Selangor, through collaboration with Teraju Ekonomi Asnaf Sdn Bhd as the implementation partner. Subsequently, the Bank collaborated with Universiti Malaysia Pahang Al-Sultan Abdullah to launch iTEKAD 4.0 to benefit **25** micro-entrepreneurs in the poultry industry, specifically in duck egg farming.

Since its launch in 2023, Public Islamic Bank’s iTEKAD programmes have benefitted **100** micro-entrepreneurs, utilising more than **RM570,000** from the Bank’s *Zakat Wakalah* portion. The Bank aims to continue to uplift more underserved communities across Malaysia through social finance and financial inclusion programmes under the iTEKAD initiative.



Staff Donation Programme

The Public Bank Group has a staff donation programme which started in 2004. The programme enables employees to assist their colleagues in need through voluntary donations. In 2024, about RM49,000 was handed out to employees needing financial assistance to overcome difficult times.



Benefitted more than **280 employees**, with cumulative amount of about **RM670,000** since 2004

 For more information on the Group’s data on Customer Empowerment, please refer to **Sustainability Performance Data 2024** on Public Bank’s corporate website.



Digital Transformation

The Group's Approach

Digitalisation is fundamentally changing the way customers interact with banks, including the efficiency and quality of service delivery. This has led to a greater need for banks to embrace digitalisation while seizing opportunities arising from digital transformation.

To meet these challenges, the Public Bank Group's strategic approach to digitalisation remains focused on humanising banking with technology for a seamless digital banking experience and leveraging innovative technology to enhance operational efficiency.

In 2024, the Public Bank Group launched several digital initiatives aimed at enhancing the mobile banking experience, making cash withdrawals convenient and secure, and extending the accessibility of its products and services.



Why it Matters

In addition to delivering a digital banking experience to its customers, digital transformation provides opportunities to the Public Bank Group for greater innovation and competitiveness to enhance operational efficiency.

Risks

Rapid adoption of new digital solutions may lead to technology risks that can disrupt the Group's operations (i.e. system misconfigurations, data breaches and cyberattacks).

How the Group Responds

- Prioritising internal software development to improve operational efficiency.
- Adopting new technology and standards ensures industry competitiveness.

Key Highlights

- Introduced **Cardless Withdrawal**, **CO₂ Tracker** and **Expense Tracker** on **MyPB Apps**
- Expanded **MyPB App's cross-border payment capabilities** to include **Alipay+**
- Public Mutual introduced **PMO PLUS mobile application**, a new version of previously known as Pocket-PMO

Theme 3: Prosperous Customers and Communities

The Public Bank Group focuses on building digital solutions that not only provide customers with a more seamless experience but also enhance and reduce their environmental footprint.

Sustainable Choices

Through the MyPB app, customers can now track and monitor the real-time carbon footprint of their transactions using the **CO₂ Tracker feature**, with the option to offset the carbon. The app also has another new feature, **Expense Tracker**, enabling customers to view their monthly income and expenses with insights into spending patterns and personal cash flow to help them manage their funds more effectively.

Sustainable and Convenient

Convenience, Anytime, Anywhere

- Introduced **Cardless withdrawal** for secure and convenient access to cash without using a physical ATM card and minimise plastic waste.
- Expanded **MyPB App's cross-border payment capabilities** to include **Alipay+** which covers 50 countries, **outbound transfer to Cambodia** via Bakong, and **DuitNow Cross-Border QR** which is a realtime payment solution that facilitates seamless cross-border QR payments to countries such as Singapore, Thailand and Indonesia.
- **Digitalised forms**, enabling customers to submit selected forms and questionnaires online such as application for Repayment/Payment Assistance and Customer Feedback Questionnaires.



Efficiency

The Public Bank Group works on streamlining and automating back-end processes to enhance operational efficiency.

- Implemented **Automated System Approval** for property purchase by individuals, and hire purchase financing applications by individual hirers.
- Expanded **Open Application Programming Interfaces** collaboration capabilities through partnerships to co-create innovative financial services and solutions.
- Leveraged its **Enterprise Data Warehouse** to facilitate advanced data analytics.
- Intensified the usage of **Artificial Intelligence and Machine Learning** to improve operational efficiency and productivity.
- Upskilled **digital capabilities of employees**.
- Deployed **cloud-based and on-premises systems** to deliver IT services with greater scalability and speed.



Security

The Public Bank Group prioritises customers' digital safety and the security of their interests when utilising its banking products and services.

- Introduced **PB SecureSign (Digital Token) in PB enterprise Mobile Banking Application**, which serves as a new authentication method to replace SMS Personal Authentication Code ("PAC") and an alternative to SecureSign Token (Hard Token).
- Implemented **12-Hour Cooling-Off Period** for Activation of PB SecureSign (Digital Token), SecureSign Token (Hard Token), Maintenance of Daily Accumulated Transaction Limit and selected fund transfer services (such as Intrabank transfers, DuitNow Transfer and GIRO).
- Implemented **Kill Switch Service** that enables Corporate Users to immediately suspend their PB enterprise profile and/or the available Banking Account(s) with the Bank, should they suspect the account has been compromised.
- Implemented **Artificial Intelligence Fraud Prevention System ("AiFPS")** on PB enterprise web channel to monitor the Corporate User access behaviour by prompting Challenge Question & Answer to counter suspicious unauthorised access of the user profile.



Improving Digital Banking Experience in Overseas Operations



Hong Kong

Public Bank (Hong Kong) Limited is taking steps to implement the Interbank Account Data Sharing ("IADS"), which is an interbank customer-consented data sharing initiative, to digitalise banking operations and enhance customer experience.



Cambodia

User interface enhancement is the main focus for Campu Bank's PB engage, with the aim of providing a seamless banking experience through a user friendly design and a faster response rate. The Bank also participated in the national Cross Institution Fund Transfer & Payment ("CIFTP") and Bakong Cross Border QR Payment.



Vietnam

Public Bank Vietnam further enhanced its internet and mobile banking services, focusing on improving convenience for its users. This included an updated login interface, self-maintenance of transaction limit and daily limit for current account(s), and biometric authentication.



Laos

Public Bank Lao partnered with Lao National Payment Network Co Ltd ("LAPNet") to leverage LAPNet's expertise and infrastructure for expanding the Bank's ATM network and electronic payment services, enhancing market presence and customer convenience.

The Digital Way at Public Mutual

Public Mutual is committed to enhancing its clients' investment experience by making it more personalised, convenient, secure, and seamless. Driven by this commitment, Public Mutual has integrated advanced and innovative technology into its operations, marketing, and communication efforts. As a result, Public Mutual has improved its digital services, enabling over 30,500 unit trust consultants ("UTCs") to conduct their dealings with investors more efficiently.

As part of its efforts, Public Mutual actively maintains and improves its digital assets. With a large pool of UTCs, Public Mutual has various digital tools to assist the UTCs in dealing with investors. The Public Mutual Online ("PMO") platform is continuously updated to ensure a seamless mobile user experience for investors to plan, invest, and monitor their investments.

65% of Public Mutual's investors
are **users of PMO**

86% of Public Mutual's investments are
transacted online

Theme 3: Prosperous Customers and Communities

Investor Centric Digital Services

- **PMO investor portfolio dashboard**

Enhanced to provide investors with a comprehensive overview of their investment holdings, including unrealised and realised profits, and total returns at the portfolio level.

- **PMO PLUS mobile application (previously known as Pocket-PMO)**

The all-new version offers a more user-friendly interface and an improved dashboard, providing investors with a clear view of their portfolio holdings and includes comprehensive fund analytics.

- **Secure Token Authentication (“SecureSign”) via PMO PLUS**

Implemented PMO PLUS SecureSign as the default second-factor authentication, replacing the SMS PAC to enhance security for transactions and service requests initiated on PMO. This update enhances the prevention of unauthorised access to customer accounts and ensures the safety of online transactions.

- **Downloading Transaction Statements**

Enabled the option to download investors’ daily transaction statements on demand via PMO, eliminating the need for printing and mailing physical copies.

- **Scheduled Redemption Request Option**

Embedded an investment redemption feature that allows investors to receive regular, predetermined payments from their investments while staying invested.

- **Family Members as Joint Holders**

Simplified the process for investors to add family members, both adults and minors, to their accounts. This makes it easier to manage and add joint account holders. Once registered, investors can add family members to existing accounts or open new accounts with them.

UTC Centric Digital Infrastructure

- **Client and Agency Management System 2 (“CAMS2”)**

Ability to monitor investors’ investment portfolios and provide better after-sales support and services. It also helps UTCs monitor their sales performance to better manage their agency network.

- **UTC Connect**

Web-based portal to access online services for UTCs. They can keep abreast of the latest information from Public Mutual, such as news, updates, announcements, and highlights.

- **Investor Engage**

Overview of a particular investor’s investment portfolio based on the fund category, geographical region, scheme, and composition.

- **UTC@Work**

Mobile application that provides on-the-go services to allow UTCs to conduct their business and facilitates the process of closing sales and servicing their investors.

- **Online Enquiry System (“OLE”)**

Complementing CAMS2, the system provides more value-added business functions and analysis about unitholders and the UTC’s agency network.

Theme 4:

Principled Conduct

“

THE PUBLIC BANK GROUP IS DEDICATED TO UPHOLDING THE HIGHEST STANDARDS OF PROFESSIONALISM AND INTEGRITY, ENSURING THE TRUST AND CONFIDENCE OF OUR STAKEHOLDERS ARE CONSISTENTLY SAFEGUARDED.

”

Material Matters

-  Data Privacy and Cybersecurity
-  Governance and Business Ethics
-  Transparency and Trust
-  Risk Management

Related UN SDGs



Ms Chang Siew Yen
Senior Chief Operating Officer

Theme 4: Principled Conduct



Data Privacy and Cybersecurity

The Group's Approach

Data privacy and cybersecurity are of utmost importance to the Public Bank Group, forming the cornerstone of the Group's commitment to safeguard customers' information. The Group adopts a zero-tolerance policy on data breaches and non-compliance in cybersecurity. The Group employs a holistic approach for data governance and protection as well as to safeguard against cyber threats.



Strengthening Data and Cybersecurity Governance

The Public Bank Group instituted a structured governance, whereby the Board is assisted by the Board Risk Management Committee in overseeing technology and cybersecurity-related matters.

To safeguard information security, the Public Bank Group has developed comprehensive policies and frameworks, and constantly reviews them to ensure they remain relevant with the latest regulations and evolving security landscape. These policies and frameworks, if relevant, are also applicable to the Group's subsidiaries.

The management of technology and cyber risk is under the purview of the Technology Risk Management ("TRM") team helmed by the Chief Information Security Officer ("CISO"). The CISO is responsible for ensuring the Public Bank Group's information assets and technologies are adequately protected. Guided by the Board-approved Technology Risk Management Framework and Cyber Resilience Framework, the CISO executes risk assessments to identify security risks and evaluates the effectiveness of the control measures taken. The risk reports are periodically reviewed to affirm the controls are operating as intended.

The CISO also identifies new risks emerging from the internal systems as well as from external developments that may bring about data breaches or cybersecurity incidents. The CISO brings to discussion with both Board and Management Committees the cybersecurity profile, state of implementation of the regulatory requirements as well as outcomes of the external and internal independent assessments on cyber resilience. Phishing exercises covering different scenarios are regularly conducted to enforce staff cybersecurity awareness. Moving forward, Red Team Exercises, cyber drills and scenario analysis are key pursuits of TRM to identify weaknesses and to test the effectiveness of the disaster recovery, business continuity and crisis communication channel.

Why it Matters

Data privacy and customers' trust go hand in hand. Data privacy protects customers' personal data from misuse, breaches and security incidents. Cybersecurity is key to safeguard data privacy from identity theft, financial fraud or money transfer scams, protecting both the customers and the Public Bank Group.

Risks

- Security lapses leading to loss of sensitive information.
- Loss of customers' trust.
- Financial losses or regulatory fines on the Group.

How the Group Responds

- Subjecting the Group's policies and frameworks to periodic review for its continued relevance and adopting best practices.
- Effective operationalisation of the internal policies involving the three lines of defence.
- Upgrading IT Infrastructure and Cybersecurity System to strengthen internal security controls.
- Deploy multilayer security systems.
- Launch scam prevention campaigns to increase public awareness.

Key Highlights

- Introduced the **PB Scam Rangers**, a mobile team comprising cybersecurity fraud experts
- Achieved **zero cyber incidents** affecting the Group's systems and business operations

Data Privacy

The Public Bank Group has a strict zero-tolerance policy regarding any violation of privacy. This unwavering commitment to protecting data privacy is outlined in the following documents.

Banking Secrecy Framework

The Framework provides comprehensive guidelines on protecting customer data against unauthorised access, misuse, or disclosure and includes standard protocols for reporting data breaches.

Privacy Notice

The Privacy Notice explains to customers how the Group collects, uses, and protects their data. It is regularly updated and easily accessible online.

Mechanisms are in place to ensure the effective implementation of controls to safeguard customer data, including, but not limited to, regular audits, monitoring of data access, robust information communication technology controls, and periodic reviews of employee access rights to customer data to prevent privacy breaches.

Measures to protect customer data and information systems

- Conduct enhanced due diligence, specifically for outsourcing arrangements, to evaluate the effectiveness of outsourced service providers' existing controls for safeguarding customer data before engagement and periodically thereafter;
- Establish the Business Continuity Management Policy to build the Group's readiness to respond to disasters such as cyber-attacks and minimise disruption to business operations. The Policy is reviewed and tested annually to stay abreast of relevant emerging threats; and
- Mandatory annual employee training programmes, encompassing comprehensive modules on phishing prevention, password security and data protection best practices, reinforced by ongoing awareness campaigns and simulated exercises to equip employees with the knowledge and skills necessary to recognise, respond to and mitigate potential data privacy threats effectively.

Public Mutual is guided by the Operational Guidelines for Customer Data Leakage Protection that sets out stringent system and data security controls to ensure that personal data is handled and processed responsibly.

Cybersecurity

Amid the growing complexity of information technology infrastructure and rising cyber threats, the Public Bank Group remains resolute to strengthen its cybersecurity capabilities to ensure the delivery of safe and secure financial services to customers. For this, the Group continues to maintain robust technology and cybersecurity governance and approaches to ensure overall technology and cyber resilience. In 2024, the Group spent more than RM40 million to enhance its cyber defence capabilities.

Comprehensive policies and frameworks are in place to manage technology and cyber risks, and wherever relevant, their applicability is extended to the Public Bank Group's subsidiaries.

Theme 4: Principled Conduct

Corporate Information Security Management Policy

The Policy outlines principles to ensure the Group's information and information systems are properly safeguarded and adequately protected from threats, including fraud, data leakage, service disruption and natural disaster.

Enterprise Architecture Framework

The Framework outlines the overall technical design and high-level plan of the Group's information and communication technology architecture to promote standardisation and a disciplined way of delivering information technology solutions.

Cyber Resilience Framework

The Framework sets out the risk management processes to manage cybersecurity risk and strengthen cyber resilience continuously. It identifies the risks of cyber threats and sets out measures to address and mitigate them.

Technology Risk Management Framework

The Framework is developed based on the BNM Policy Document on Risk Management in Technology and sets out the key principles of risk governance and risk management processes to enable the Group to manage technology and cyber risks in a robust and consistent manner.

Public Mutual and Public Investment Bank are guided by the information and security policies and frameworks of the Securities Commission Malaysia, such as the Guidelines on Technology Risk Management and Guidelines on Conduct for Capital Market Intermediaries.

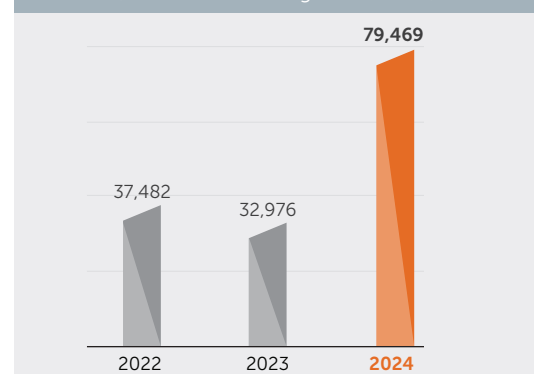
Ongoing enhancements to the Group's cybersecurity capabilities

- Implement safe-to-fail strategies for greater cyber resiliency;
- Deploy multi-layered security defence systems and enhance 24x7 Security Operation Centre monitoring to protect against threats;
- Adopt security-by-design principles in developing banking products/services, systems and processes;
- Use machine-learning capabilities for anomaly detection to prevent data breaches, ransomware and other threats;
- Partner with Global Cyber Security Collaboration for global dissemination of threat intelligence and guidelines to mitigate cyberattacks;
- Engage independent security consultants to assess and validate the adequacy of the Group's cybersecurity infrastructure and security posture;
- Information sharing and collaboration with other Financial Institutions via the Financial Sector Cyber Threat Intelligence Platform established by BNM;
- Participate in annual cyber drill exercises organised by regulators to test the effectiveness of the Group's Cyber Incident Response Plan towards managing scenarios of current and emerging cybersecurity threats; and
- Business Continuity Management Policy is in place to ensure the Group's continuous functioning in the event of disruptions.

Awareness and knowledge of data privacy and cybersecurity are integrated across the Public Bank Group through:

- Regular updates of circulars and periodic reminders on safeguarding customer information;
- Review of control objectives, efficacy of controls, policies, standards, frameworks, processes and procedures for information security;
- Employee training on the latest digital security skills, as well as professional certification programmes; and
- Routine conduct of phishing simulation tests to gauge the level of security awareness amongst employees.

Cyber Awareness Education Initiatives (Number of training enrolments)



Tackling Frauds and Scams

Amidst the growing adoption of digital banking, fraudsters are using innovative ways to commit financial scams. The Public Bank Group has rolled out various measures throughout the year to enhance scam prevention effectiveness.



Participated in the National Scam Response Centre to tackle financial scams



Introduced the 'Kill Switch' function via PBe internet and mobile banking application to prevent unauthorised access



Allowed PB SecureSign on a single designated device for authorisation



Set up a 24-hour Case Management Digital Support Hotline for customers



Set a 12-hour 'cooling-off' period for abnormal fund transfers and transactions



Sent a prompt to e-banking users when transactions are deemed high risk or suspicious



Introduced 'Report Fraud/Scam Incident' form on PBe login page to report fraud and scam cases



Continuous customer education via digital touchpoints and physical presence in roadshows and events


To raise public awareness of the risk of scams and their responsibilities to safeguard their banking accounts, the Public Bank Group launched the PB Scam Prevention Campaign in 2024. As part of the campaign, the Group introduced the PB Scam Rangers, a mobile team comprising cybersecurity fraud experts who will travel around Malaysia to raise awareness, educate, and update the public on the latest scam trends.

Stationed at selected Public Bank branches, the PB Scam Rangers engage with customers and the public with educational sessions, quizzes, interactive educational displays, and information sharing with prizes and souvenirs.

Given the proactive measures, more than **259,000 mule accounts** had been blacklisted from multiple sources in 2024

More than **1.1 million of customers with over 3.6 million transactions totalling about RM1.71 billion**, were prevented from falling into fraudsters' mule accounts in 2024



 Section Reference: **Management Discussion and Analysis – Business Operations Review (Information and Communication Technology)** on page 125.

Theme 4: Principled Conduct



Governance and Business Ethics

The Group's Approach

The Public Bank Group remains committed to maintaining ethical business practices, stringent regulatory compliance and preventing bribery, corruption and fraud, while safeguarding the interests of the stakeholders. Solid fundamentals on governance and compliance are in place, with clear and actionable guidance and practices embedded in every business and operational process.

The Public Bank Group has a zero-tolerance stance against any legal and regulatory non-compliance. It expects all employees to comply with laws and regulations governing the Group's business and uphold the highest standards of ethical conduct. The Group will take necessary and appropriate action to deal with any breaches to its policies and rules, including, but not limited to, disciplinary and/or termination action.



Compliance Governance Structure

The Board of Directors oversees the Public Bank Group's compliance risk management. The Board Compliance Committee has been established to assist the Board in discharging this responsibility.

The Public Bank Group adopts the three lines of defence approach as the framework for managing compliance risk. The effectiveness of the compliance environment is premised on a collaborative effort from the three lines of defence: the Business and Support Functions (first line), Compliance and Risk Management Functions (second line), and Internal Audit Functions (third line).

Why it Matters

Financial institutions are responsible for upholding good corporate governance and compliance. The Public Bank Group believes high compliance and governance standards are essential for sustaining business stability and stakeholders' trust.

Risks

- Regulatory fines, penalties and financial losses.
- Reputational damage due to failure to meet expectations of regulators and stakeholders.

How the Group Responds

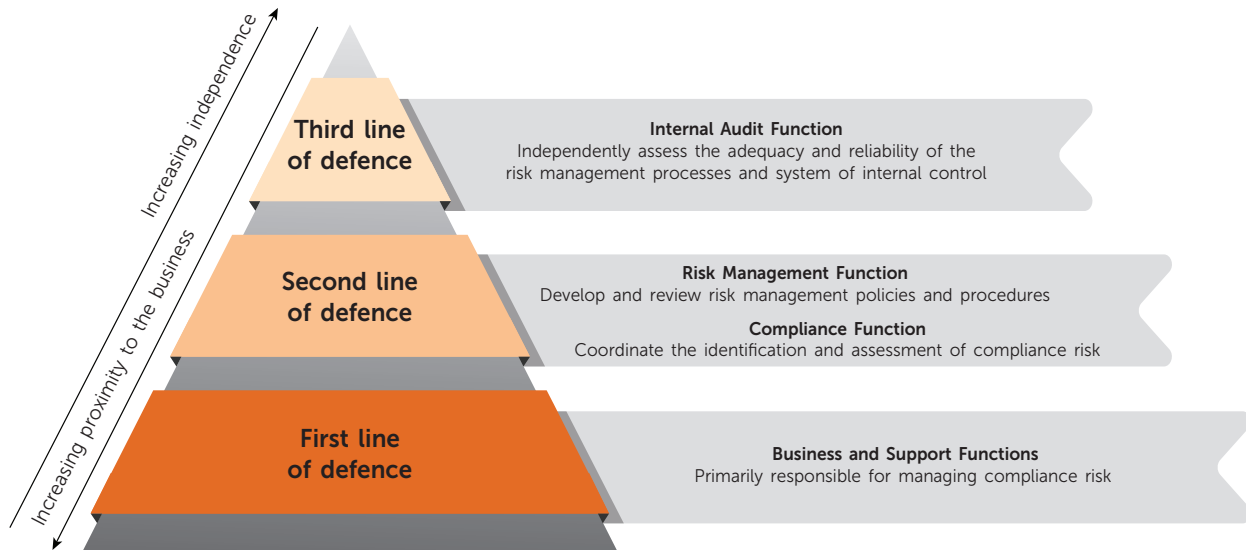
- Develop stringent policies and procedures to cultivate a professional and ethical workforce.
- Mandatory training on compliance matters to ensure employees are aligned with regulatory requirements.

Key Highlights

- **Zero incidents** of corruption
- **100%** of the Group's banking entities operated in Malaysia have conducted corruption-related risk assessment

Targets/Sub-targets

- Develop business underpinned by ethical conduct and compliance



Section Reference: **Corporate Governance Overview Statement** on page 280.

Guiding Policies and Procedures

The Public Bank Group has developed a wide range of policies and procedures to guide its employees in upholding good business ethics and integrity. In addition, Public Mutual is guided by its Personal Dealing Policy and Managing Conflicts of Interest Policy.

Compliance Policy

The Policy is established in accordance with three overarching principles for managing compliance risk and cultivating high standards of integrity and conduct within the Group, namely (i) Zero-Tolerance Approach, (ii) Compliance is Everyone's Responsibility, and (iii) Risk-based Approach.

Anti - Fraud Policy

The Policy sets out the Group's expectations of all its employees and the requirements relating to the prohibition, recognition, reporting, and investigation of suspected fraud, corruption, misappropriation, and other similar irregularities.

Code of Ethics

The Code of Ethics serves as a basis and benchmark for all employees to conduct themselves in accordance with the five fundamental ethical principles, namely competence, integrity, fairness, confidentiality and objectivity.

Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT, CPF and TFS") Policy

The AML/CFT, CPF and TFS policy articulates the stringent risk-based approach and procedures involving ongoing due diligence, screening and monitoring of all business transactions to counteract potential illicit activities or malicious endeavours associated with money laundering, terrorism financing, proliferation financing or financial sanctions.

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Public Bank Group adopts a zero-tolerance approach to any form of bribery and corruption. The ABAC Policy applies to all entities within the Group, including its overseas branches and subsidiaries, all members of the Board and employees, and all third parties working for, associated with or acting on behalf of the Group.

Theme 4: Principled Conduct

While the Board's oversight of anti-bribery and anti-corruption is assisted by three Board Committees which consists of Compliance Committee, Risk Management Committee and Audit Committee, the Ethics and Integrity Working Group is established at the management level to oversee the management of the ABAC programme.


Bribery and corruption risk assessment ("BCRA") is undertaken to identify areas susceptible to bribery corruption risks covers the areas as identified in the ABAC policy. This is accompanied by the assessment of the enterprise and/or specific operational controls in place to mitigate the risks. Any breach in the ABAC policy will result in disciplinary proceedings, including, but not limited to, employee dismissal and the right to terminate any relationship with third parties.

In 2024, 100% of the Public Bank Group's banking entities in Malaysia have conducted corruption-related risk assessments.

With the Vision of "Advancing to Sustain a Corruption-Free Banking Environment", the Public Bank Group, has in 2024, further enhanced the Anti-Corruption Plan 2024 – 2027, which sets out the following objectives:

- Outline the framework and preventive actions to mitigate corruption risk;
- Manage challenges regarding governance, integrity and corruption;
- Increase awareness and commitment amongst stakeholders to fight corruption; and
- Enhance the image of the Bank and the trust of stakeholders.

The Public Bank Group requires all employees to complete a series of mandatory e-learning modules annually to raise awareness and understanding of employees' responsibilities regarding the principles and guidelines of ABAC Policy. These modules cover critical topics, including Defining Bribery and Corruption, the Principles of ABAC Policy, Breaches of ABAC Policy, and Reporting Channels and Protection Accorded to Whistleblower(s).

 Read more: <https://www.publicbankgroup.com/about-us/corporate-governance/anti-bribery-anti-corruption-policy/>.


Bribery and corruption generally refer to offences involving giving or receiving of "gratification" which is defined within Section 3 of the Malaysian Anti-Corruption Commission Act 2009 as:

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) Any forbearance to demand any money or money's worth or valuable thing;
- f) Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

Whistleblowing Policy and Procedures

The Public Bank Group has put in place the Whistleblowing Policy and Procedures to serve as a confidential platform for all employees and third parties, including interns, consultants, contractors, vendors, suppliers and customers, to report any acts of bribery and/or corruption, as well as any alleged illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group.

Reporting can be made via the PBALERT Link at <https://www.pbebank.com/Whistleblowing> or email address at PBALERT@publicbank.com.my. Whistleblowers may also lodge a report with the Royal Malaysia Police, BNM, the Malaysian Anti-Corruption Commission or any other enforcement agencies as defined under the Whistleblower Protection Act 2010.

 Read more: <https://www.publicbankgroup.com/about-us/corporate-governance/whistleblowing-policy-procedures/>

Consequence Management Framework


Transparent, fair and appropriate disciplinary actions in accordance with the Public Bank Group's Consequence Management Framework will be applied should there be any contravention by employees.

Embedding Stringent Compliance Culture

In 2024, various initiatives and ongoing education and training were implemented to ensure employees' awareness is at the highest level.

- **12 regional dialogue sessions with** 330 participants and a virtual briefing session with 54 participants on compliance and AML/CFT matters were carried out.
- **18 briefing sessions** were conducted with 154 Management Trainees involved in hire purchase ("HP") processing to increase awareness of HP fraud detection and prevention.
- **493 compliance reviews** were carried out at domestic branches and securities documentation centres.
- **211 branch visits for compliance checks** were carried out at the Group's operations in Hong Kong, Cambodia and Vietnam.
- **67 compliance reviews** were carried out at HP centres, HP hubs and full-fledged HP branches to assess the overall state of compliance with AML/CFT/CPF, regulatory requirements and the Group's internal procedures and guidelines.
- **Due diligence assessments** were carried out on customers and suppliers.
- **Compliance risk assessment** was conducted to identify the Group's compliance risk profile and understand its exposure to the business operations.
- **Four bulletins and eight newsletters** were published to update employees on compliance matters.
- Islamic Banking training and awareness programme were conducted via the **Islamic Banking Ambassador ("IBA") Programme**, consisting of **414 IBAs** nationwide. Shariah awareness was further strengthened through the issuance of eight editions of **Quick Buzz (newsletters)**, **four Islamic Banking Bulletins**, **two series of Shariah Awareness Short Videos**, and nine series of **Insight Out: Islamic Finance (carousel posts)**.

Periodic refresher courses on compliance-related topics are conducted to strengthen knowledge, and a compliance communication platform is made available for employees to escalate and raise regulatory compliance issues.

 For information on the Group's key compliance-related training programmes enrolments, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website.

Theme 4: Principled Conduct



Transparency and Trust

The Group's Approach

The Public Bank Group values the importance of transparency and accountability, which are essential for building and maintaining the trust of its stakeholders. The Group continues to provide transparent and timely disclosures to its stakeholders on the Group's management of matters covering sustainability practices, business activities, financial situation and tax management.

Building Long-Term Trust with Stakeholders

The Public Bank Group ensures regular and constructive engagement with its stakeholders, in order to fulfil their sustainability interests and concerns.

To this end, the Public Bank Group communicates its sustainability disclosures, including climate-related matters, to its stakeholders in a comprehensive, timely and transparent manner through various channels, including disclosure in the Annual Sustainability Report in the Public Bank Integrated Annual Report, Annual General Meeting, investors' meetings, roadshows and conferences.

The Public Bank Group regularly updates its dedicated section on Public Bank's corporate website, which provides an overview of the Bank's approach towards sustainability.



Why it Matters

The Public Bank Group builds trusted and long-lasting relationship with its stakeholders to adequately meet their needs and expectations. To fulfill its social obligations to the economic growth and community development, the Group adheres to regulatory disclosure requirements and ethical tax practices.

Risks

- Unethical conduct or failure to make timely tax payments can lead to regulatory fines, penalties and a loss of confidence and trust from stakeholders.
- Lack of transparency can erode trust, foster misinformation and hinder effective decision-making by stakeholders.

How the Group Responds

- Adherence to the highest standards and best practices.
- Timely and transparent sustainability disclosures.
- Set the Public Bank Group's Tax Policy.

Key Highlights

- Income tax payment of **RM2.05 billion** was made in 2024

Responsible Tax Management

As a responsible corporate player, the Public Bank Group is committed to handle tax-related matters in a compliant and professional manner, minimising any risk that could lead to negative financial implications and reputational issues. The Group adopts a healthy tax risk appetite by promoting a corporate culture that upholds strong compliance with tax legislation.

Tax Governance

The Public Bank Group's Tax Policy is established with oversight from the Board of Directors which sets the tone from the top. Any material tax issues or new emerging tax risks will be reported to management promptly for deliberation on the proposed actions.

Management of Tax Risk

To minimise potential tax risk, employees handling the tax function are expected to keep abreast of tax developments and ensure a deep understanding of the relevant expectations of the tax authority to minimise any misinterpretation of tax laws. The Public Bank Group seeks professional advice and clarifications from the tax consultant or tax authorities to enhance understanding of the tax requirements.

Continuous education and regular training on direct and indirect tax requirements are conducted for all the relevant employees across business units and support units within the Public Bank Group. The objective of the education and training is to ensure awareness and compliance. With the good tax practices that employees from all levels have continuously adopted, the Group is able to manage its tax risk in the most efficient manner. Tax risks that could arise due to late tax submission or payment can be eliminated through early submission. It is also fundamental that the Group prepares its tax submission with thorough checking to minimise any inaccurate tax filing.

Relationship with Tax Authorities

The Public Bank Group maintains a collaborative and professional relationship with the tax authorities. Any queries raised by the tax authorities are addressed promptly and professionally.

The Public Bank Group upholds integrity in handling tax matters and strictly avoids engaging in tax evasion or tax avoidance arrangements. Although the Group operates business in Labuan and other jurisdictions that impose lower corporate income tax rates, it is always the practice of the Group to conduct its intra-group business activities based on the arm's length principle, which is in line with the Transfer Pricing requirements set by local and international tax laws.

Theme 4: Principled Conduct



Risk Management

The Group's Approach

The Public Bank Group's foundation to create value to its shareholders, customers, counterparties, employees, investors and the community it serves is premised on an effective risk management system across all lines of defence. This is supported by the Group's Risk Management Framework embedded into the day-to-day operations and decision making process.

Governance Oversight

Risk management is a shared responsibility that involves all levels of the organisation. The highest responsibility is the Board, assisted primarily by the Risk Management Committee and other dedicated risk committees.

The Public Bank Group adopts a three-lines of defence approach consisting of business and support units as the first line of defence, compliance and risk management functions as the second line of defence, and internal audit as the third line of defence.



➔ Section Reference: **Risk Management (under Corporate Governance section)** on page 307.

Risk Management Framework

The Public Bank Group is guided by the Risk Management Framework, which outlines the overarching risk management approach to enable the identification, measurement, continuous monitoring, and reporting of all risks for all entities within the Group.

Why it Matters

Effective risk management is integral to ensure the business strategy and risk-taking activities remain in line with the desired Public Bank Group-wide Risk Appetite.

Risks

- Poor risk management exposes the Group to financial and non-financial risks.

How the Group Responds

- Adopts the three Lines of Defence model.
- Risk appetite and risk policies to guide the effectiveness of risk management.

Key Highlights

- **Developments** in the regulatory and operating environment are key inputs to **risk management strategies**
- **All risk thresholds and risk policies are subject to review** to ensure continued relevance
- **Completed 100% of assessments on borrowers operating in High ESG Risk Sectors ("HERS"), and 65% of borrowers operating in non-HERS**

Targets/Sub-targets

- **100%** of loans/financing undergone ESG RAC screening by 2025 for Large Corporates*
 - **100%** client engagement by 2025 for High Risk Large Corporates*
- * Large Corporates refer to all large corporate borrowers under the corporate financing segment

The key principles and components of the Risk Management Framework include the following:



Growing traction on climate-related risk has evolved the Public Bank Group's approach to managing risk. Over the years, the Group has progressively enhanced risk tools and processes to incorporate climate-related risk considerations to ensure exposures are managed and to safeguard the Group's interest while ensuring business viability. The ESG RAC Policy guides the Group's operationalisation of the Impact-Based Assessments comprising ESG practices in the customer onboarding process.



Section Reference: **Risk Management (under Corporate Governance section)** on page 307.

Risk-Focused Organisation Culture

To enhance risk awareness and foster a culture of risk management throughout the Public Bank Group, the practice of managing risk is integrated into daily operations and decision-making processes:

Risk Integration into Culture and Business Operation



The compliance culture is integrated across the Public Bank Group, particularly at the beginning of employment. The Group conducts a strict pre-employment screening process to ensure potential candidates have the required knowledge, skills, and competencies. The screening consists of personal background, employment history, financial screening, criminal records, and cyber-crime screening.

In addition, the Public Bank Group has a transparent consequence management framework in place to impose the appropriate disciplinary actions should any of the Group's employees contravene.



Section Reference: **Risk Management (under Corporate Governance section)** on page 307.



Disclosures Aligned with
Task Force on Climate-related
Financial Disclosures ("TCFD")

Governance

Sustainability and Climate-Related Governance

A strong governance structure is important to steer the Public Bank Group's sustainability and climate change management efforts to achieve the Group's long-term strategic directions which are aligned with the climate risk appetite. The Group's sustainability and climate-related risk governance structure is as follows:



Note:

----- Reporting of climate-related risk matters to BRMC by SMC/SMTF.

 For more information, please refer to **Sustainability Governance** on page 164.

Sustainability and Climate-Related Topics Discussed

During the year, the Board Committees discussed the following agenda:

Board Sustainability Management Committee	Board Risk Management Committee
<ul style="list-style-type: none"> Approved the appointment of an external consultant to conduct ESG Data (emissions) Assurance 2024 Reviewed Public Bank's Sustainable Finance Target Received progress updates on the sustainability and climate-related targets and commitments Approved the Public Bank Group Financed Emissions Internal Methodology Reviewed the Public Bank Group's Decarbonisation Plan and recommended to the Board for approval Received updates on regulatory developments on sustainability and climate-related matters 	<ul style="list-style-type: none"> Reviewed the Climate Risk Appetite Statement Reviewed the climate-related risk management policies Approved the BNM's Climate Change and Principle-based Taxonomy ("CCPT") Internal Operational Guideline Reviewed the outcome of CCPT classification of the financing assets and the ongoing actions to improve the process Reviewed the recommendation to appoint an external consultant to undertake the BNM Climate Risk Stress Testing ("CRST") exercise Reviewed and challenged the outcome of CRST exercise on mortgage financing portfolio Received updates on regulatory developments on sustainability and climate-related matters
Meeting frequency: Quarterly Number of meetings with climate-related agenda discussed: 4	Meeting frequency: Monthly Number of meetings with climate-related agenda discussed: 5

Governance

Management-level committees being the Sustainability Management Committee (“SMC”) and Sustainability Management Task Force (“SMTF”) are responsible to implement the directions of the BSMC and RMC. During the year, the SMC and SMTF deliberated and took actions on the following:

- Reviewed the initiatives by business units, support units and local subsidiaries to achieve the sustainability and climate-related targets
- Deliberated on the progress of the actions taken to meet sustainability and climate-related targets
- Reviewed the Public Bank Group Financed Emissions Internal Methodology
- Deliberated on the Public Bank Group’s Decarbonisation Plan
- Reviewed the CCPT Due Diligence (“DDQ”) Implementation Workplan
- Received updates on regulatory developments on sustainability and climate-related matters, and reviewed plans to address the requirements

Sustainability and Climate-Related Training

The Board members and all levels of employees of the Public Bank Group participated in various conferences and trainings to continuously build knowledge and keep informed of sustainability and climate change developments. Notable conferences and trainings participated during the year are as follows:

1 Asia School of Business: Kuala Lumpur International Sustainability Conference

2 JC3: Measuring What Matters: Designing Climate-Related Metrics and Targets

3 JC3: Navigating Climate Risk for Financial Institutions

4 EY: Sharing Session on IFRS S1 and S2

5 REDmoney Seminars: Climate Risk Stress Testing for Financial Institutions

6 KPMG Symposium: Beyond ESG

7 Bloomberg Sustainability Event

8 Bursa Malaysia: Sustainability Disclosure Best Practices Training

9 JC3: Measuring What Matters: Designing Climate-Related Metrics and Targets (for Banks)

10 JC3: Transition Planning Clinic 1 – Foundations of Transition Planning and Target Setting

11 Sustainable Financing Series: Financing Solar Panels for Residential and Commercial Buildings

12 Business and Human Rights Asia: Introductory Training on Biodiversity and Climate Change for Financial Institutions

13 Risk and Opportunities-Understanding the Materiality of Climate Change to FIs

14 Bursa Malaysia: Navigating Bursa Malaysia’s Enhanced Sustainability Reporting Framework

15 Bursa Malaysia: Workshop on IFRS Sustainability Standards

16 Climate Change: What Bankers Need To Know

17 Global Association of Risk Professionals: Sustainability and Climate Risk Certificate

18 Frankfurt School of Business: Expert in Sustainable Finance

19 JC3: Navigating Greenwashing Risks

20 Asian Institute of Chartered Bankers and the Global Ethical Finance Initiative: Scaling up Sustainable Finance

External Associations and Memberships

The Joint Committee on Climate Change (“JC3”), co-chaired by BNM and Securities Commission Malaysia, aims to build capacity through knowledge sharing on climate change as well as actively looking into resolving collective climate change challenges faced by the financial sector. The Public Bank Group is a member of the JC3 Sub-Committee 1: Risk Management (“JC3 SC1”), JC3 SME Focus Group and its various JC3-related working groups. JC3 platforms have provided invaluable insights and feedback in the formulation of industry best practices and methodologies to address climate change concerns. JC3 is also a source of information on regulatory developments and is instrumental to propel industry stakeholders to take cohesive measures to work towards the national climate agenda.

Associations

JC3 Sub-Committee 1: Risk Management

- CCPT Implementation Group
- Physical Risk Working Group
- Transition Risk Working Group

JC3 SME Focus Group

Sustainability Key Performance Indicators

The Key Performance Indicators (“KPIs”) of C-suites, Senior Management, Regional Managers and Branch Management employees are developed in alignment with the Public Bank Group’s sustainability commitments to achieve Net Zero Carbon by 2050 and to mobilise RM100 billion of sustainable financing by 2030.

 For more information, please refer to **Progress towards Sustainability Commitments** on page 160.

Strategy

Climate Risk Appetite Statement

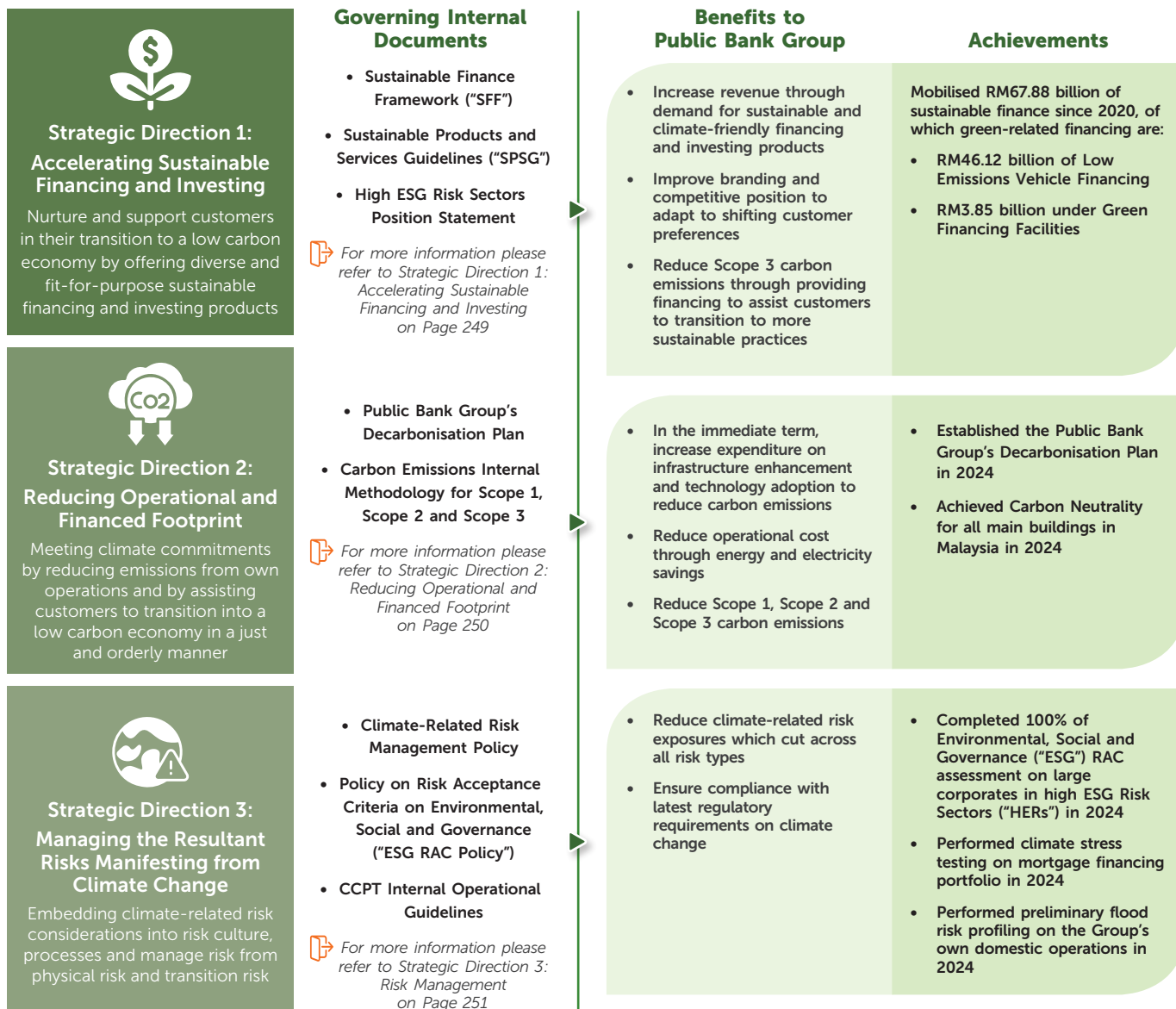
Public Bank Group’s Climate Risk Appetite Statement

“The Public Bank Group aims to measure and manage financial and non-financial risks from climate change and reduce emissions from our own activities and those related to the financing of clients in alignment with the Group’s commitment to achieve Carbon Neutral position for Scope 1 and Scope 2 by 2030 and Net Zero Carbon by 2050”

Public Bank Group’s Climate Risk Appetite Statement sets the tone for development of the three (3) climate-related strategic directions guiding the operationalisation of the Group’s plans for Theme 1: Protecting the Environment and are institutionalised through the Group’s Climate-Related Strategy Policy (“CRSP”), being the internal document to guide all entities within the Group to formulate consistent initiatives to achieve the Group’s climate-related commitments.

Three (3) Climate-Related Strategic Directions











The key progress to achieve the three (3) Strategic Directions are as follows:



Strategic Direction 1: Accelerating Sustainable Financing and Investing

A key contributor to meeting the Public Bank Group's climate targets is mobilising capital for the transition to Net Zero Carbon by 2050. To support borrowers' transition, the Group targets to mobilise RM100 billion in sustainable financing by 2030. Green and climate-friendly criteria outlined in the Group's Sustainable Finance Framework ("SFF") and Sustainable Products and Services Guideline ("SPSG") set out the activities that are eligible to be categorised as sustainable finance and contribute towards the Group's sustainable financing target.

The Group has identified key priority sectors as follows:

 <p>Green Buildings</p>	<p>Promote sustainable and green buildings to lower the overall CO₂ emissions and save resources such as water, energy, etc. while utilising renewable energy sources and eco-friendly building materials</p>	 
 <p>Renewable Energy (Solar)</p>	<p>Step up efforts to encourage the use of solar energy by households and industries in line with targets outlined in the Malaysia Renewable Energy Roadmap ("MyREP") to reach 31% of renewable energy share in the national installed capacity mix by 2025 and to increase it to 40% by 2035</p>	 
 <p>Circular Economy</p>	<p>Promote sustainable production and consumption model to reduce use of natural resources through reuse, recycle and repurpose waste materials/used products across the product lifecycle</p>	  

Sustainable financing products is key to support orderly transition towards a low carbon economy. SME sustainable products are developed to increase SME access to sustainable finance with low entry barriers enabling the bridging of maturity gap between SMEs and large corporations. To date, the Public Bank Group has successfully mobilised RM67.88 billion of sustainable financing, of which RM49.97 billion of the proceeds are disbursed through green and low emissions vehicle loans.

To foster sustainable and responsible investing, Public Mutual offers Sustainable and Responsible Investment ("SRI") funds which incorporate ESG considerations.

 For more information, please refer to **Sustainable Finance** on page 187.

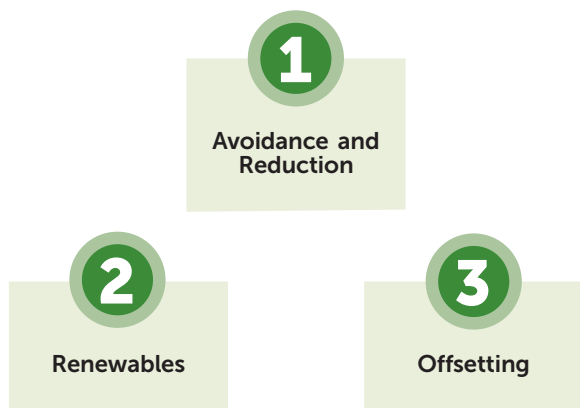
Strategy

Strategic Direction 2: Reducing Operational and Financed Footprint

The Public Bank Group’s Decarbonisation Plan sets out the Group’s plans to achieve Carbon Neutral position for Scope 1 and Scope 2 by 2030 and Net Zero Carbon by 2050.

Carbon Neutral Position for Scope 1 and Scope 2 by 2030

The Public Bank Group’s decarbonisation approach to achieve Carbon Neutral position by 2030 is guided by three (3) strategic enablers which embrace principles of energy hierarchy and prioritise energy demand reduction to minimise environmental impact as follows:



Net Zero Carbon by 2050

In addition to Scope 1 and Scope 2, the Public Bank Group recognises five (5) categories of Scope 3 emissions as material and impactful to decarbonise as follows:



For more information, please refer to **Carbon Emissions** on page 174.

Financed emissions is the most significant contributor to the Public Bank Group’s Scope 3 emissions. For the Group’s initial decarbonisation plan for financed emissions, three (3) sectors have been identified and are prioritised in setting the sectoral targets. These are Palm Oil, Cement and Construction and Infrastructure sectors.

Nonetheless, the ability of the Group to achieve its Net Zero Carbon target is reliant on the ability of borrowers in these sectors to transition and decarbonise. To achieve, it is critical for the Group to engage and support its borrowers in their transition journey. The Business Managers are progressively equipped with capabilities to identify borrowers’ transition risks and challenges in order to offer financing options to assist borrowers.

No	Role	Reduction Approach	Target Metric	2023 Baseline	2030 Target	2050 Target
1	Palm Oil	Emissions Intensity	tCO ₂ e/tonne crude palm oil	1.99	1.53	0.14
2	Cement		tCO ₂ e/tonne cementitious product	0.72	0.46	0.03
3	Construction and Infrastructure		tCO ₂ e/RM*Million	11.45	9.19	1.51

For more information, please refer to **Carbon Emissions** on page 174.

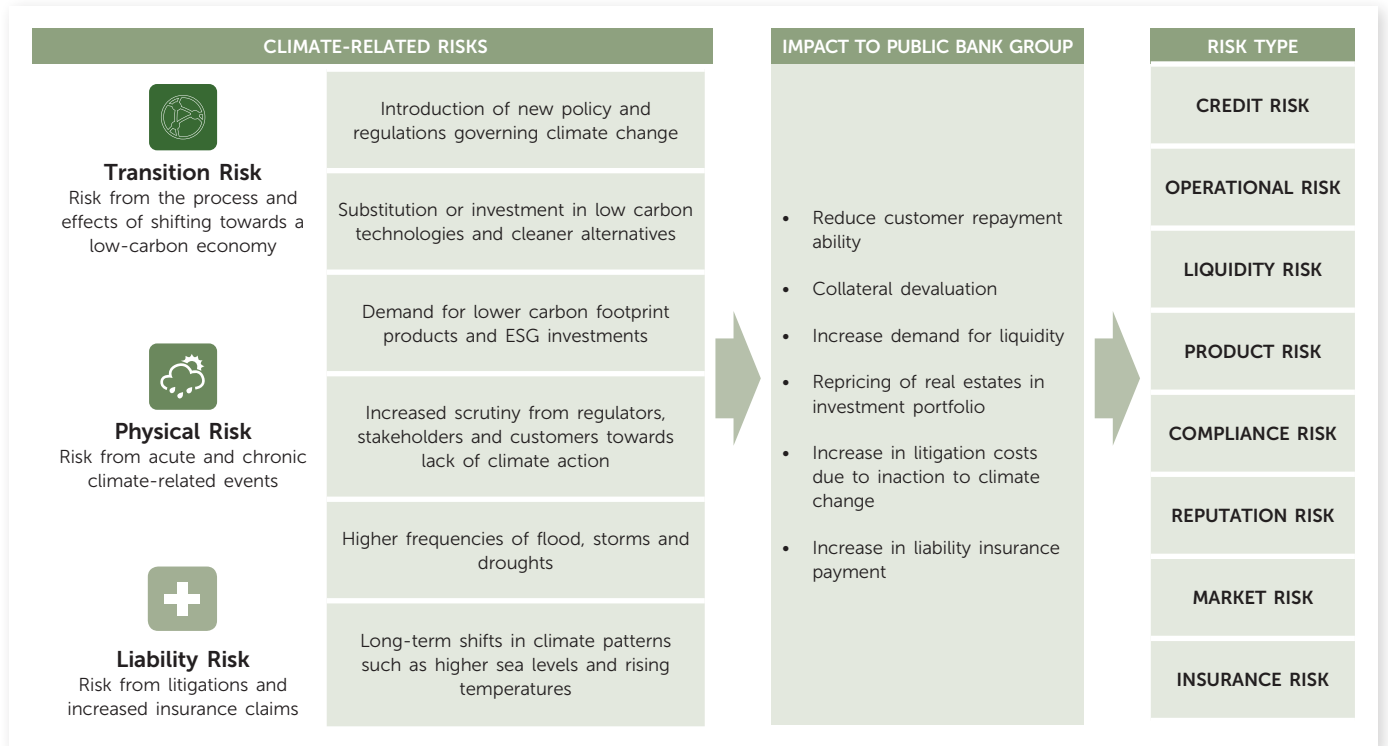
Strategic Direction 3: Managing the Resultant Risks Manifesting from Climate Change

The Public Bank Group’s approach in managing the resultant risks manifesting from climate change is set out in Risk Management section.

Risk Management

Climate-Related Risks Transmission Mapping



The Public Bank Group is exposed to climate-related risks from various sources; primarily from its financing portfolio as well as its own operations, suppliers and vendors. To effectively manage climate-related risk impact, continuous enhancements to the existing risk tools and frameworks are essential. The Group’s climate-related risk management initiatives are planned out in the Climate Risk Management and Scenario Analysis Board-Approved Implementation Plan (“CRMSA BAIP”) submitted to BNM in May 2023.



Risk Management

Identification and Management of Climate-Related Risk

In 2024, the Public Bank Group continued its efforts to enhance processes to support the identification and management of climate-related risk. Governing the management of climate-related risk of the Group is the Climate-Related Risk Management Policy. The table below summarises the key activities and progress during the year.

Key Risk Types and Impact to Public Bank Group	Risk Tools and Methodology	Progress in 2024	Next Steps	Horizon
Credit Risk from Physical Risk <ul style="list-style-type: none"> Devaluation of collateral values in flood-prone risk locations Higher default rates from borrowers with key operations residing in flood-prone risk locations 	Established: <ul style="list-style-type: none"> Flood Risk Assessment Methodology applying external flood map 	<ul style="list-style-type: none"> Commenced Climate Scenario Analysis and Stress Testing guided by BNM requirements Quantified physical risk impact and exposure on mortgage financing portfolio 	<ul style="list-style-type: none"> Tagging and tracking the credit portfolio with heightened physical risk Integrate climate-related risk metrics into existing risk monitoring, reporting and escalation to support effective decision making 	Short-Term
Credit Risk from Transition Risk <ul style="list-style-type: none"> Higher default rates on high ESG Risk Grade borrowers from reduced repayment ability 	Established: <ul style="list-style-type: none"> High ESG risk sectors ("HERS") ESG Exclusion List ESG RAC Policy guiding the establishment of the sectoral specific RAC checklists applied to conduct ESG due diligence Sectoral RAC (i.e. Palm Oil, Construction and Infrastructure) and General RAC checklists for corporate banking borrowers 	<ul style="list-style-type: none"> Completed ESG RAC assessment on all corporate banking borrowers in HERS 	<ul style="list-style-type: none"> Monitor the Time-Bound Plan ("TBP") of "High" ESG Risk Grade borrowers Engagement with borrowers from targeted sectors to develop transition strategy and/or monitor progress of the TBP 	Short-Term
Operational Risk <ul style="list-style-type: none"> Potential disruption to the Group's operations and third party service providers from physical risk events 	Established: <ul style="list-style-type: none"> Flood Risk Assessment Methodology Risk and Control Self-Assessment to identify any vulnerabilities in internal operations to physical risk Key Risk Indicators to capture incidents caused by physical risk Business Continuity Plans ("BCP") to manage operational disruption from physical risk on internal operations and critical third party service providers 	<ul style="list-style-type: none"> Profiled the Group's own domestic operations covering bank branches and data centres, amongst others, against flood risk map Implemented various initiatives to improve building resilience towards physical risk 	<ul style="list-style-type: none"> Perform ongoing assessment on the resilience of internal operations to reduce potential disruptions Develop internal risk practices on climate adaptation strategies to reduce physical risk impact 	On-going

Key Risk Types and Impact to Public Bank Group	Risk Tools and Methodology	Progress in 2024	Next Steps	Horizon
Liquidity Risk <ul style="list-style-type: none"> Potential material outflows or reduced liquidity buffers as a result of vulnerabilities experienced by certain sectors or segments of borrowers from climate change  	To develop: <ul style="list-style-type: none"> Methodology to collect appropriate borrowers' data and in response to climate-related risk event for future modelling of potential liquidity impact Identify climate events that may heighten borrowers' vulnerability in certain sectors 	<ul style="list-style-type: none"> On-going research and engagement with industry experts to gain deeper understanding on transmission and impact of climate-related risks on borrower's cash flow profile 	<ul style="list-style-type: none"> To develop internal methodology to collect and to link borrowers' behavioural data to climate events as inputs to the liquidity stress scenarios 	Medium-Term
Product Risk <ul style="list-style-type: none"> Inadequate consideration of climate-related factors in designing of products Lack of policies, processes and controls to mitigate greenwashing 	Established: <ul style="list-style-type: none"> Requirement for new products to undergo climate-related risk assessment Sustainable Finance Framework ("SFF") Sustainable Products and Services Guidelines ("SPSG") 	<ul style="list-style-type: none"> Developed Guidance Notes and Green Product Tool to operationalise SFF and SPSPG Inaugural internal audit on sustainable financing mobilised for accuracy and compliance with the SFF and SPSPG 	<ul style="list-style-type: none"> To develop a mechanism to embed the calculation of emissions from every loan/financing activity 	On-going
Compliance Risk <ul style="list-style-type: none"> Failure to comply with legal and regulatory requirements leading to regulatory penalties  	Established: <ul style="list-style-type: none"> Mapping process on every applicable regulatory requirement against the relevant internal process/procedures Self-compliance checklist to identify non-compliance 	<ul style="list-style-type: none"> Reviewed the mapping process of the regulatory requirements against the internal processes to ensure compliance with regulatory requirements Reviewed the self-compliance checklists completed by business units to surface risk of non-compliance 	<ul style="list-style-type: none"> Ongoing compliance checks on the existing process and procedures of Business and Support Units to comply with the regulatory requirements 	On-going
Reputation Risk <ul style="list-style-type: none"> Negative perception by stakeholders if necessary actions are not taken or not assuming more social responsibilities to manage climate-related risk in the conduct of business 	Established: <ul style="list-style-type: none"> Climate Risk Appetite Statement ("Climate RAS") ESG Exclusion List Commitment to No Deforestation, No New Peat, No Exploitation Reputation Risk Self-Assessment 	<ul style="list-style-type: none"> Operationalised the risk tools and internal methodologies for adoption by all entities within the Group 	<ul style="list-style-type: none"> On-going review and refinement to existing controls Employee training on operationalising internal climate-related risk policies and processes 	On-going

Execution Time: Short-term - 1 to 2 years/Medium-term - 3 to 5 years/Long-term - 6 to 10 years



Transition Risk



Physical Risk

Risk Management

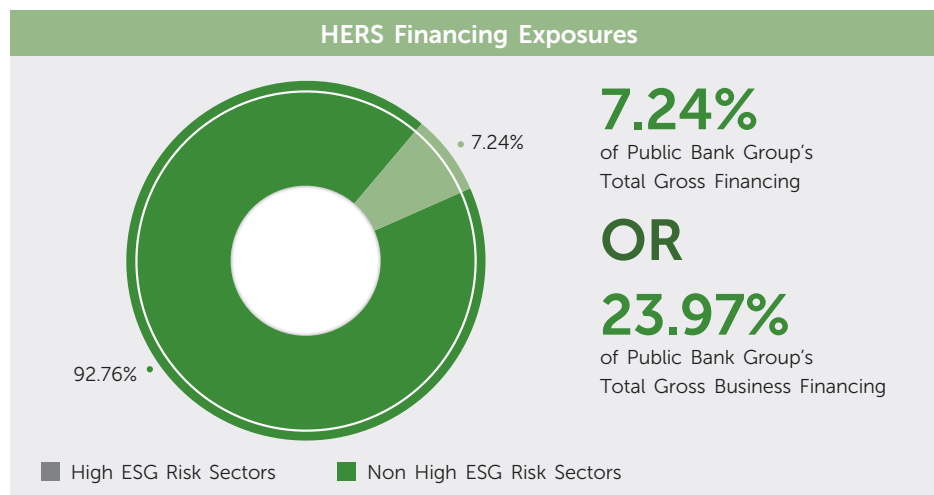
Integration of Climate-Related Risks into Risk Management Processes

Climate-Related Risk Management In Financing Portfolios

To manage the climate change transition and physical risks impacting borrowers, the Public Bank Group has progressively implemented policies, tools and risk management processes to execute actions to promote and support business borrowers in their transition to more sustainable and climate-resilient practices.

High Environment, Social, Governance Risk Sectors (“HERS”) Profile

The internally defined HERS is guided by global and regional ESG/climate-related taxonomies and Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”) sector guides. To date, eleven (11) sectors have been identified as HERS. As at 31 December 2024, the Group’s HERS exposures are as follows:



In 2025, the internal HERS definition will be reviewed to align to BNM 2024 Climate Risk Stress Testing Exercise Methodology Document issued on 29 February 2024 (“CRST”) which had identified twelve (12) sub-sectors that are deemed more vulnerable to climate-related risks.

The composition of the HERS by sectors are as follows:


Sectors	Exposure against Group Total Gross Financing (%)	
	2024	2023
Construction	4.28	4.36
Manufacturing (Selective)	1.27	1.21
Transport and Storage	0.66	0.65
Perennial and non-Perennial Crops (including Palm Oil)	0.55	0.57
Maintenance and Repair of Motor Vehicles, Motorcycles and related Parts and Accessories	0.20	0.20
Water Supply, Sewerage, Waste Management and Remediation Activities	0.10	0.08
Forestry and Logging	0.06	0.05
Livestock	0.05	0.06
Mining and Quarrying	0.04	0.05
Fishing and Aquaculture	0.03	0.03
Electric Power Generation, Transmission and Distribution	<0.01	0.01
Total	7.24	7.27

Note:

Selective manufacturing sectors comprises of:

Manufacture of motor vehicles, trailers and semi-trailers, Manufacture of furniture, Manufacture of paper and paper products, Manufacture of electrical equipment, Manufacture of wood, and products of wood and cork, Manufacture of chemicals and chemical products, Manufacture of rubber and plastic, Manufacture of basic metals, Manufacture of other non-metallic mineral products.

The Public Bank Group's High ESG Risk Sectors Position Statement

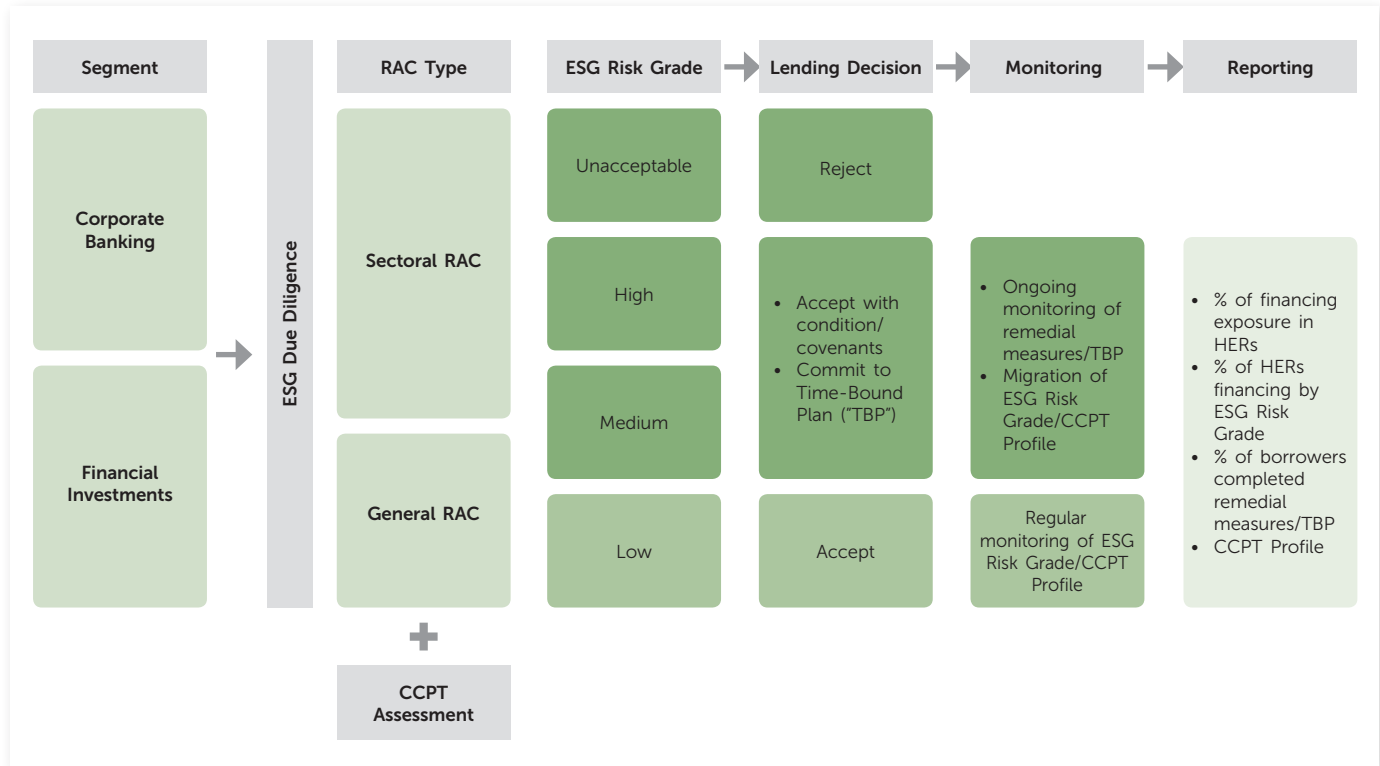
	 PALM OIL	 CONSTRUCTION AND INFRASTRUCTURE
BASIC PRACTICE	<ul style="list-style-type: none"> • Obtain and maintain Malaysian Sustainable Palm Oil ("MPSO") and/or Indonesian Sustainable Palm Oil ("ISPO") certifications(s) • Implement zero burning and fire prevention measures • Conduct Environmental and Social Impact Assessment ("ESIA") • Comply with land use title condition 	<ul style="list-style-type: none"> • Conduct Environmental and Social Impact Assessment ("ESIA") for major construction projects or infrastructure developments • Provide safe working conditions, Personal Protective Equipment ("PPE") and safety training for employees • Comply with regulatory requirements to minimise pollution (air, noise and water contamination) to the environment
BEST PRACTICE	<ul style="list-style-type: none"> • Obtain Free, Prior and Informed Consent ("FPIC") from affected communities, if applicable • Obtain Roundtable on Sustainable Palm Oil ("RSPO") certification or develop time-bound plan to obtain RSPO certification • Monitor greenhouse gas ("GHG") emissions • Develop integrated pest and weed management plan • Conduct Climate Risk and Vulnerability Assessment ("CRVA") and develop climate adaptation measures (e.g. cultivate productive yields which can withstand climate change such as heat stress and floods, etc.) • Practice rehabilitation and biodiversity restoration of land used (e.g. adopt Best Management Practices ("BMPs") for existing plantains on peat) • Perform environmental and social due diligence on operations and supply chain • Identify and protect or enhance forests with High Conservation Values ("HCV") or High Carbon Stock ("HCS") 	<ul style="list-style-type: none"> • Obtain FPIC from affected communities, if applicable • Develop properties that meet green certification (e.g. Green Building Index, Green Mark, Sustainable Infrastructure Rating Tool, Greenroads Rating System, etc.) • Maximise usage of locally supplied materials and also green building materials • Assess supplier's ESG practices as part of sourcing consideration • Conduct CRVA and develop building/infrastructure for climate adaptation (e.g. flood barriers, slope protection from landslides, etc.)

The position statement is benchmarked against industry practices setting out the Public Bank Group's ESG expectations and is applicable to all business borrowers.

Risk Management

Transition Risk

ESG Due Diligence on Corporate Banking Borrowers



Environmental, Social and Governance (“ESG”) assessments are embedded in the credit on-boarding process, annual credit review and during the extension of additional financing. This is applicable to all borrowers under the corporate banking segment and is executed by subjecting the borrowers to an internal ESG Due Diligence (“ESG DD”).

The ESG DD process assesses borrowers on ESG factors guided by the Public Bank Group’s Policy on ESG Risk Acceptance Criteria (“RAC Policy”) implemented since 2021. The RAC Policy outlines the overall approach to managing ESG-related risks, with the objective of nurturing and supporting borrowers’ orderly transition towards a low carbon economy and sustainable practices. The requirements of the RAC Policy to execute the ESG DD is operationalised via the Sectoral and General RACs. Two (2) Sectoral RACs are used, Palm Oil sector and Construction and Infrastructure sector. The sectoral RACs set out the ESG standards and ESG-related certifications specific to the industry and are applied to evaluate, monitor and review the borrowers’ ESG standing on a continuous basis. The General RAC, is applicable to all borrowers that do not fall within sector-specific RAC and covers both HERS and non-HERS borrowers. The RAC checklist assessment also requires the collection of borrowers’ environmental data such as carbon emissions and corresponding mitigation and adaptation measures. This enables the Group to develop a better understanding of borrowers’ exposures to climate-related risk and borrowers’ commitment and transition strategies or plans in managing the risks.

Upon completion of the ESG DD, each borrower is assigned with an ESG Risk Grade of “Low”, “Medium”, “High” or “Unacceptable” to represent the borrowers’ ESG standing. Borrower’s business activities which fall within the Public Bank Group’s ESG Exclusion List are assigned with an ESG Risk Grade of “Unacceptable” and new financing application will be rejected. For borrowers with a “High” ESG Risk Grade, credit approval is conditional upon borrowers committing to a Time-Bound Plan (“TBP”) to support borrowers’ transition journey and to improve their ESG Risk Grade over time. “Medium” ESG Risk Grade borrowers are accepted with conditions, while “Low” ESG Risk Grade borrowers are automatically accepted. Notwithstanding the ESG Risk Grade, all borrowers are subject to the usual credit assessment process prior to granting financing.

As at the end of 2024, 100% of the Corporate Banking borrowers operating in HERS have undergone ESG DD with the following outcome:

HERS Borrowers By ESG Risk Grade	
Low – Borrowers with minimal or no adverse ESG impact, and actively apply best ESG management procedures and practices in its operations	93%
Medium – Borrowers with some level of ESG impact, and have put in place some ESG management procedures and practices in its operations	7%
High – Borrowers with significant and adverse ESG impact, and have limited management procedures and practices to mitigate ESG impact	Nil
Unacceptable – Borrowers falling under the ESG Exclusion List with major and irreversible ESG impact, have no ESG management procedures and practices in place and are not willing to improve	Nil
Total	100%

ESG Due Diligence on Financial Investments

The financial investments of the Public Bank Group are also subject to abridged ESG DD assessment process at inception and in subsequent annual review. This is to keep sight of the ESG profile and to ensure financial investments do not contravene with the Group's ESG Exclusion List.

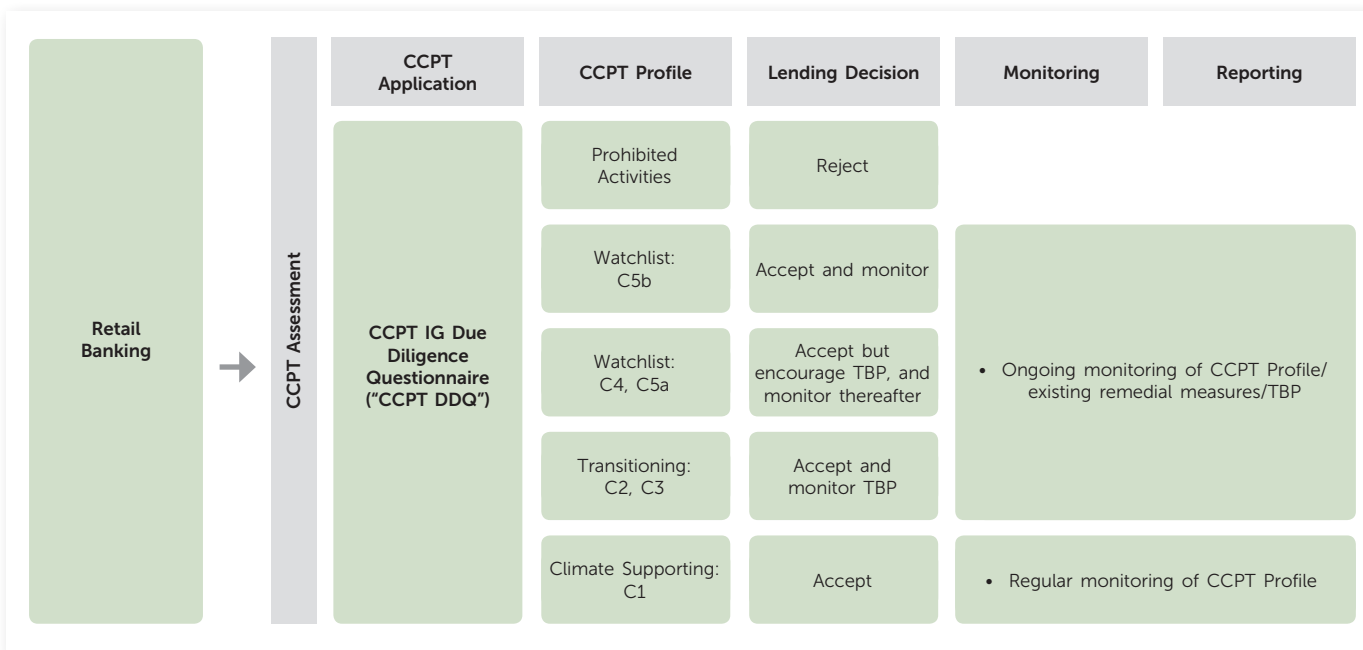
CCPT Assessment

Apart from assigning the corporate banking borrowers and financial investments with an ESG Risk Grade, each borrower is also assigned with a BNM CCPT Classification. At the start of the 2024, the CCPT assessment has been enhanced to align to the new CCPT Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4 ("CCPT DDQ"), developed by CCPT Implementation Group ("CCPT IG"), a working group under JC3 Sub-Committee 1. The adoption of CCPT DDQ is an industry initiative supported by BNM.

For more information, please refer to Climate Due Diligence on Retail Banking Borrowers on page 258.

Risk Management

Climate Due Diligence on Retail Banking Borrowers



The classification of the retail borrowers, (herein "non-SME and SME borrowers"), had commenced since the issuance of the BNM CCPT Policy Document dated 30 April 2021. The CCPT assessment is applicable to borrowers on-boarded from 1 January 2022 and by end June 2023, the entire retail borrower portfolio has been classified into 'Climate Supporting', 'Transitioning', 'Watchlist' or 'Prohibited' categories based on the purpose of the financing, the impact of borrowers' business activities on the environment, and their progress in climate transitioning.

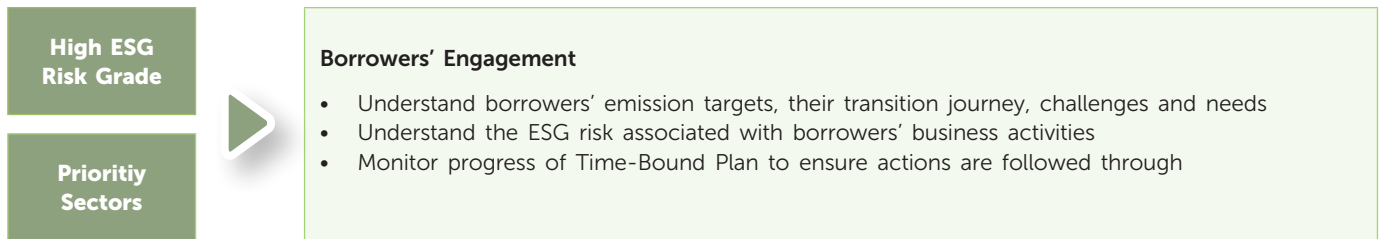
In 2024, the CCPT IG issued "Due Diligence Questionnaire in Assessing CCPT Guiding Principle 3 and 4" (herein referred to as "CCPT DDQ"), accompanied by a set of guidance notes and a list of Frequently Asked Questions ("FAQ"). The CCPT DDQ's objective is to standardise CCPT classification across financial institutions and to encourage financial institutions to streamline the information requested from the borrowers. The CCPT DDQ is applicable to all corporate banking and all non-SME borrowers. For SME borrowers, only those operating in the six (6) high emitting sectors as prescribed by BNM are subjected to the CCPT DDQ.

To operationalise the CCPT DDQ and FAQ, the credit support, risk management and sustainability management units have developed internal guidance notes, amongst others, to provide internal interpretation of the CCPT DDQ and FAQ and the use of examples to illustrate climate issues and possible actions to mitigate climate-related risk of retail borrowers. The internal guidance notes also set out specific types of business activities that will cause harm to the environment, the actions that can be recognised as risk mitigants, the requirements of time-bound remedial plan as well as specific relevant certifications borrowers can pursue as part of the transition journey. This process is to achieve standardisation of information requested, measurement of emissions and standardised CCPT classifications at Bank-wide level. In turn, this will also provide clarity, improve communication with, and raise awareness of the borrowers on the national climate policy. The information collected are valuable to expand the financing of climate-related opportunities and sustainable economic activities to support a low carbon economy. The initiatives to standardise the classification will be intensified in 2025.

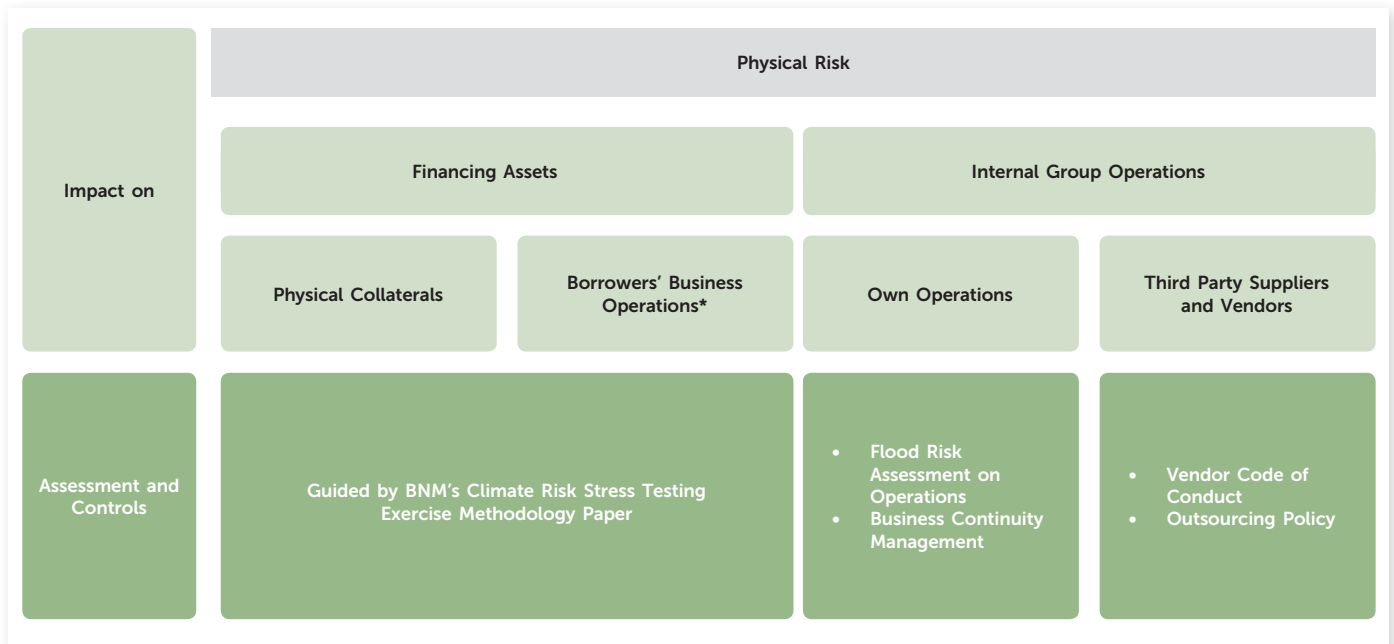
Monitoring and Reporting

As part of risk monitoring, borrowers scoped under the ESG DD and/or CCPT DDQ are subject to an annual review to ensure no deterioration in ESG Risk Grade or CCPT classification. The annual review will assess progress on the implementation of remedial measures or the committed Time-Bound Plan to reaffirm the ESG Risk Grade or CCPT classification. Any non-achievements are assessed for their impact on the classification, and engagement with borrowers are initiated to understand their challenges and assist them in getting back on track.

Under the Public Bank Group’s Decarbonisation Plan, engagement with borrowers under Palm Oil, Cement and Construction sectors will be prioritised to understand borrowers’ transition plans. The engagements will involve, amongst others, a deeper understanding of the challenges faced by borrowers and for the Group to support borrowers’ transition strategies which may include the offering of the right products and financing. Supporting this process is the Sustainable Financing Playbook, which is currently under development, to guide Business Managers to communicate with borrowers on sustainability and climate change management. This document, together with the ESG DD process, enables Business Managers to identify the potential areas contributing to the borrowers’ ESG Risk Grade and/or any deterioration in ESG Risk Grade. With better understanding, Business Managers can recommend actions for borrowers to mitigate risks and offer financing or products to assist borrowers in their transition journey. Ultimately, the active engagement of borrowers will not only assist them to transition overtime but also reduce the Group’s Scope 3 financed emissions.



Physical Risk



Note*: This will be conducted in 2025.

Risk Management

Financing Assets

Physical risk from climate-related events that damage property, reduce productivity and disrupt trades can in turn increase the financial risk to the Public Bank Group as the revenue generating capacity and creditworthiness of borrowers are materially impacted. Physical risk also impacts collateral value pledged to the Group as climate-related event can destroy or significantly damage the collateral.

Recognising these material risks to the banking assets, BNM had on 29 February 2024 issued 2024 Climate Risk Stress Testing (“CRST”) Exercise Methodology Paper to facilitate financial institutions’ learning and capacity building in addressing risks from climate change. The objective of BNM’s CRST exercise is to enhance financial institutions’ capabilities in three core areas:

- (i) To improve understanding and appreciation among Board, Senior Management and employees on the manner in which the business and operations could be impacted by climate-related risks;
- (ii) To explore approaches to better identify and measure the exposures to climate change; and
- (iii) To identify current gaps specifically related to data, measurement, methodology, technology, and capabilities as well as potential solutions to address challenges.

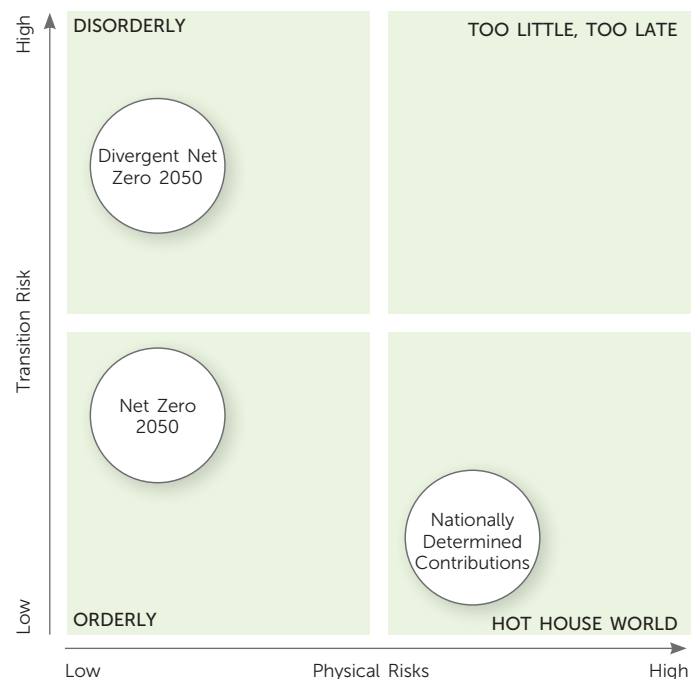
In 2024, the Public Bank Group commenced addressing the requirements of the CRST assisted by external consultant and the scope is on Malaysian operations as prescribed by CRST. Aligning to the Group’s core activities of taking physical collateral, the physical risk assessment on mortgage financing portfolio was prioritised and was completed during the year. In 2025, the rest of the BNM CRST requirements will be completed by BNM submission timeline of 30 June 2025.

Physical Risk Assessment on Mortgage Financing Portfolio

Key to the physical risk assessment is the conduct of CRST exercise by the application of four (4) climate scenarios and the related climate, macroeconomic and financial market variables as prescribed by BNM. The internal input parameters, key assumptions and methodologies forming part of the design of the CRST mortgage financing portfolio were deliberated by the management committee and RMC to challenge the appropriateness on the parameters having considered the nature, scale and complexity of the Group’s risk-taking activities.

Climate Scenarios, Scope and Parameters

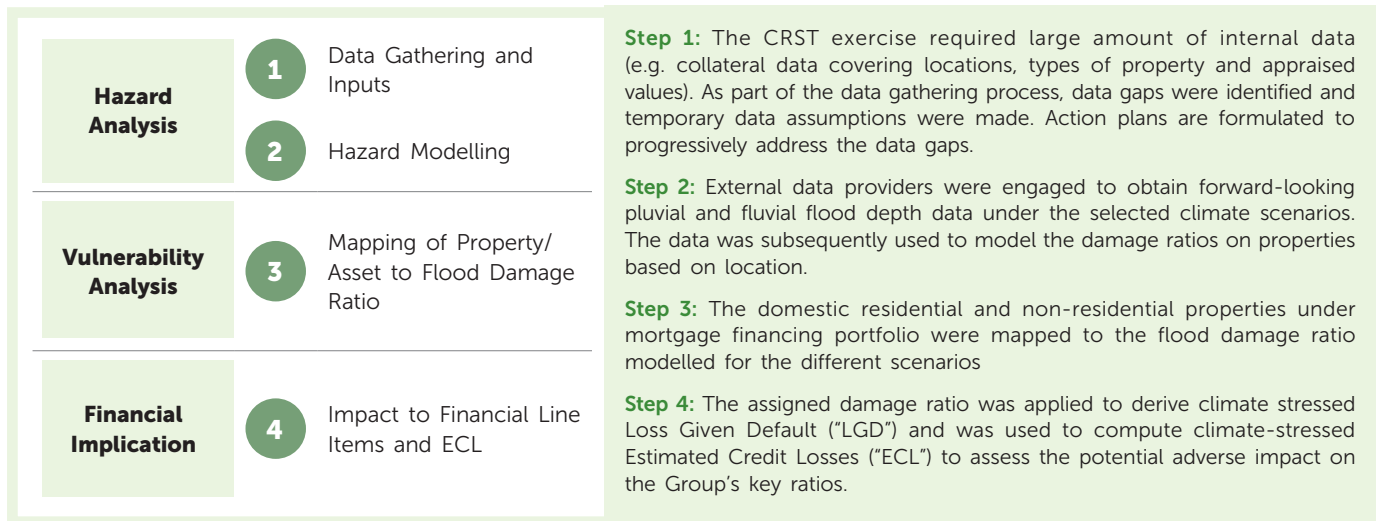
The CRST started off with the assessment of physical risk on the Public Bank Group’s domestic mortgage financing portfolio. The mortgage financing portfolio exposures constitutes 62.2% of total on- and off-balance sheet exposures of the Group’s domestic financing. Both short term and long term climate scenarios were used in this exercise. The long term scenarios are based on Network for Greening the Financial System (“NGFS”) Scenarios Framework while the short term scenario is based on Representative Concentration Pathway (“RCP”) with an assumption of 1-in-200 years flood (aligned to scenario prescribed by BNM for CRST).



Scenario Name	Description as defined by NGFS, RCP and BNM
Net Zero 2050 ("NZ 2050")	<ul style="list-style-type: none"> An orderly transition long-term scenario that assumes global warming is limited to 1.5°C increase through stringent climate policies and significant green technology breakthroughs Transition risk is high but physical risk is relatively subdued
Divergent Net Zero 2050 ("DNZ")	<ul style="list-style-type: none"> Disorderly transition long-term scenario that assumes divergent policies introduced across sectors. Nonetheless, global warming is limited to 1.5°C and net zero is reached around 2050, similar to NZ 2050 Divergent policies result in a medium to higher transition risks compared to the NZ 2050.
Nationally Determined Contributions ("NDC")	<ul style="list-style-type: none"> One of the "Hot House World" long-term scenarios that assume on global level, both implemented and pledged policy measures are fully implemented but are insufficient to halt significant global warming This scenario will lead to 2.5°C increase in temperatures and consequently result in severe physical risk including irreversible impact like sea-level rise. On the contrary, transition risk is lower than NZ 2050 and DNZ scenarios
RCP 8.5 ¹ with 1-in-200 years flood	<ul style="list-style-type: none"> Extreme scenario that assumes no global policy change is adopted, leading to highest physical risks Projected global temperature increases ~4°C Assume a short term acute physical risk event, i.e. 1-in-200 year flood which is more severe than past floods in Malaysia

¹ Representative Concentration Pathways ("RCP") are climate change scenarios that are represented by the concentration of greenhouse gases.

Approach and Methodology



Risk Management

Key Outcomes

From the exercise, the following outcomes were achieved:

- (i) Identified flood risk hotspots/locations within Malaysia;
- (ii) Identified mortgage collaterals-at-risk based on flood risk hotspots/locations;
- (iii) Developed impact pathways to stress the Probability of Default (“PD”) and LGD arising from flood risk;
- (iv) Developed approaches and methodologies to quantify potential losses due to flood risk;
- (v) Identified gaps related to data, methodology and assumptions and action plans to address these gaps; and
- (vi) Upskilled internal team capabilities in executing climate models.

The preliminary observations from the CRST exercise are as follows:

- (i) 95% of mortgage collaterals are located in “Very Low” flood risk postcode areas and consequently the impact to key ratios are not material;
- (ii) Incremental ECL impact is the highest under short term scenario, RCP 8.5. This is expected as the scenario factors in a 1-in-200 years flood event which is significantly more severe than past flood events; and
- (iii) Among the three (3) long term scenarios, NDC scenario demonstrated the highest incremental ECL impact as the NDC scenario result in more severe physical risk compared to other scenarios due to the assumption of insufficient climate policies, leading to a 2.5°C increase in temperature.

Given the complexities and uncertainties in climate stress testing, limitations were inevitably experienced in conducting this exercise. A number of underlying assumptions were made based on the Group’s historical data and where applicable, external researches. The risk models, methodologies and assumptions adopted for this exercise are expected to be continually reviewed for enhancements.

Another inherent limitation faced was data quality. Whilst data gaps identified were temporarily addressed with the use of assumptions and proxies, the Group expects to continuously improve its data collection process and to refine data to ensure more accurate CRST results.

The results of the scenario analysis had been deliberated at the management committee and RMC whereby assumptions and data applied were challenged to ensure reasonableness of approach and the results. The CRST exercise will be run annually and upon completion of the CRST, the Bank will look into embedding climate information into the assessment process.

Internal Group Operations

Own Operations

Following the severe flood events experienced in the past, annual flood risk assessment is conducted on branch operations to continuously identify branches-at-risk to flood events. The information is used to implement or prioritise precautionary measures and close monitoring during monsoon seasons.

In 2024, tapping on the external flood map and data of CRST exercise, the information was applied to identify branches and operations at risk to flood events. The flood hazards assessed were pluvial and fluvial floods. The results from the use of the external data was back-tested against the Bank’s past flood experience to check the reasonableness of the outcome. Outcomes from this exercise being the branches- and operations-at-risk to flood are shared with business units as an insight to their flood resilience planning. Supplementing the flood risk assessment is the Risk and Control Self-Assessment (“RCSA”) to identify any vulnerabilities in internal operations to physical risk.

Managing operations disruption due to physical risk is included in the Public Bank Group’s Business Continuity Management (“BCM”) Policy. The key risk controls and mitigating actions in place to manage disruptions and asset damages from extreme weather events and floods are:

Branch & Operations Business Continuity Plan	Guidelines to assist branches and operations to manage flood impact and business resumption in the shortest time possible.
Flood Preemptive Actions Checklist	Outlines climate adaptation measures for branches and operations to take action to reduce flood impact. For example, deploy building protective barriers such as sandbags, and relocation of critical banking-related assets and documents.

Third Party Suppliers and Vendors

The management of third party suppliers and vendors are guided by the Public Bank Group’s Vendor Code of Conduct which outlines expectations of vendors to build operational resilience and manage their climate-related risks to ensure the provision of services to the Group are not disrupted. The Group’s Outsourcing Policy prescribes climate change as a risk assessment criteria in the due diligence process prior to onboarding a third party vendor and as part of ongoing assessments. The due diligence process is to assess the extent of physical risk impact to the third party service provider’s business sustainability and resilience in the event it is hit by flood.

Metrics and Targets

Carbon Emissions

Emissions source	Emissions (tCO ₂ e)			
	2022 ¹	2023	2024	
Scope 1 (Direct emissions) Stationary fuel, mobile fuel and refrigerants	2,460	2,891	3,964	
Scope 2 – location-based (Indirect emissions) Purchased electricity	62,590	62,551	65,992	
Scope 2 – market-based (Indirect emissions) Purchased electricity	62,590	62,048	38,128	
Scope 3 (Other indirect emissions)	Business travel (road and air)	1,407	1,693	1,939
	Employee commuting ²	24,829	21,467	25,872
	Paper	NA	1,013	1,540
	Water	69	85	75
Downstream Leased Assets	NA	NA	585	
Total (location-based)	91,355	89,700	99,967	

Notes:

1. Scope 2 emissions were restated due to the changes in grid emission factors.

2. Data collection for employee commuting commenced in 2022.

3. NA: Not Available.

For more information on full carbon emissions performance, reporting scope and methodology, please refer to **Sustainability Performance Data 2024** on Public Bank's corporate website. For more information on Scope 3 Financed Emissions, please refer to **Carbon Emissions** on page 174.

Sustainable Finance

Metrics	Target	Achievements
		End 2024
1 Total sustainable financing (includes social agenda financing) mobilised since 2020	RM100 billion by 2030	RM67.88 billion
2 Low emissions vehicle financing since 2020	–	RM46.12 billion
3 Green financing mobilised since 2020	–	RM3.85 billion

Note: The sustainable finance achievements have been internally audited.

 For more information, please refer to **Sustainable Finance** on page 187.

Bursa Malaysia ESG Reporting Platform Performance Data Table

Indicator	Measurement Unit	2022	2023	2024
Carbon Emissions				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	2,460.00	2,891.00	3,964.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	62,590.00	62,551.00 *	65,992.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	26,305.00	24,258.00 *	30,011.00
Resource Management				
Bursa C4(a) Total energy consumption	Megawatt	99,182.00	96,032.00	101,219.00
Bursa C9(a) Total volume of water used	Megalitres	0.460193	0.479193	0.486700
Bursa C10(a) Total waste generated	Metric tonnes	-	2,180.00 *	2,167.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	602.00	513.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	1,578.00 *	1,654.00
Sustainable Supply Chain				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.80	97.00 *	97.20
Diversity and Inclusion				

Internal assurance

External assurance

No assurance

(*) Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Managerial Under 30	Percentage	0.00	0.00	0.00
Senior Managerial Between 30-50	Percentage	29.90	31.60 *	35.30
Senior Managerial Above 50	Percentage	70.10	68.40 *	64.70
Managerial Under 30	Percentage	0.90	1.00	1.30
Managerial Between 30-50	Percentage	65.30	64.80 *	64.10
Managerial Above 50	Percentage	33.80	34.20 *	34.60
Supervisory Under 30	Percentage	33.20	35.70 *	36.60
Supervisory Between 30-50	Percentage	55.10	51.80 *	50.20
Supervisory Above 50	Percentage	11.70	12.50 *	13.20
Non-Supervisory Under 30	Percentage	22.00	20.40 *	18.80
Non-Supervisory Between 30-50	Percentage	66.70	66.70 *	66.60
Non-Supervisory Above 50	Percentage	11.30	12.90 *	14.60
Gender Group by Employee Category				

Internal assurance

External assurance

No assurance

(*) Restated

Bursa Malaysia ESG Reporting Platform Performance Data Table

Indicator	Measurement Unit	2022	2023	2024
Senior Managerial Male	Percentage	53.00	52.60 *	53.80
Senior Managerial Female	Percentage	47.00	47.40 *	46.20
Managerial Male	Percentage	53.70	52.80 *	51.90
Managerial Female	Percentage	46.30	47.20 *	48.10
Supervisory Male	Percentage	38.50	39.00 *	38.90
Supervisory Female	Percentage	61.50	61.00 *	61.10
Non-Supervisory Male	Percentage	35.80	35.70 *	35.30
Non-Supervisory Female	Percentage	64.20	64.30 *	64.70
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	62.50	55.60	55.60
Female	Percentage	37.50	44.40	44.40
Under 60	Percentage	12.50	22.20	22.20
Between 60-70	Percentage	50.00	44.50	44.50
Above 70	Percentage	37.50	33.30	33.30
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.30	5.40	5.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Managerial	Number	19	9 *	5

Internal assurance External assurance No assurance

(*)Restated

Indicator	Measurement Unit	2022	2023	2024
Managerial	Number	111	99 *	72
Supervisory	Number	1,359	1,338 *	1,342
Non-Supervisory	Number	493	433 *	338
Employee Engagement and Development				
Bursa C6(a) Total hours of training by employee category				
Supervisory	Hours	974,746	983,062 *	1,152,273
Non-Supervisory	Hours	217,361	230,224 *	186,412
Human and Labour Rights				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.06	0.07 *	0.10
Bursa C5(c) Number of employees trained on health and safety standards	Number	15,242	14,454 *	16,161
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Community Empowerment				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	900,000.00	1,400,000.00 *	2,500,000.00

Internal assurance

External assurance

No assurance

(*) Restated

Bursa Malaysia ESG Reporting Platform Performance Data Table

Indicator	Measurement Unit	2022	2023	2024
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,912	2,584 *	7,068
Data Privacy and Cybersecurity				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	2
Governance and Business Ethics				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Supervisory	Percentage	97.70	95.40	96.00
Non-Supervisory	Percentage	96.30	95.10 *	67.40
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	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

Limited Assurance Report



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Public Bank Berhad
27th Floor, Menara Public Bank
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50450 Kuala Lumpur

Independent Practitioners' Limited Assurance Report on Public Bank Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 31 December 2024 ("FYE 2024") presented in its Sustainability Report for the financial year ended 31 December 2024 ("Sustainability Report 2024")

Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the financial year ended 31 December 2024 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in Sustainability Performance Data 2024 on Public Bank's corporate website ("Applicable Criteria"):

No.	Selected Sustainability Indicators	Boundary
1	Total scope 1 greenhouse gas (GHG) emissions (company-owned vehicles, refrigerant in stationary air-conditioning equipment and generator set) (tCO ₂ e)	Public Bank Berhad's operations in Malaysia, Hong Kong, Vietnam, Cambodia, Laos and Sri Lanka (except for Hong Kong and Vietnam where refrigerant in stationary air-conditioning equipment is excluded)
2	Total scope 2 GHG emissions (purchased electricity) (tCO ₂ e)	Public Bank Berhad's operations in Malaysia, Hong Kong, Vietnam, Cambodia, Laos and Sri Lanka

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators of the Company for the financial year ended 31 December 2024 presented in the Company's Sustainability Report 2024 are not prepared, in all material respects, in accordance with the Applicable Criteria.

Basis for Conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the *Our responsibilities* section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Report



Public Bank Berhad (the "Company")
 Independent Practitioner's Limited Assurance Report on
 The Company's Selected Sustainability Indicators for the FYE 2024
 presented in its Sustainability Report 2024
 27 February 2025

Basis for Conclusion (continued)

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Restriction on Distribution and Use of Our Report

Our report has been prepared for the Directors of the Company solely in accordance with the terms of our Engagement Letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our report to any other party, other than the Company, for our work, for the assurance report we will issue, and for the conclusion we reach.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Integrated Annual Report 2024 and Sustainability Report 2024, to assist the Directors of the Company in responding to their governance responsibilities by obtaining independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Sustainability Indicators

The Management of the Company is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.



Public Bank Berhad (the "Company")
*Independent Practitioner's Limited Assurance Report on
The Company's Selected Sustainability Indicators for the FYE 2024
presented in its Sustainability Report 2024
27 February 2025*

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's Sustainability Report 2024 may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report 2024, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our Responsibilities

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Directors.

Summary of the Work Performed as the Basis for Conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Sustainability Report 2024;
- (c) Compared the Selected Sustainability Indicators presented in the Sustainability Report 2024 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in the Company's Sustainability Report 2024 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Public Bank Berhad.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limited Assurance Report



Public Bank Berhad (the "Company")
*Independent Practitioner's Limited Assurance Report on
The Company's Selected Sustainability Indicators for the FYE 2024
presented in its Sustainability Report 2024
27 February 2025*

Other matter

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the financial year ended 31 December 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in the Company's Sustainability Report 2024 and therefore, we do not express any conclusion thereon.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 27 February 2025

Performance **Data Index**

The following table summarises the Public Bank Group's Sustainability Performance Data for 2024. The full performance data for 2022 – 2024 is available at: <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

Category	Indicator	Page number
Workforce	Workforce Profile	1
	Employment Status	1
	Employee Category	2
	New Employee Hires	3
	New Employee Hire Rate	3
	Employee Turnover	3
	Employee Turnover Rate	4
	Board Diversity	4
	Gender Pay Ratio	4
	Number of Differently-abled Employees	4
	Employee Training and Development Investment	4
	Employee Training Hours	5
	Employee Training Participation	5
	Occupational Safety and Health	5
	Workplace Ethics	5
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	Customer Experience	6
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	Financial Inclusion	7
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	Procurement Practices	7
Community	Community Stewardship	7
Environment	Energy	8
	Water Consumption	8
	Waste Management	8
	Paper Consumption	9
	Emissions	9

GRI Content Index

The Public Bank Group began adopting the GRI Standards in 2022 in line with its commitment to provide transparency and comparability to the Group's stakeholders on sustainability topics.

The following table summarises the Public Bank Group's GRI Content Index. The full GRI Content Index is available at: <https://www.publicbankgroup.com/sustainability/sustainability-disclosures/>.

GRI Standards and Disclosures	Page Number in GRI Content Index
GRI 2: General Disclosure 2021	
The Organisation and its Reporting Practices	1
Activities and Workers	2
Governance	2
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Stakeholder Engagement	7
GRI 3: Material Topics 2021	
Disclosures on material topics (3-1 and 3-2)	7
Material Matter: Climate Change Resilience	
GRI 3: Material Topics 2021 (3-3)	8
GRI 201: Economic Performance 2016	8
Material Matter: Carbon Emissions	
GRI 3: Material Topics 2021 (3-3)	8
GRI 305: Emissions 2016	8
Material Matter: Resource Management	
GRI 3: Material Topics 2021 (3-3)	9
GRI 302: Energy 2016	10
GRI 303: Water and Effluents 2018	11
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Material Matter: Sustainable Finance	
GRI 3: Material Topics 2021 (3-3)	12
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GRI Standards and Disclosures	Page Number in GRI Content Index
Material Matter: Sustainable Supply Chain	
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GRI 414: Supplier Social Assessment 2016	14
Material Matter: Diversity and Inclusion	
GRI 3: Material Topics 2021 (3-3)	14
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GRI 405: Diversity and Equal Opportunity 2016	15
Material Matter: Employee Engagement and Development	
GRI 3: Material Topics 2021 (3-3)	15
GRI 404: Training and Education 2016	16
Material Matter: Human Rights and Labour Rights	
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GRI 203: Indirect Economic Impacts 2016	19
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GRI 417: Marketing and Labelling 2016	20

GRI Content Index

GRI Standards and Disclosures	Page Number in GRI Content Index
Material Matter: Community Empowerment	
GRI 3: Material Topics 2021 (3-3)	20
GRI 201: Economic Performance 2016	21
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Material Matter: Digital Transformation	
GRI 3: Material Topics 2021 (3-3)	22
GRI 203: Indirect Economic Impacts 2016	22
Material Matter: Data Privacy and Cybersecurity	
GRI 3: Material Topics 2021 (3-3)	23
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Material Matter: Governance and Business Ethics	
GRI 3: Material Topics 2021 (3-3)	23
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GRI 3: Material Topics 2021 (3-3)	24
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GRI 3: Material Topics 2021 (3-3)	25

Acronyms and Abbreviations

ABAC	Anti-Bribery and Anti-Corruption Policy
ABM	The Association of Banks in Malaysia
ACB	Associate Chartered Banker
AIBIM	Association of Islamic Banking and Financial Institutions Malaysia
AICB	Asian Institute of Chartered Bankers
AML/CFT	Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions
APLMA	Asia Pacific Loan Market Association
BCRA	Bribery and corruption risk assessment
BNM	Bank Negara Malaysia
BSMC	Board Sustainability Management Committee
CAMS2	Client and Agency Management System 2
CBI	Climate Bonds Initiative
CCPT	Climate Change and Principle-based Taxonomy
CGC	Credit Guarantee Corporation Malaysia
CGC	Credit Guarantee Corporation of Cambodia
CISO	Chief Information Security Officer
CO₂	Carbon dioxide
COE	Centre of Excellence
CRMSA	Climate Risk Management and Scenario Analysis
CRSP	Climate-Related Strategy Policy
Defra	Department for Environment, Food and Rural Affairs (United Kingdom)
DEI	Diversity, Equality, and Inclusion
DOSH	Department of Occupational Safety and Health
E&I	Energy & Industrial
ESG	Environmental, social, and governance
ESG RAC	Environmental, Social and Governance Risk Acceptance Criteria
EVs	Electric vehicles
FIDE	Financial Institutions Directors' Education Forum
FIMM	Federation of Investment Managers Malaysia
FINCO	Financial Industry Collective Outreach
FLAG	Forest, Land and Agriculture
FTE	Full-time employee
GCA	Graduates' Choice Award
GFA	Gross floor area
GGAF	Green Growth Asia Foundation
GRI	Global Reporting Initiative
HERS	High ESG Risk Sectors
IADS	Interbank Account Data Sharing
IATA	International Air Transport Association
ICMA	International Capital Markets Association
IIC	Institutional Investors Council Malaysia
ILO	International Labour Organisation
ISAE	International Standard on Assurance Engagements
ISSB	International Sustainability Standards Board
JC3	Joint Committee on Climate Change
JPS	Jabatan Pengairan dan Saliran
kg	Kilogramme
KPIs	Key performance indicators
ktCO_{2e}	Kilotonnes of carbon dioxide equivalent
kWp	Kilowatt peak
LAPNet	Lao National Payment Network Co Ltd
LED	Light-emitting diodes

Acronyms and Abbreviations

LEED	Leadership in Energy and Environmental Design
LMA	Loan Market Association
LSTA	Loan Syndications & Trading Association
m³	Cubic metre
MCCG	Malaysian Code on Corporate Governance
MCII	Malaysian Code for Institutional Investors
MIBA	Malaysian Investment Banking Association
MNS	Malaysian Nature Society
MSPO	Malaysian Sustainable Palm Oil
MWh	Megawatt hour
NAV	Net asset value
NDPE	No Deforestation, No New Peat and No Exploitation
NFISP	NIOSH-Financial Institution Safety Passport
NGFS REMIND	Network for Greening the Financial System Regional Model of Investments and Development
NIOSH	National Institute of Occupational Safety and Health
OFS	Ombudsman for Financial Services
OLE	Online Enquiry System
OSH	Occupational Safety and Health
OSHA	Occupational Safety & Health Act
PAC	Personal Authentication Code
PCAF	Partnership for Carbon Accounting Financials
PEFC	Programme for the Endorsement of Forest Certification
PIDM	Perbadanan Insurans Deposit Malaysia
PMO	Public Mutual Online
PRS	Private Retirement Scheme
QMSFL	Quality Management System Frontline
QMSLD	Quality Management System Loan Delivery
RAC	Risk Acceptance Criteria
RECs	Renewable Energy Certificates
RSPO	Roundtable on Sustainable Palm Oil
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SFF	Sustainable Finance Framework
SGA	Skills Gap Assessment
SHC	Safety and Health Committee
SJKP	Syarikat Jaminan Kredit Perumahan Berhad
SMC	Sustainability Management Committee
SMEs	Small and medium enterprises
SMTF	Sustainability Management Task Force
SPSG	Sustainable Products and Services Guideline
SRI	Sustainable and Responsible Investment
TCFD	Task Force on Climate-related Financial Disclosures
tCO_{2e}	Tonnes of carbon dioxide equivalent
TDP	Talent Development Partner
UN SDGs	United Nations Sustainable Development Goals
UPM	Universiti Putra Malaysia
UTCs	Unit trust consultants
VBI	Value-based Intermediation
VBIAF	Value-based Intermediation Financing and Investment Impact Assessment Framework