

Sustainability Statement



ENHANCING OUR RESPONSIBILITY TO DELIVER SUSTAINABLE VALUE

In line with our greater focus on sustainability, we are pleased to present to you our Sustainability Report for the financial year ended 30 June 2022 (“FY2022”). The report provides a comprehensive overview of our initiatives and progress at addressing Economic, Environmental, Social and Governance sustainability matters within our business and operations.

At Hong Leong Financial Group (“HLFG” or “the Group”), we are cognisant of the evolving global development that has brought the importance of corporate sustainability into sharp focus. As the world faces unprecedented challenges from the effects of climate change, it is paramount that all corporate entities embrace sustainability and step up their efforts to promote positive changes that will benefit the environment and our society.

We also recognise the benefits our businesses and stakeholders stand to gain in this journey towards sustainability. By embracing sustainable practices, we can enhance our competitive advantages, meet evolving customer needs, improve our operational efficiencies, attract talent and gain new opportunities amidst the shifting industry landscape. At the same time, we will be able to enhance our brand’s reputation as a responsible corporate entity, mitigate risks that may impact our ability to generate long-term value for our stakeholders and drive positive change within the markets in which we operate.

In line with our greater focus on sustainability, we are pleased to present to you our Sustainability Report for the financial year ended 30 June 2022 (“FY2022”). The report provides a comprehensive overview of our initiatives and progress at addressing Economic, Environmental, Social and Governance sustainability matters within our business and operations.

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OUR REPORTING APPROACH

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards and in adherence to sustainability reporting requirements set forth by Bursa Malaysia. The report covers the following content:

- Stakeholder inclusiveness – capturing our stakeholder’s expectations and concerns;
- Sustainability performance – presenting the performance aligned with the wider context of sustainability;
- Material matters – prioritising the key sustainability material matters identified by the stakeholder group; and
- Completeness – covering all reporting requirements relevant to the Group and aligning with the requirement context.

We aim to expand the coverage of our sustainability disclosures progressively to include our management approach for climate-related issues moving forward, that will be presented in alignment with the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework.

Materiality matters that are crucial to HLFGB are highlighted in this report as follows:

- GRI 201 Economic Performance
- GRI 205 Anti-Corruption
- GRI 302 Energy
- GRI 303 Water
- GRI 305 Emission
- GRI 306 Waste
- GRI 401 Employment
- GRI 404 Training and Education
- GRI 405 Diversity and Equal Opportunity
- GRI 413 Local Communities
- GRI 418 Customer Privacy

For more information on the materiality disclosures, please refer to the Materiality Matrix on page 39.

REPORTING PERIOD

This report covers HLFGB’s sustainability performance and progress for the financial year (“FY”) – 1 July 2021 to 30 June 2022, unless otherwise stated.

SCOPE AND BOUNDARIES

This report encompasses sustainability data collected from the following core businesses, focusing on key operating companies within:

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

FEEDBACK

We welcome your views, comments or feedback, which may be directed to the Group Chief Financial Officer at:

Email : cfo-hlfg@hongleong.com.my
 Telephone : 03-2080 9888
 Fax : 03-2080 9800
 Address : Level 30, Menara Hong Leong, No. 6 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur

Our Sustainability Approach

A STRATEGY THAT REFLECTS OUR ETHOS

HLFG was built on a strong heritage of value creation for our stakeholders and the communities within which we operate. Over the decades, we have taken a progressive approach towards integrating sustainability into our businesses in order to drive strength and resilience across the Group.

This approach is inspired by our vision and our goal, and reflects the eight core values that encapsulate the collective character of our organisation. We are committed to grow our businesses responsibly whilst conscientiously balancing the environmental, economic and social considerations in our pursuit to generate sustainable value for our stakeholders.

OUR STRATEGY

Fundamentally, we strive to ensure our sustainability practices are in harmonious co-existence of entrepreneurialism and professional business management, that is achieved through technological innovation and transformation underpinned by an effective risk management framework. As an investment holding company, HLFGB takes responsibility to lead our respective operating companies in enhancing their Environment, Social and Governance (“ESG”) performance in the areas of climate action, community programmes, fair labour practices and many more.

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Our approach is guided by five Sustainability Pillars for the Group that sets out the key focus areas within which we aspire to augment our sustainability practices. These pillars provide the framework upon which all our sustainability efforts are evaluated, monitored and developed, that have been adopted by our key operating companies for their respective sustainability agenda.

Refer to page 40 for details on our Sustainability Pillars.

OUR VISION

To be an integrated financial services group that consistently meets our customers' needs.

OUR GOAL

To become a leader in the financial services industry; a leader in each of the markets that we operate in.

OUR CORE VALUES

<p>Honour</p> <p>To always conduct our business activities with honour and integrity</p>	<p>Human Resource</p> <p>To enhance quality of human resources as it is the essence of management excellence</p>	<p>Entrepreneurship</p> <p>To collectively pursue management's vision and foster an entrepreneurial spirit</p>	<p>Innovation</p> <p>To nurture and remain committed towards continuous and timely innovation</p>
<p>Quality</p> <p>To provide products and services that consistently exceed customer expectations</p>	<p>Progress</p> <p>To continuously improve operations, drive expansion and seize new business opportunities</p>	<p>Unity</p> <p>To ensure harmony, friendship and collective purpose in the pursuit of mutual prosperity</p>	<p>Social Responsibility</p> <p>To create wealth for the betterment of the communities in which we operate</p>

Our Sustainability Governance

A COMMITMENT GUIDED BY OUR LEADERSHIP

HLFG's Board is committed to ensure that sustainable practices are progressively embedded across the organisation and that adequate resources are allocated at operating companies to manage sustainability matters effectively.

The Board provides oversight on all sustainability governance matters and is supported by Senior Management, namely our President & Chief Executive Officer with the support of the Group Chief Financial Officer, who is responsible to drive the implementation of our sustainability strategy and to ensure that our objectives are met.

HLFG's Board of Directors

Senior Management

Sustainability Team

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RECOGNISING OUR INHERENT RISKS

In respect of governance over risk management matters, our operating businesses have in place measures to manage ESG risks, including policies and actions linked to associated issues.

ESG risks have been incorporated into their respective Risk Management Frameworks as outlined below:



OUR SUSTAINABILITY PILLARS

At HLF, we want our operating companies to be empowered to strengthen their sustainable business practices and integrate ESG principles into their lending practices, financial services and investment framework.

We have identified five Sustainability Pillars that encapsulate the Group's commitment to sustainability. These pillars will provide the steer to our core businesses to embed sustainability practices within their operations and also serve to categorise and align the manner in which the Group disclose all sustainability related initiatives undertaken by each operating entity.



Digital at the Core

Embracing digital technology and encouraging innovation to enhance customer and employee experiences



Workforce Readiness

Nurturing and retaining talent, empowering our workforce through acquiring strategic skills and capabilities



Socially Responsible Business

Acknowledging the impact of our lending and investing practices, and striving to promote fair and responsible social practices in our operations



Environmental Management

Managing the environmental footprint of our business and contributing responsibly towards preservation of the environment



Community Investment

Empowering the community, promoting financial literacy, and upholding environmental and social values

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OUR KEY STAKEHOLDERS

We have identified the stakeholders that are significant to our businesses. The table below provides a summary of our key internal and external stakeholders, their sub-groups, as well as the primary focus areas around which we undertake constructive engagement on matters related to sustainability.



Group	Sub-group	Focus Areas of Stakeholders Engagement
Employees/ Directors	Board of Directors and Management	<ul style="list-style-type: none"> Career development and performance management Occupational safety and health Ongoing internal communications Employment terms and conditions
	Staff (including contract staff)	
	Interns	
Regulatory Authorities	Bank Negara Malaysia	<ul style="list-style-type: none"> New regulations Compliance matters
	Bursa Malaysia	
	Securities Commission Malaysia	
	Inland Revenue Board (LHDN)	
	Companies Commission of Malaysia	
	Malaysian Anti-Corruption Commission	
Investors	Private fund management companies (local and international)	<ul style="list-style-type: none"> Annual General Meeting Ongoing communications with the investment community via briefings, small groups and 1-to-1 meetings Bursa Announcements
	Statutory bodies which manage government funds	
	Research houses	
	Insurance companies	
	Private investors	
Media	Newspapers (printed and online)	<ul style="list-style-type: none"> Continuous and meaningful communications Publicity management
	Broadcast media	
	Social media	
Service providers/ Vendors	Consultancy/advisory firms	<ul style="list-style-type: none"> Fair treatment via a transparent tender/bid process
	Contractors	
	Company suppliers	
Associations/ Community	Malaysian Accounting Standards Board (MASB)	<ul style="list-style-type: none"> Industry stewardship Development and impact of new rules Reaching out to the community continuously
	Malaysian Investor Relations Association (MIRA)	
	The Association of Banks in Malaysia (ABM)	
	Life Insurance Association of Malaysia (LIAM)	
	Asian Institute of Chartered Bankers (AICB)	
Customers	Retail consumers	<ul style="list-style-type: none"> Protection of personal data Products/services transparency Useful products/services
	Corporate clients	

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OUR MATERIAL SUSTAINABILITY MATTERS

OUR DETERMINATION PROCESS

We place great value in accurately identifying the issues that are of primary importance to the Group and our stakeholders. To guide our efforts, we have established a comprehensive four-step materiality assessment process that enables us to determine the material matters upon which we may focus our sustainability efforts.

This process takes into account the various material matters that have been identified by each of our operating companies and integrates them into the Group-wide strategy.



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OUR MATERIAL SUSTAINABILITY MATTERS

Nine material matters have been identified as being paramount to the Group's ability to deliver sustainable value to our stakeholders. These were determined by integrating the material sustainability matters of our subsidiaries and analysing the impact, risks and opportunities that have on HLFG's overall business operations and our relevant stakeholders.

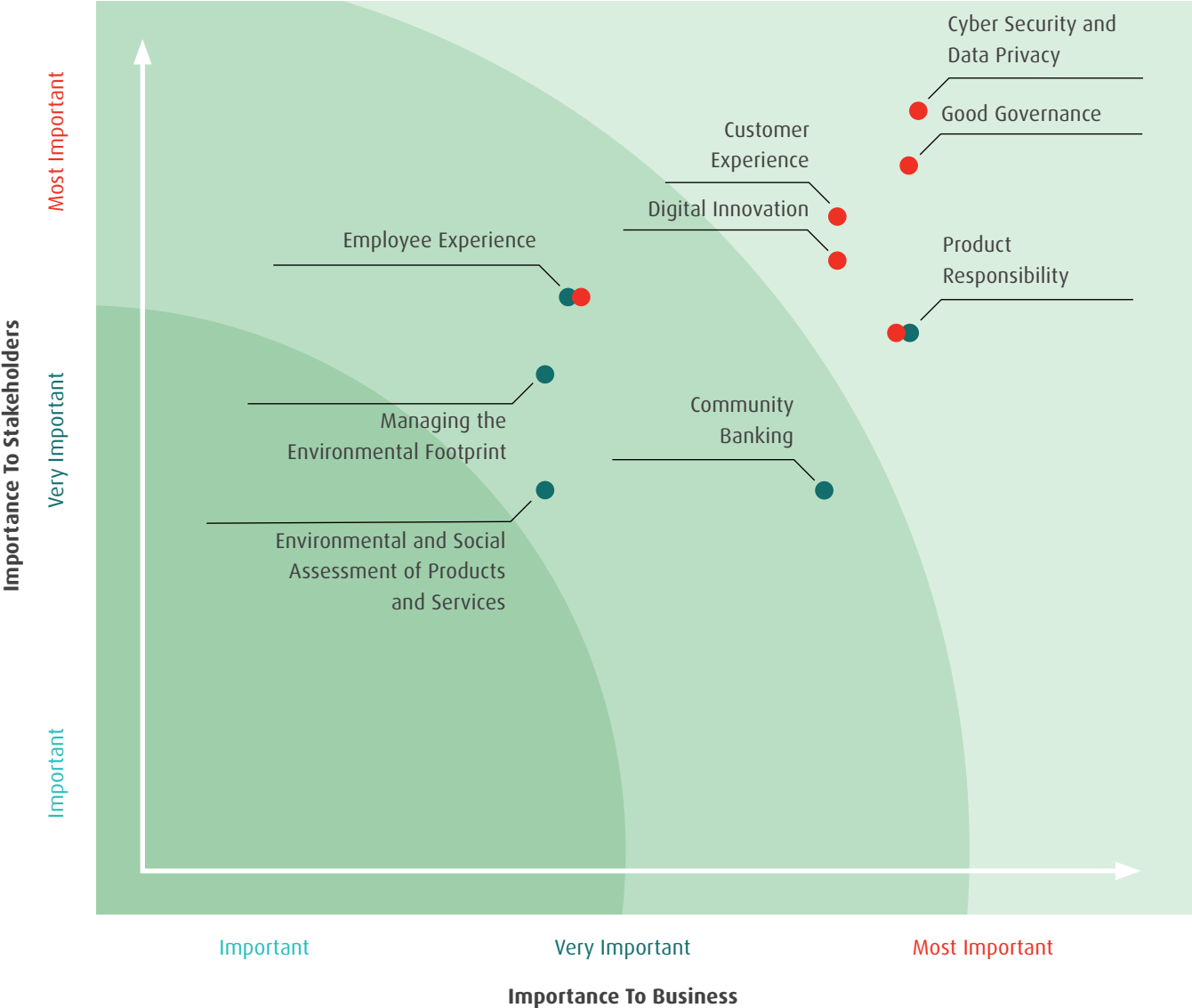
Material Matters	Definition of Material Matters
Digital Innovation	Innovating digital products and services by HLFG's subsidiaries to increase accessibility and adoption of latest technologies.
Customer Experience	Undertaking efforts to enhance HLFG subsidiaries' products and services value in order to meet shifting customer needs and preferences.
Cyber Security and Data Privacy	Protecting HLFG from unauthorised access or evolving cyber threats that are intended to exploit confidential data and disrupt our operations.
Employee Experience	Providing relevant, meaningful and positive employee experiences at every stage of their professional lives, taking into account diversity and inclusivity.
Good Governance	Instilling a culture that affirms good values, principles, standards, norms of behaviour and ethical business conduct across the Group
Community Banking	Engaging local communities through HLFG's subsidiaries' development programmes to support and empower their progress.
Product Responsibility	Undertaking efforts to ensure fair design of the products and services our subsidiaries offer to customers.
Managing the Environment Footprint	Contributing responsibly to the environment by using the planet's resources and energy efficiently and supporting the transition to a low carbon economy.
Environmental and Social Assessment of Products and Services	Establishing the assessment and screening for environmental and social risks as an integral part of our subsidiaries' business practices.

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OUR MATERIALITY MATRIX

Through careful consideration via our Materiality Assessment process, we have ascertained the level of priority that should be provided to each of our material sustainability matters, as outlined in the matrix below.


Legend: ● Most Important ● Very Important ● Important



Sustainability Statement

ALIGNING MATERIAL MATTERS WITH OUR SUSTAINABILITY PILLARS

The following table provides an overview of the material sustainability matters for the Group as well as for our key operating companies. They have been categorised in alignment with our five Group-wide Sustainability Pillars and cross referenced with the United Nations Sustainable Development Goals (“UNSDGs”) to which they contribute.

	Digital at the Core	Workforce Readiness	Socially Responsible Business	Environmental Management	Community Investment
Contribution to United Nations SDGs					
Hong Leong Financial Group	<ul style="list-style-type: none"> - Digital Innovation - Cyber Security and Data Privacy - Customer Experience 	<ul style="list-style-type: none"> - Employee Experience 	<ul style="list-style-type: none"> - Good Governance - Product Responsibility 	<ul style="list-style-type: none"> - Managing our Environmental Footprint - Environmental and Social Assessment of Products and Services 	<ul style="list-style-type: none"> - Community Banking
Hong Leong Bank Berhad	<ul style="list-style-type: none"> - Digital Banking - Cyber Security and Data Privacy - Customer Experience 	<ul style="list-style-type: none"> - Talent Attraction, Development and Retention - Employee Well-being, Health and Safety - Diverse and Inclusive Workforce 	<ul style="list-style-type: none"> - Responsible Financing - Fair Banking - Sustainable Supply Chain - Financial Inclusion - Good Governance 	<ul style="list-style-type: none"> - Addressing Climate Impact - Managing Our Environmental Footprint 	<ul style="list-style-type: none"> - Building Communities - Financial Literacy
Hong Leong Assurance	<ul style="list-style-type: none"> - Digital Innovation - Cyber Security and Data Privacy - Customer Experience 	<ul style="list-style-type: none"> - Employee Experience 	<ul style="list-style-type: none"> - Good Governance - Product Responsibility 	<ul style="list-style-type: none"> - Managing the Environmental Footprint - Environmental and Social Assessment of Products and Services 	<ul style="list-style-type: none"> - Building Communities
Hong Leong Capital Berhad	<ul style="list-style-type: none"> - Innovation - Cyber Security and Data Privacy - Client Experience 	<ul style="list-style-type: none"> - Employee Experience - Compliance - Ethics and Integrity 	<ul style="list-style-type: none"> - Fair Banking - Impact Investing 	<ul style="list-style-type: none"> - Managing the Environmental Footprint 	<ul style="list-style-type: none"> - Building Communities - Financial Literacy

Please refer to the following page for definitions on the key SDGs towards which we contribute.

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SUPPORTING THE GLOBAL SUSTAINABLE DEVELOPMENT AGENDA

HLFG is proud to support and contribute to various United Nations Sustainable Development Goals through our various initiatives to expand and ingrain sustainability practices into our corporate DNA.

Established in 2015, the SDGs reflect the intensifying global agenda to achieve a sustainable future and sets out a clear vision with goals, targets and a roadmap to achieve sustainable development for peace, prosperity of the people and sustainability of our planet by 2030.

The Group has identified the following 9 SDGs towards which we believe we are able to contribute meaningfully and make a positive impact through our core business operations.

<p>4 QUALITY EDUCATION</p> 	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>
<p>5 GENDER EQUALITY</p> 	<p>Achieve gender equality and empower all women and girls.</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Ensure sustainable consumption and production patterns.</p>
<p>13 CLIMATE ACTION</p> 	<p>Take urgent action to combat climate change and its impacts.</p>
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Strengthen the means of implementation and revitalise the global partnership for sustainable development.</p>

Sustainability Statement

A SNAPSHOT OF OUR FY2022 PERFORMANCE

Hong Leong Financial Group



Management of climate related risk is one **FOCUS AREA** of the Group

In compliance of **BNM'S CLIMATE CHANGE AND PRINCIPLE-BASED TAXONOMY**, the Group and the respective subsidiaries' management teams and Board of Directors are working on the implementation roadmap



Waste separation to enhance our **RECYCLING**



A **"ZERO PLASTIC BAGS IN THE OFFICE"** position. All employees are encouraged to adopt reusable carrier bags as an alternative

Hong Leong Bank Berhad



OVER RM2.4 BILLION worth of financing approved to support renewable energy projects



GHG Emissions reduction
 ↓ **19% tCO₂eq** compared to base year
 - Long-term target of Net Zero GHG emission Scope 1, 2 and 3 by 2050



↓ **34.6%** Overall Paper Consumption



↓ **19.0%** Overall Water Consumption in strategic buildings



>3,700 instances of employee participation and volunteer efforts



77.5 HOURS average training hours per employee

Hong Leong Assurance



SOLAR PV SYSTEMS – Following success of pilot project at Bukit Mertajam, we are now preparing for a larger PV system project for our headquarters

**DIGITAL FIRST PRODUCTS**

- ↑ **21.2% increase in HLA360 users** in last 12 months
- **Launched Panel Medical Examiner Portal**. More than 6,000 reports have been submitted since August 2021
- New e-Policy Contract options **achieved >9,700 opt-ins** since launch in December 2021

Hong Leong Capital Berhad



Traded RM33 billion on digital platforms



Engaging Female Investors – 530 women opened CDS accounts with HLEBroking



Began measuring and monitoring **Scope 1 and Scope 2 GHG emissions** for operations as well as Scope 3 for business travel emissions



↓ **3%** Electricity Consumption



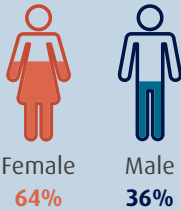
↓ **8%** Paper Consumption

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HLFG remained a constituent of the globally recognised **FTSE4GOOD** **BURSA MALAYSIA INDEX**

Total Number of Employees – 36



>50% female board representation at HLFG



Carbon Offset Project – Committed to plant approximately **50,000 new mangrove trees** at Kuala Selangor Nature Park over next three years



Transformed Sekinchan into Malaysia's first "**cashless kampung**" as part of HLB@Kampung programme, impacting the lives of more than **24,000 residents**



Impact of **Earth Hero**

- Planted over **2,500 trees**
- **Supported local communities** from Sukau village
- **Raised awareness** on **Borneo wildlife**



Engaged with **~7,000 stakeholders** during Sustainability Roundtable discussions



Enhancing ESG considerations

- **27 sustainability-related meetings** held during the year
- **30%** of our unit trust funds' AUM held by our customers are ESG rated.
- **100%** of our **bonds' AUM** held by our customers are issued by ESG rated issuers.
- Our Green Bond Framework achieved Tier 1 **Environmental Benefit (EB) rating from RAM Sustainability**
- Committed to achieve **Net Zero carbon emissions** by 2050



↓ **5.8%** in electricity consumption in FY2022



↓ **26.7%** in water consumption in FY2022

occupied space



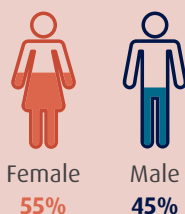
Community Initiatives:

- **Collected 350kg in e-waste** during FY2022
- HLA Stackable collaborated with Perlindungan Tenang Voucher Programme to enable customers to redeem RM75 voucher

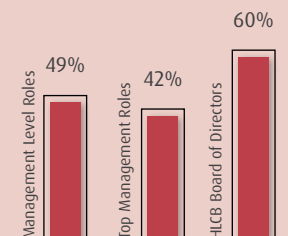
Collected and disposed **520 units** of e-waste in HLCB x EARTH E-Waste Recycling Drive

RM21,000 was distributed to employees afflicted by flood

Total Number of Employees – 545



Leadership position held by Women



93% of suppliers and service providers were based in Malaysia, with **95%** of all spending on procurement directed to local businesses

2,368 HOURS of AML/CFT Training with 495 employees trained

More than **7,590** training hours recorded with an average of 14 training hours per employee

Sustainability Statement



We are proud to present HLFG's latest Sustainability Statement in a Group-consolidated manner. Our report aims to provide a fair and accurate account of the latest sustainability efforts undertaken by our key operating companies. As a Group, we are deeply committed to catalysing sustainable action across all operating companies, with HLFG spearheading efforts to ensure initiatives successfully enable meaningful impact on sustainability matters that have been identified as material to the Group.

HLFG Sustainability Statement Topical Disclosures

ENVIRONMENTAL



As a responsible financial services group, HLFG places significant importance to the environmental matters to which we have exposure. We have taken steps across all our key operating companies to, among other things, take account of our carbon emissions for the past few years. This will form our baseline for reporting and highlight the areas in which we can further improve. Further, the Group has been directing relevant subsidiary to increase financing towards greener investments and to take more measured actions in managing our environmental footprint within the communities in which we operate.

Climate Action

PLAYING OUR ROLE TO PRESERVE THE PLANET

GRI 103-1, 103-2, 103-3, 201-2, 305-1, 305-2, 305-3

Why It Matters

Climate change not only threatens the balance of our environment and poses risks to life on Earth, but also presents direct and indirect threats to our assets, profitability and sustainable growth. As the risks of climate change have grown more profound in recent years, the Group is stepping up its commitment to play a bigger role in ensuring the preservation of our planet.

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We are collectively working towards enhancing our management of climate-related risks and opportunities, as well as improving our climate-related disclosures to ensure alignment with world-leading guidance such as the Task Force on Climate-Related Financial Disclosures (“TCFD”). We have conducted various exercises to identify and disclose our climate-related risks and opportunities at the operating level, with further details reported by individual operating company such as Hong Leong Bank Berhad.

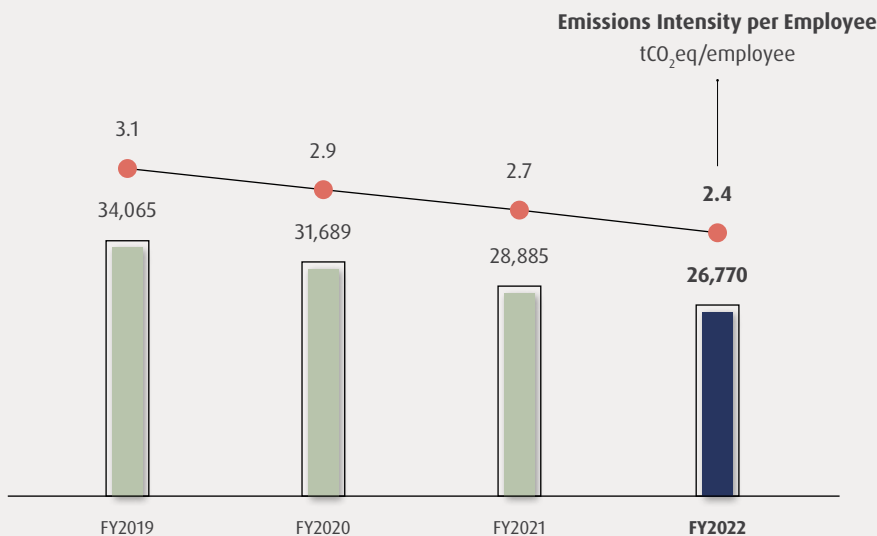
In FY2022, we are pleased to be reporting our emissions data from the base year of FY2019 up until FY2022 in line with the GHG Protocol Corporate Accounting and Reporting Standards. Our report takes into account our energy utilisation across all three scopes of disclosure, with our calculations based on internationally recognised calculation tools i.e. 2019 refinement to the 2006 IPCC Guidelines and local emission factors (where applicable).

GHG EMISSIONS SCOPES OF DISCLOSURE

- Scope 1:** Mobile and Stationary combustion (fuel consumption/L) and Fugitive Emissions (refrigerant charge/kg, annual leakage rate)
- Scope 2:** Purchased Electricity/kWh
- Scope 3:** Business Travel (fuel consumption/L, distance travelled/km)

Total GHG Emissions FY2019 - FY2022

Total GHG Emissions (tCO₂eq)



TOTAL GHG EMISSIONS

✓ **21.4%**

In FY2022 compared to base year (FY2019)

GHG EMISSIONS INTENSITY PER EMPLOYEE

✓ **21.5%**

In FY2022 compared to base year (FY2019)

Emissions Intensity per Employee

- Exclude scope 2 emission from HLA managed spaces

	FY2019	FY2020	FY2021	FY2022
Scope 1 Emissions (tCO₂eq)	334	290	228	164
Scope 2 Emissions (tCO₂eq)	31,914	29,867	27,601	25,855
Scope 3 Emissions (tCO₂eq)	1,817	1,532	1,055	750

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GHG Emission Distribution for FY2022



Breakdown of Total GHG Emissions by Subsidiaries

Absolute GHG Emissions (tCO₂eq)



<p>HLFG Absolute GHG Emissions FY2022</p> <p>✔️ 34.2% compared to base year</p>	<p>HLB Absolute GHG Emissions FY2022</p> <p>✔️ 19.0% compared to base year</p>	<p>HLCB Absolute GHG Emissions FY2022</p> <p>✔️ 21.7% compared to base year</p>	<p>HLAH Absolute GHG Emissions FY2022</p> <p>✔️ 34.9% compared to base year</p>
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Our Approach and Performance

HONG LEONG BANK BERHAD (“HLB” or “the Bank”)

FY2022 marks a significant year in our efforts towards strengthening our climate pledge as we have taken important steps forward in enhancing our governance and solidifying our progress year on year.

- **Alignment with BNM’s TCFD**

- This year, we have taken guidance from Bank Negara Malaysia’s Task Force on Climate-related Financial Disclosure Application Guide to enhance our climate-related disclosures around the four thematic areas of Governance, Strategy, Risk Management and Metrics & Targets.

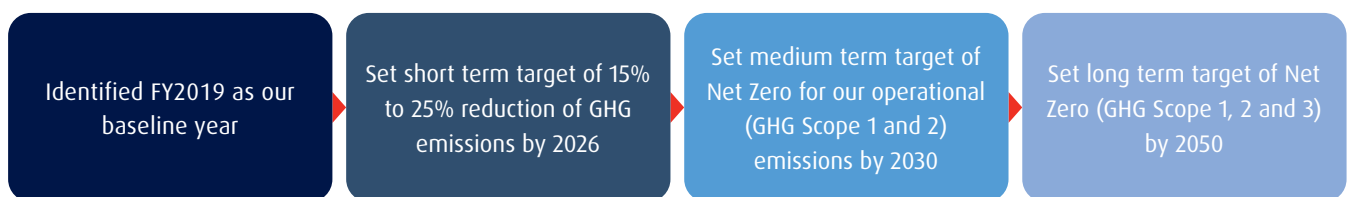
FY2022 Highlights

- Enhanced the governance structure and appointed respective Heads of Sustainability and Sustainability Risks
- In FY2022, 27 meetings were conducted where climate-related topics (e.g. carbon offsetting initiatives, physical risk identification and assessment) were discussed
- Launched Green Bond Framework to guide the Bank’s bond issuance and launched first Green AT1 Bond, worth RM 900 million
- Expanded green product offering to include Solar Plus loan/ financing for retail customers
- Introduced Regional Wealth Management ESG Framework to guide our investment processes
- 39 vendors assessed for ESG under the Vendor Sustainability Self-Assessment

27 SUSTAINABILITY-RELATED
meetings held during FY2022

- **Our Net Zero Commitment**

- This year we updated our key GHG emissions reduction targets, including the commitment to achieve Net Zero carbon emissions by 2050.



- **Supporting the transition to Renewable Energy (“RE”)**

- In line with Government of Malaysia’s aspiration to increase our renewable energy capacity to 31% by 2025 and 40% by 2035, we have introduced several renewable energy financing solutions to assist our retail, corporate and SME customers in their respective RE transition.

Total Approved Renewable Energy Financing as of FY2022

RM 2.4 billion

Solar
RM 1,830 million

Bioenergy
RM 402 million

Small Hydro
RM 149 million

Any RE*
RM 54 million

~480,000 tCO₂

in equivalent emissions in a year mitigated via our financing

* Any RE consist of customers with facilities that is not concentrated on a single RE resource

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HONG LEONG ASSURANCE (“HLA”)

As climate-related risks management continues to gain more prominence, HLA have undertaken several initiatives during FY2022 that underscore our efforts to manage climate-related risks more effectively.

- **BNM’s Exposure Draft on Climate Risk Management and Scenario Analysis**
 - We have completed the gap analysis together with a high-level Implementation Roadmap.
- **Sustainability Committee**
 - Our newly formed Sustainability Committee will provide support to the Board in undertaking its oversight responsibilities relating to sustainability and climate risks.
- **Raising our Competencies**
 - We have implemented an ongoing training programme designed to enhance the ESG awareness of our Board, Senior Management and staff, while progressively building their knowledge on climate-related risks.

HONG LEONG CAPITAL BERHAD (“HLCB”)

HLCB believes that financial institutions can play a crucial role in establishing climate-conscious practices and providing climate-friendly financial solutions that can make a meaningful impact.

- **Enhancing Our Disclosures**
 - In FY2022, we have taken guidance from BNM’s TCFD Application Guide, Bursa Malaysia’s Sustainability Reporting Guide and BNM’s Climate Change and Principle-based Taxonomy, to enhance our approach to climate-related disclosures around the four thematic areas of Governance, Strategy, Risk Management and Metrics & Targets.
- **A more robust framework**
 - In July 2022, we endorsed and implemented a Sustainability Framework which provides strategic guidance for HLCB and outlines initiatives to progressively embed sustainability into our business operations. The ownership and overall responsibility of these initiatives are managed and overseen at the departmental level, with progress on these initiatives contributing towards the overall Group sustainability performance.
- **Embedding climate-friendly principles into our products**
 - In April 2022, our unit trust and fund management subsidiary Hong Leong Asset Management Sdn Bhd (“HLAM”) have launched a Global ESG Fund to promote sustainable investing.
- **Tracking our carbon footprint**
 - We have begun measuring and monitoring Scope 1 and Scope 2 GHG emissions for operations as well as Scope 3 for business travel emissions.

Managing Our Environmental Footprint

ENHANCING OUR ENVIRONMENTAL RESPONSIBILITY

GRI 103-1, 103-2, 103-3, 302-1, 302-4, 303-5, 306-4

Why It Matters

Corporations can play an immense role in protecting the sustainability of our planet. We are continually raising our efforts across the Group to reduce our carbon footprint, optimise our use of raw materials and lower our consumption of natural resources in support of the global push for better environmental protection.

Our Approach and Performance

HONG LEONG BANK BERHAD

HLB has set forth robust ambitions to achieve carbon neutrality for our operational emissions by 2030. To achieve this target, we have stepped up initiatives to actively reduce our carbon footprint, optimise the efficiency of resource utilisation and manage waste efficiently.

• Reducing Our Carbon Footprint

- We kick-started our first major carbon-offset project in FY2022 via a collaboration with the Malaysian Nature Society (“MNS”). The mangrove swamp ecosystem rehabilitation and conservation project at the Kuala Selangor Nature Park will help to restore degraded forest land and HLB has committed to plant approximately 50,000 new mangrove trees in the area over the next three years.

• Greening Our Buildings

- Following on from the rollout of Energy Efficiency and Conservation (“EE&C”) measures at our corporate buildings in FY2021, we have continued to expand these initiatives to our branches across Malaysia in FY2022 and will disclose our reduction results in next year’s report.

Our Hong Leong Tower successfully recertified its Green Building Index (“GBI”) Silver Rating in FY2022, and we are currently pursuing green certification for our Southkey and Light Street branches as we aspire to increase our portfolio of GBI-certified buildings.

• Optimising Resource Efficiency

- HLB has placed emphasis on reducing our consumption of energy, water and paper that have continued to achieve year-on-year improvement.

In FY2022, we reduced paper consumption by 37,675 reams across our Malaysian operations, representing a 34.6% reduction from FY2021. We also recorded a decrease in the water consumed in our strategic buildings, amounting to a collective reduction of 19.03% compared to FY2021 levels.

<p>~15,000 mangrove trees planted as of July 2022</p>	<p>~37,000 germinated seedlings as of July 2022</p>
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Based on an independent assessment of the carbon offset project, an estimated 1.2k tCO₂ in annual net anthropogenic GHG will be sequestered over the next 20 years.

PAPER CONSUMPTION IN FY2022

✔ 34.6%

WATER CONSUMPTION IN FY2022

✔ 19.03%

Sustainability Statement

HONG LEONG ASSURANCE

In response to our environmental sustainability objectives, HLA has identified various operational enhancements that had improved our energy efficiency, water management and waste management during FY2022.

• Energy Management

- Encouraged by the results of our pilot Solar PV project at our new Bukit Mertajam branch office last year, we are preparing to install a larger scale solar PV system at our headquarters. At the same time, we are exploring to setup electric vehicle (“EV”) charging stations in anticipation of higher EV usage in the near future.

ELECTRICITY CONSUMPTION IN FY2022

✓ **5.8%**

WATER CONSUMPTION IN FY2022

✓ **26.7%**

occupied space



Annual Electricity Consumption (kWh)

FY2020	FY2021	FY2022
1,986,090	1,765,422	1,662,345

• Water Management

- We have successfully reduced water wastage via a minor modification on toilet fittings, and have also proposed a larger project of rainwater harvesting to the Joint Management Bodies (“JMB”) of our premises.



Annual Water Consumption (m³)

FY2020	FY2021	FY2022
18,740	13,950	10,220

• Paper Usage

- HLA’s efforts to digitize many of its internal processes has shown commendable results. HLA has managed to reduce 8% of paper usage in FY2022 even as more staff gradually returned to the office.



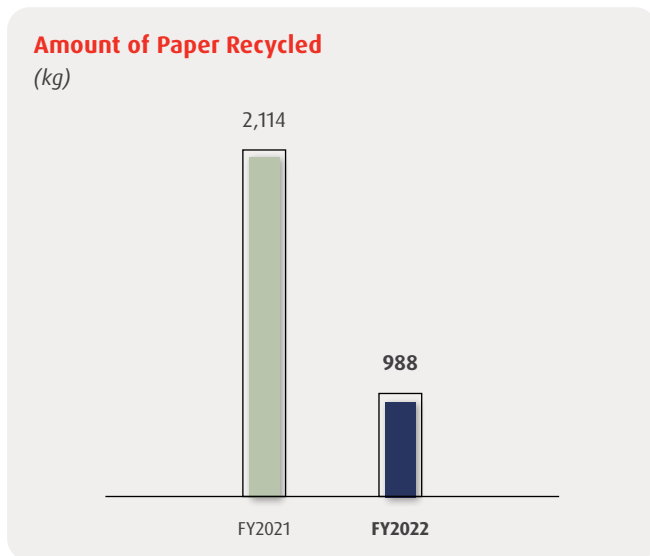
Internal Paper Usage (kg)

FY2019	FY2020	FY2021	FY2022
11,904	9,559	5,942	5,467

Sustainability Statement

Waste Management

- At HLA, we take waste management seriously and are currently studying the implementation of a new recycling and garbage sorting program at our headquarters to improve our recycling practices. The amount of paper recycled in FY2022 has fallen by 53%.



HONG LEONG CAPITAL BERHAD

HLCB's has been progressively reducing resource consumption by encouraging the employees to be mindful of their impacts on the environment.

Energy Consumption

- In FY2022, we have further enhanced our electricity consumption management by expanding our data boundary to include our Plaza Zurich and Ipoh Branches, as well as revamping our electricity metrics to report annual kWh consumption in accordance with industry standards.

We are pleased to report a decline in overall electricity consumption by approximately 3% compared to the prior reporting year, which is largely attributable to a host of initiatives that we have introduced, including regular maintenance of all equipment, retrofitting of LED tubes and replacement of malfunctioning air conditioning units with more energy-efficient models in our offices.

FY2022 ELECTRICITY CONSUMPTION

✔ 3%

Electricity Consumption (Total kWh)		
FY2020	FY2021	FY2022
982,823	945,553	919,822

Paper Consumption

- We have implemented various digital initiatives to lower our annual paper consumption rates, including digitising our workflow management platform, discontinuing document and cheque printing, and leveraging on digital marketing services.

Reduction in Paper Consumption as we enhance our digital onboarding efforts

Total Weight (kg)		
FY2020	FY2021	FY2022
9,601	10,496	9,697

Note: Higher paper consumption in FY2021 was largely due to a spike in Bursa Malaysia's trading volume in FY2021, which drove an increase in HLeBroking account opening in FY2021 as well as an increase in Stockbroking business activities during the year.

FY2022 PAPER CONSUMPTION

✔ 8%

In FY2022, we saw 8% decrease in the weight of paper consumed from our operations. We are also planning to introduce recycling facilities within our offices over the coming year to complement the e-waste recycling campaign we organised in FY2022.

Sustainability Statement

ESG Assessment of Products and Services

BOLSTERING OUR RESPONSIBILITY THROUGH ROBUST ASSESSMENT PRACTICES

GRI 103-1, 103-2, 103-3, 413-1

Why It Matters

As a financial services provider, we are aware of our responsibility to encourage and assist our customers transition towards more sustainable business models and practices. Across our operating companies, we are increasing our efforts to identify, acknowledge and mitigate environmental and social impacts associated with the products and services that we offer to our customers.

Our Approach and Performance

HONG LEONG BANK BERHAD

HLB has been refining and enhancing the various ESG assessment framework to bring it in line with international best practices.

- **Enhancing our Business & Corporate Banking (“BCB”) ESG Policy & Assessment Framework**
 - Our ESG Policy & Assessment Framework, embedded within the Bank’s BCB Credit Policy, was improved during the year to augment our efforts in evaluating the environmental and social (“E&S”) risks associated with our customer’s business activities as well as providing an assessment of our customer’s ability to mitigate the aforementioned risks. Such enhancements enable us to assign an appropriate risk rating.
- **Guided by International Standards**
 - The BCB ESG Policy & Assessment Framework was developed with guidance from a number of national and international frameworks and standards which include the United Nations SDGs, Value-based Intermediation Financing and Investment Impact Assessment Framework (“VBIAF”), BNM CCPT guidance paper and IFC Performance Standards.

Our three-stage ESG Assessment Framework

	1	2	3
Stages	Initial Screening	Sector/Sub-sector Screening	Customer E&S Due Diligence Screening
Process	<p>An initial screening is conducted to determine and exclude potential customers that fall within HLB’s general exclusions list.</p> <p>Our reasons for exclusion include involvement in illegal financial activities, trade in weapons or firearms, involvement in forced or child labour, and other various illegal or irresponsible activities.</p>	<p>We then assess if the customer’s business activities fall under HLB’s identified high E&S risk sectors.</p> <p>Businesses that fall under these sectors will be subject to further assessment under the enhanced E&S due diligence screening in stage 3, otherwise they will proceed to the credit assessment process.</p>	<p>Our final assessment stage aims to evaluate the businesses’ ability to mitigate the identified E&S risk areas associated with their business activities.</p> <p>Customers classified as high risk will be encouraged to undergo mitigation plans to address the residual E&S risks in their business activities.</p>

The Assessment is conducted during the customer onboarding process, annual credit reviews to continuously track their performance, and/or when the customer requests for additional facilities.

Sustainability Statement

HONG LEONG ASSURANCE

As we integrate sustainability within our products and services, HLA has begun to incorporate ESG risk considerations into operational policy and processes and conscientiously assessing our investment portfolios to determine the extent of any such impacts.

- **HLA's Investment Department's ESG Policy**

- Our Investment Department's ESG Policy integrates environmental and social considerations into the investment assessment process that sets the parameters for providing an internal ESG scoring.

ESG Assessment Process			
Exclusion List	Industry Screener	Entity Screening	ESG Scoring Methodology
ID will unequivocally exclude from its investment portfolio entities that engage in activities that are deliberate and severe violations of ESG principles.	A negative screening approach will be applied to identify industries that pose a high ESG risk. ID will then identify ESG factors associated with the industry in which the respective entity operates.	A more detailed assessment would be conducted to ascertain entity-specific ESG risk exposure. ID would evaluate management's action plan or response to mitigating the entity's exposure to relevant ESG risks.	Guided by CCPT, where BNM prescribes five environmental classifications (C1 to C5) that are guided by five guiding principles and environmental laws.

We conduct our ESG analysis at least once each year, undertaken alongside the credit review of the respective entities, or sooner if a material ESG-related risk emerges. In the event of a deterioration in ESG-related risk in HLA's investment portfolio, our ID will take the necessary actions.

Sustainability Statement

HONG LEONG CAPITAL BERHAD

HLCB is guided by our Environment and Social Risk Guidance Note (“ESRG”) to evaluate the environmental and social impacts inherent in new business proposals and ensuring appropriate due diligence is conducted prior to any business undertakings.

- **Enhanced ESG assessments for Client Onboarding and Applications of Credit**

- The enhanced ESG assessment serves as a guide to evaluate the customers’ risk profile and sustainability agendas with regards to environmental impact and efforts to mitigate climate change. The assessment is conducted during the provision of credit facilities to new customers and new investments, annual review of facilities and investments or when the customer requests for additional facilities.

HLCB’s ESG Risk Management and Assessment	
Stages	Process
Initial Screening	To identify customers’ considerations to climate change and the broader environment, as well as to assess if their business activities fall within the general exclusion parameters.
Sector/Sub-sector Screening	Screening exercise to assess if businesses fall under the high E&S risk sectors. Businesses that fall under these sectors will then be subject to further assessment under the enhanced E&S due diligence screening.
Enhanced E&S Due Diligence Screening	Screening conducted to identify and understand the customer’s potential E&S risks as well as the company’s current mitigation plans in place to address these risks. Customers that are rated as high ESG risk will have to undergo mitigation plans to address key E&S issues in their business.

Sustainability Statement

ECONOMIC

The Group has unified its economic topics under digital transformation to improve banking accessibility, enhancing customer experiences as well as embedding environment and social considerations into our operations. We continue to stand strong on ethical business practices, in the areas of anti-bribery, corruption and fair labour practices and believe our efforts under these themes will augur well towards developing the nation and a better shared future for all.

Digital Innovation**DRIVING TARGETED AND SUSTAINABLE DIGITAL TRANSFORMATION**

GRI 103-1, 103-2, 103-3, 201-1

Why It Matters

Innovation is a core value of our organisation and forms a foundation of our “Digital at the Core” strategy. Our adoption of digital technology is reflective of our aspirations to enhance the accessibility of our financial products, improve the quality of our services and encourage participation from a wider base of customers, especially those from the underserved communities.

We also recognise the importance of harnessing technology to increase work productivity and security of our processes and internal operating systems. To this end, the Group works collectively with all operating companies to continually make enhancements to our IT systems to ensure a secure, resilient and efficient digital infrastructure that meets our customers’ needs and support sustainable business growth of our businesses.

Our Approach and Performance**HONG LEONG BANK BERHAD**

At HLB, digital innovation efforts are designed to add value for our customers whilst contributing to the advancement of a cashless society and technological advancement of the Malaysian banking sector. Our aspirations are underscored by the launch of two new programmes in FY2022.

- **HLB@School**
 - The HLB@School program helped to digitally transform a 400-student primary school in the east coast of Malaysia by creating a cashless ecosystem within the school’s infrastructure, introducing financial literacy into the school’s curriculum and providing students with essential knowledge on handling finances.

Following this pilot project, the Bank is on track to roll out the project to 100 schools in FY2023, which will impact the lives of more than 30,000 students and their families.

- **HLB@Kampung**
 - In FY2022, we also partnered with PayNet to transform Sekinchan into the first ‘Cashless Kampung’ in Malaysia. Under this HLB@Kampung project, HLB provides the community with easy access to debit cards and accounts without visiting a bank branch and aims to provide 800 business with a HLB DuitNow starter kit that enables them to accept card and QR payments.

Via this initiative, we are seeking to transform the lives of more than 24,000 residents, small businesses and schools.

Sustainability Statement

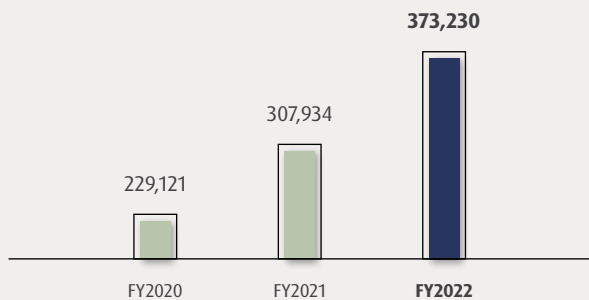
HONG LEONG ASSURANCE

HLA has increased the adoption of digital technology in its financial services to simplify the purchase of our products and to service our customers in a seamless manner. These efforts to deliver better and more personalised customer experiences are reflected within the following digital platforms and enhancements.

- **HLA360°**
 - Our online Customer Portal enables our customers to have instant and seamless access to their policy information at their convenience.

HLA360 Registered Users

21.2% INCREASE
in HLA360 users in last 12 month



- **HLA Fit**
 - The first fitness app in Malaysia that rewards customers for simply staying active via the integration of a Biological Age Model calculator.
- **hlatouch.my**
 - hlatouch.my opens the path for customers to enjoy affordable and simple life insurance in just three easy steps.
- **Digital Signature and Forms**
 - HLA added digital signatures and forms to eCRM & eDoc mobile apps in FY2022 to enable intermediaries to complete forms and attain signatures electronically for a smoother submission. *In FY2022, the eForms submissions have reached more than 10,500 impressions submitted to a company.*
- **Panel Medical Examiner Portal**
 - An online platform for our panel medical examiners to submit medical reports related to our customers insurance application. *More than 6,000 medical reports have been submitted via the portal since its launch in August 2021, with an average of 580 medical reports per month.*

- **e-KYC (“Electronic Know-Your-Customer”)**

- Our increasing use of e-KYC functionality to improve client experiences utilizing digital ID verification and screening that offer better process efficiency.

HONG LEONG CAPITAL BERHAD

HLCB’s approach to digital innovation centres around our objectives to improve client trading and investment experiences, whilst boosting productivity and turnaround time. The following activities were undertaken in FY2022.

- **HLeBroking Digital Platforms**

- In FY2022, we enhanced our HLeBroking platform even further, introducing ePayment features like FPX and Fund Withdrawal facilities to the mobile application, allowing customers to trade almost instantly after depositing funds and providing live access to market data.

- **Direct Market Access (DMA) Trading**

- We are in the midst of enhancing the DMA system with algorithmic trading capabilities, with a target to launch it by FY2023. Through algorithmic trading, clients will be empowered with more options to grow their investment performance.

RM33 billion was traded via our digital platforms throughout FY2022, reflecting a decrease as compared to FY2021. The lower traded value was affected by the lower Bursa Malaysia’s market activity in FY2022.

TOTAL FY2022 TRADE ON DIGITAL PLATFORMS

RM33
billion

- **Shariah Trading Platform**

We will be launching a shariah trading platform to provide shariah investing opportunities to our retail clients and promote inclusivity.

- **Digital Onboarding**

- HLAM has successfully digitised the onboarding process to allow Employees Provident Fund members to invest via the EPF i-Invest and HL iSmart Invest platforms.
- HLeBroking is digitising the account opening process to provide our retail clients with a fully digital account opening experience.

Sustainability Statement

Customer Experience

HOLISTICALLY ENHANCING CUSTOMER EXPERIENCES

GRI 103-1, 103-2, 103-3, 201-1

Why It Matters

The Group remains committed to adopting a client-centric approach in order to ensure we are able to meet our customer’s growing needs and maintain a competitive advantage within the financial services industry. Not only do our clients turn to us for value-added products and solutions, but also for a meaningful and purposeful connection. Our operating companies are encouraged to establish customers engagement platforms to listen and communicate more effectively with our customers in areas of interest, including on the topic of sustainability.

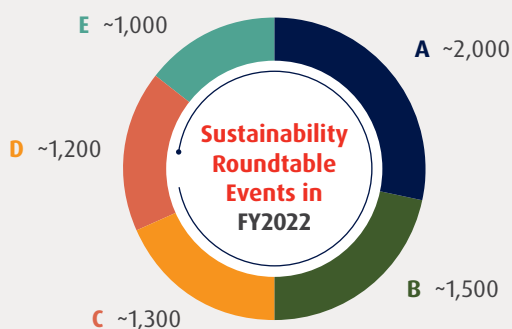
Our Approach and Performance

HONG LEONG BANK BERHAD

HLB had various customer engagement activities to advocate the importance and benefits of embracing sustainability to their retail, corporate and SME customers. The following are several customer engagement initiatives undertaken during FY2022 to promote environmental awareness:

- ESG Customer Engagement – Sustainability Roundtable**
 - The HLB Sustainability Roundtable - introduced in FY2021 to raise awareness and inspire change - held five virtual dialogues in FY2022, reaching around 7,000 stakeholders and covering important topics such as the palm oil industry, renewable energy (biogas), waste management, chemical manufacturing and metals manufacturing.
- Earth Hero @ HLB Pocket Connect**
 - Our HLB Earth Hero initiative aims to instil environmental responsibility and inculcate financially sound habits among our junior bank customers. It leverages our highly engaging HLB Pocket Connect platform to encourage young savers to participate in virtual gamification and educational tasks that may make a positive environmental change.

No. of Stakeholders Engaged in FY2022



- A** Palm Oil: ESG Risks & Opportunities, an Industry Outlook
- B** Renewable Energy: The role of Biogas in supporting Malaysia’s energy mix in transitioning towards a lower carbon economy
- C** Circular Economy, The Way Forward: Adopting Sustainable Waste Management in Malaysia
- D** The Chemicals Manufacturing Industry: Its Environmental & Social Risks & Opportunities
- E** Efficient Metals: Seizing opportunities in sustainability & developing ESG readiness

Impact of our Earth Hero Initiatives

Reforestation



Planted over 2,500 trees, (achieving our FY2021 target), in collaboration with social enterprise Animal Projects Environmental Education Sdn. Bhd. (“APE Malaysia”).

Wildlife Awareness



Uploaded content based on endangered animals on a monthly basis on our website to raise awareness on how the tree planting initiatives help sustain the food chains for the Borneo wildlife

Local Community Engagement



Supported members of the local communities from the Sukau Village through providing employment and contributing to their livelihood.

Sustainability Statement

HONG LEONG ASSURANCE

HLA places staunch emphasis on providing customers with modern, seamless and fuss-free interactions that elevates the user experience. The following are two new initiatives undertaken during FY2022 that exemplify our approach.

- **New Business e-Policy Contract Option**

- We have begun providing new Policy Owners with the choice to opt for e-Policy Contracts. By doing so, they will receive less printed materials and obtain their new policy faster as it may be emailed to them via a secure password protected link.

Since it started in December 2021, more than 9,700 policies from various distribution channels opted for this option by 30 June 2022.

>9,700 POLICIES

opted for e-Policy contracts in FY2022 since its launch in December 2021

- **Real Time Hospital Guarantee Letter Status to Intermediaries & Customers**

- From May 2022 onwards, we have begun delivering the latest Guarantee Letter and discharge status to intermediaries via our eCRM mobile app and eChannel Portal and to customers via the Customer Portal in our HLA360° mobile app. The service also includes push notifications on mobiles so our intermediaries and customers may be updated in real time, thus improving their experience at hospitals.

HONG LEONG CAPITAL BERHAD

HLCB's approach focuses on fostering active and continuous engagement with customers throughout the transaction lifecycle and beyond, with our primary efforts revolving around balancing our clients' needs with regulatory requirements and investor expectations to achieve a win-win situation for all parties.

- **Virtual Investment Talks**

- In FY2022, we increased our HLeBroking digital connections by conducting multiple virtual investment talks through online webinars on Cisco Webex, replacing the Facebook Live sessions as it was more exclusive and secure.

- **Fair Banking Initiatives**

- All employees at HLCB attend compulsory skill-enhancement courses and Capital Market Services Representative's Licence ("CMSRL") holders continue to adhere to Continuing Professional Education ("CPE") requirements.

- **Engaging with our Institutional and Retail clients**

- We undertake various activities to continuously keep our clients engaged and provide them with access to expert knowledge.

Engagement with Stockbroking Institutional Clients

Networking Opportunities	Workshops & Conferences	Industry Collaboration	Stratum Focus Series
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Engagement with Stockbroking Retail Clients

Free Workshops and Resources	Research Reports	Market Outlook Webinars
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- **Engaging Female Investors**

- HLCB has continued to empower female investors via its Women's Choice Package, which provides waivers of account opening fees for opening Bursa Malaysia CDS accounts.

During the campaign period in FY2022, 530 women opened CDS accounts with HLeBroking and began their journey of investing in equity markets.

Product Responsibility

EMBEDDING SUSTAINABILITY CONSCIOUSNESS INTO OUR PRODUCTS AND SERVICES

GRI 103-1, 103-2, 103-3, 201-1

Why It Matters

As a responsible corporate citizen, we recognise the importance of delivering products and services that are socially and environmentally conscious in their own right. Across the Group, all operating companies are urged to expand their portfolio of ESG compliant and ESG rated products and services as we aspire to progress our business in tandem with the heightened import on climate risk and corporate responsibility.

Our Approach and Performance

HONG LEONG BANK BERHAD

The Bank’s commitment towards growing its portfolio of sustainable products and services is guided by our sustainability agenda that are aligned with business objectives. Through our efforts, we are able to attract investors with ESG mandates to deploy capital towards socially responsible investing in the country.

- **Socially Sustainable Securitisation**
 - In FY2022, the Bank completed a securitisation exercise worth RM300 million with Cagamas Bhd - a transaction that marked Cagamas’ first concurrent double-issuance of ASEAN Sustainability SRI Sukuk and the ASEAN Sustainability Bonds in Malaysia - which helped increase the supply of socially sustainable bonds/ sukuk in the Malaysian Ringgit bond/ sukuk market.
- **Regional Wealth Management ESG Framework**
 - We have expanded our portfolio of sustainable products by establishing the Regional Wealth Management ESG Framework in FY2022. The Bank has partnered with industry experts Morningstar and its subsidiary, Sustainalytics, to ensure that ESG considerations are taken into account for investment AUM and third-party investment products.

Overall Assets Under Management (“AUM”) as at June 2022

- 30% of our unit trust funds’ AUM held by our customers are ESG rated.
- 100% of our bonds’ AUM held by our customers are issued by ESG rated issuers.
- 100% of our Structured Products, with securities as the underlying reference, are structured with ESG-rated securities*

* A portion of Structured Products issued uses financial instruments such as currency and interest/profit rate as underlying reference which are non-rated. Such Structured Products will be followed by the issuer rating. HLB is rated by independent ESG rating providers such as Sustainalytics.

- **Green Bond Framework**
 - In FY2022, the Bank developed a Green Bond Framework that sets out the guidelines for the Bank’s green bond issuances, which was developed in accordance with the ASEAN Green Bond Standards issued by ASEAN Capital Markets Forum and the globally recognised Green Bond Principles issued by the International Capital Market Association.

Our Green Bond Framework successfully achieved the highest attainable Environmental Benefit (“EB”) rating of Tier 1 from RAM Sustainability for assets/projects involving renewable energy (solar, wind and hydropower), energy efficiency, green building and electric vehicles.

OUR GREEN BOND FRAMEWORK ACHIEVED

TIER 1 ENVIRONMENTAL BENEFIT (“EB”) RATING

from RAM Sustainability

Sustainability Statement

HONG LEONG ASSURANCE

At HLA, we believe that delivering good financial outcomes to our customers goes hand-in-hand with the delivery of responsible products and services.

- **Money Laundering & Terrorism Financing Assessment for New Product and Business Practices**
 - For every new product and business practice, HLA undertakes an assessment to identify the money laundering and terrorism financing (“ML/TF”) risks that may arise prior to the launch or use of such products, practices and or technologies.

All new products and services have incorporated ML/TF risk ratings prior to launch

- **Treat Customers Fairly Charter**
 - HLA has established a charter that specifies our commitment to provide the highest standards of fairness in all our dealings with our customers. The charter outlines our four areas of commitment and the practices espoused therein.

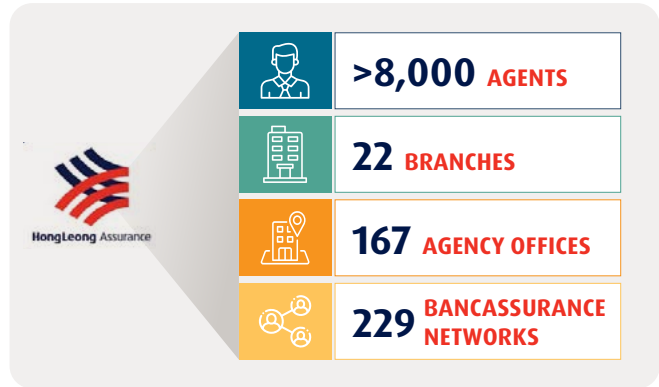
We commit to embed fair dealing into our institution’s corporate culture and core values

We commit to ensure that customers are provided with fair terms

We commit to ensure that customers are provided with clear, relevant, and timely information on financial services and products

We commit to ensure that our staff, representatives and agents exercise due care, skill and diligence when dealing with customers

- **Reaching Out to You**
 - We provide our customers with extensive digital and in-person options to reach out and connect with our agency members in regards to insurance products and solutions, including via HLA Touch, telemarketing channels, mobile applications and our extensive physical network.



HONG LEONG CAPITAL BERHAD

HLCB has increased efforts to embed ESG features into the product and services of our businesses during FY2022.

- **Hong Leong Global ESG Fund (“HLGESGF”)**
 - FY2022 marked an important milestone in our sustainability journey as HLAM, our asset management company launched its first ESG based fund. HLGESGF features a rule-based strategy to only invest in securities of companies with a strong ESG scoring.

Our Shariah compliant ESG fund, Hong Leong Global Shariah ESG Fund, is targeted to launch in 2023.

- **Green Tier 1 Capital Security Development**
 - HLIB has acted as the Principal Adviser, Lead Arranger and Lead Manager for the Green Additional Tier 1 (“AT1”) Capital Securities of RM900 million issued by HLB in April 2022 to encourage greater market adoption of sustainable growth through ESG compliant financing.

Sustainability Statement

Good Governance

SAFEGUARDING ETHICAL BUSINESS PRACTICES

GRI 103-1, 103-2, 103-3, 205-2

Why It Matters

We recognise that good corporate governance with high ethical standards plays a fundamental role in the long-term success of our business. At HLF, we have extended our expectation for high standards of professionalism and ethical conduct to our suppliers as well. The company procurement practices are guided by our enhanced Procurement Policy, that sets out ESG parameters for vendor assessment and due diligence in the areas of fair labour practices, anti-bribery and corruption, and sustainable environmental performance.

As part of our robust approach towards good corporate governance, all of our operating companies have implemented the necessary policies, such as the Code of Conduct, Anti-bribery and Corruption Policy, as well as Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (“AML/CFT & TFS”) Policy to ensure responsible business conduct are consistently maintained. At our key operating companies, Board level committees have been established to enhance compliance, accountability and spearhead greater adoption of sustainable practices. We proactively engage and train our employees on a regular basis with emphasis on proper behaviour among our workforce. Employees are encouraged to raise their concerns about any improper conduct through the channels established within the Whistleblowing Policy.

Our Approach and Performance

HONG LEONG BANK BERHAD

At HLB, we believe a commitment to accountability in embedding sustainable practices should be driven from the top, and have established a rigorous governance structure that reflects this approach.

- **Our Sustainability Governance Structure**

- Our Board of Directors leads the company’s approach and is supported by the Board Risk Management Committee and Board Audit and Risk Management Committee in overseeing the management of the Bank’s sustainability strategy and ESG risks. They are further assisted by a Shariah Committee, Sustainability Committee and Sustainability Working Committee, all of which provide advice, undertake initiatives and act as a catalyst for our sustainability initiatives.

- **Ensuring Fair Practices Across the Supply Chain**

- Following the integration of the Vendor Sustainability Self-Assessment (“Assessment”) into the Procurement Policy in FY2021, HLB carried out and completed an initial Assessment involving 39 top vendors (Tier 1) in FY2022. Subsequent Assessments are in progress involving an additional 140 Tier 1 vendors and 581 Tier 2 vendors with an estimated completion timeline in the second and fourth quarters of FY2023.

FY2022 Highlights

- Overall, 97% of the vendors from the pilot Assessment have demonstrated adequate ESG awareness and practices adopted in their operations.
- 62% of vendors from the initial self-assessment exercise scored Best in Class in their sustainability scores.

97% OF VENDORS
adequate ESG awareness

62% OF VENDORS
scored Best in Class

Sustainability Statement

HONG LEONG ASSURANCE

In the year under review, HLA has elevated the agenda on sustainability and formalised a new Sustainability Governance Structure to accelerate its sustainability journey. Our Board provides oversight of sustainability matters and is committed to ensuring sustainability is embedded in the organisation and adequate resources are in place to manage sustainability matters.

HONG LEONG CAPITAL BERHAD

HLCB has established a Sustainability Governance Structure with the Board and Board Audit and Risk Management Committee ("BARMC") maintaining oversight of our sustainability governance matters and work cohesively to ensure that sustainability is embedded in the Group with adequate resources in place to address our material sustainability issues. The Board, with recommendation from the BARMC and the Sustainability Steering Committee, also decides on the Group's strategy. The structure and direction of the overall management of our environmental and social impacts are determined by the BARMC while the Sustainability Steering Committee and Sustainability Working Committee serve as catalysts, mobilising HLCB's sustainability efforts as determined by the Board and BARMC.

FY2022 Highlights

- In FY2022, employees within HLCB were required to complete mandatory e-learning such as AML/CFT, anti-bribery and corruption, cyber security and other targeted trainings to ensure they were kept abreast on regulatory requirements.
- In FY2022, we deployed additional extensive training sessions for our employees, focusing on developing and enhancing our compliance culture to prevent all forms of corruption across the organisation.

AML/CFT Training

2,368

hours of training,
495* employees trained

ABC Training

1,544

hours of external training,
513* employees trained

* All employees are required to attend AML/CFT and ABC training. The total number of employees above may differ from the total number of employees within the financial year due to attrition and onboarding.

SOCIAL



HLFG intends to create shared values with all our stakeholders to build long-term, sustainable, and mutually-beneficial relationships. With such a unifying principle in mind, HLFG has implemented actions across all operating companies to protect customer data that comes into our business ecosystem, motivating and upskilling our staff, as well as giving back to the communities in a meaningful manner.

Cyber Security and Data Privacy

PROTECTING PERSONAL DATA AND ENSURING CUSTOMER PRIVACY

GRI 103-1, 103-2, 418-1

Why It Matters

Safeguarding personal data and protecting customer privacy remains a key priority in our efforts to preserve the confidence and trust of our customers. As the industry landscape increasingly shifts towards digital platforms and online banking channels, the Group recognises the importance of strengthening the robustness of our cyber security controls.

Our Approach and Performance

HONG LEONG BANK BERHAD

Our focused efforts in strengthening the Bank's digital infrastructure and to become cyber resilient is bolstered by our desire to keep our customers data secure in tandem with the rapid shifts in the technological landscape.

- **Data Privacy Resilience**
 - We place a high priority on preserving customer privacy and personal information and have in place robust controls to ensure data security.

Our Robust Cyber Security and Data Privacy Controls

Governance Structure

The Board Information and Technology Committee ("BITC") jointly supports the Boards of HLB and HLISB in overseeing technology and cyber security-related matters.

Policies

Board policies on Technology Risk Management, Cyber Resilience, Data Management, Data Protection and Customer Secrecy.

Secured Infrastructure

Multi-layered security implementations that safeguard the integrity of our systems and our customers' information.

Sustainability Statement

• Cyber Security Initiatives

- We have placed greater emphasis on the accountability of each employee to vigilantly safeguard cyber security and data privacy of our customers and took prompt action to introduce several new initiatives that further strengthened the culture of strong data security among our employees.

Our Cyber Security Initiatives

e-Learning

Conducted Bank-wide annual mandatory e-learning on Cyber Security and Cyber Risk Management. To ensure knowledge retention, employees are required to complete and pass an assessment with a score of 80%. In FY2022, all employees passed the assessment and we accumulated over 5,000 hours in training.

Quarterly Cyber Security and Risk Awareness Videos

As part of creating continuous awareness among employees on the cyber security risk, our Cyber security team sends quarterly awareness videos as part of monthly thematic huddles on various topics including Phishing, Social Engineering and Working from Home data etiquette.

Thematic Huddles on Cyber Risk Awareness

Conducted thematic huddles on cyber risk awareness in the month of September 2021 where employees across the Bank get together to learn from each other through presentations and discussion.

Promoting Gamification

To ensure continuous awareness on Cyber Security and Risk, HLB also introduced measures with engaging gamification elements including a cyber security pop quiz and a cyber security crossword puzzle.

• Empowering Customers with Cyber Security Knowledge

- The Bank is committed to protect the privacy and safety of our customers across all our platforms, and undertakes efforts to equip our customers with the knowledge to identify and avoid fraudulent activities via information on our HLB Website and the DuitSmart platform.

In FY2022, we recorded zero cases of substantiated complaints received regarding identity leaks, thefts and losses of customer data, further demonstrating the resilience and effectiveness of our internal protocols towards protecting our customers' privacy.

HONG LEONG ASSURANCE

HLA is similarly committed to strengthening our technological infrastructure and IT security resilience in line with the growing prevalence of technological innovation and cyber threats in the financial services industry. We have undertaken the following initiatives to adhere to industry best practices and requirements.

• Technology Risk Management Framework ("TRMF")

- To address risks that may arise from failures or breaches of IT systems and/or applications, which could cause financial loss, disruptions in operations, and harm our reputation, we have implemented a Technology Risk Management Policy across HLA to provide overarching guidance and ensure consistency in our approach.

• Cyber Resilience Framework ("CRF")

- We have also implemented a Cyber Resilience Framework across HLA to strengthen our technological resilience against operational disruptions and ensure all our business units take collective responsibility of our information technology functionality.

• Endpoint Detection and Response (EDR)

- HLA has successfully implemented an EDR security tool that provides protection against ransomware and malware while also facilitating threat hunting and incident response.

Sustainability Statement

HONG LEONG CAPITAL BERHAD

HLCB has adequate physical, electronic and process controls in place to protect our operations and will continue to invest to build our cyber defence and resiliency.

- **Stringent Compliance**

- Our measures to safeguard and govern data privacy and cyber security are in alignment with the Financial Services Act 2013 ("FSA"), Capital Markets and Services Act 2007 ("CMSA"), Personal Data Protection Act 2010 ("PDPA"), as well as other regulations issued by BNM, SC and Bursa Malaysia.

During FY2022, we regularly conducted compliance assessments of controls and processes related to confidential information as well as privacy risks and data security audits to identify and mitigate any potential gaps.

- **Strengthening our Defences**

- In addition to maintain adherence to cyber security best practices put forth by our IT framework, we have plans to introduce additional assessments and exercises with the IT security team and regulators to enhance our cyber-related incident responses and recovery processes.

Employee Experience

NURTURING A MOTIVATED AND SUSTAINABILITY CONSCIOUS WORKFORCE

GRI 103-1, 103-2, 401-2, 404-2, 405-1

Why It Matters

The contributions from our employees are the foundation of our success and we are committed to develop and grow our human capital. By nurturing a diverse, dedicated and competent workforce, we place ourselves on the right trajectory to attain our business objectives and become an employer of choice. At HLFGB, we encourage all operating companies to actively engage with their workforce at all levels, prioritise employee health and safety, offer career growth prospects and provide adequate training to upskill our talents.

Our Approach and Performance

HONG LEONG BANK BERHAD

HLB places emphasis on training, rewarding and supporting our employees' growth within the organisation while at the same time empowering our people to play a direct and active role to make positive, meaningful and measurable impacts in communities.

- **Prioritising Wellness, Health and Safety**

- We believe that we have a fundamental responsibility in providing a safe and healthy working environment for our colleagues and have developed a robust Occupational Safety and Health Standard Operating Procedure ("OSHA SOP") and have established an OSH Committee to oversee in the implementation of best practices.

- **Exclusive PlusVibes App for Employees**

- PlusVibes, our mobile-first well-being platform remains our key point of contact to help our employees build personal resilience and strength in both body and mind. In October 2022, PlusVibes will relaunch with new features and functionality for users.

- **Driving the Bank's Sustainability Agenda Through our Employees**

- In FY2022, we launched our HLB Employee CSR Programme ("HECP") that provides a variety of activities throughout the year for employees to participate in. Employees can either choose from existing initiatives, such as HLB JumpStart and HLB DuitSmart, or design their own community-centric initiatives for their division based on the HECP's Five pillars, which are aligned with the Bank's ESG goals.

Sustainability Statement

Five Pillars of HLB Employee CSR Programme (HECP)

Environment

Food Security

Festive (Community)

Financial Literacy

Social Enterprise

HONG LEONG ASSURANCE

In addition to ensuring that employee safety is prioritised and that the workforce remains engaged and empowered to perform at their best, HLA has also undertaken efforts to enhance ESG leadership and augment the digital proficiencies of employees.

• Building ESG Capabilities

- HLA has started to strengthen capabilities in managing ESG risk with focus on climate-related risks by partnering with external consultants to equip the company's leadership and key employees with up-to-date knowledge on ESG-related opportunities and challenges.
- HLA engaged the Jeffrey Sachs Centre on Sustainable Development of Sunway University to design and rollout a robust training module
- The first training sessions were conducted in May 2022 and HLA intends to rollout further sessions in FY2023 to other stakeholders to raise awareness and knowledge levels of HLA's staff on climate change and sustainability related issues, opportunities and challenges.

ESG Training Topics Covered during FY2022

ESG and Climate Change Concerns

Responses by Businesses and Society

ESG in Financial Services and Life Insurance

What Can Organisations Do?
Designing Appropriate Responses

• Boosting Digital Readiness

- As part of our Digital Readiness campaign, four specific learning opportunities were identified i.e., Digitisation, Digital Data Analytics, Digital Transformation and Digital Acumen, with employees undergoing online training to enhance their competencies within these scopes.

• Employee Wellness

- HLA collaborated with Columbia Asia Hospital to host a Lunch & Learn virtual talk on mental well-being. A registered medical doctor provided insight on various topics related to the impact of COVID-19 and anxiety on mental health.

• Leadership Development

- We developed our own Managerial Development Series to support first-time and existing People Managers to be more efficient leaders and equipping them with critical skills and proficiencies to achieve the desired performance results.
- The company also continued to train its People Managers under the "Cohesive Collaboration & RACI (Responsible, Accountable, Consulted and Informed) Matrix for People Managers" programme, which is part of HLA's Talent Development Agenda.

Two batches of People Managers underwent training and coaching on high-performance management skills. The programme was delivered via bite-sized learning over a span of six weeks

• Employee Engagement

- In FY2022, HLA hosted a virtual townhall for all employees to hear directly from the company's top leadership on the company's vision, ambition and objectives, which featured a Q&A session between employees and senior management.

HONG LEONG CAPITAL BERHAD

HLCB's ambition of nurturing the best talent is intrinsically aligned with the commitment to develop a professional and highly competent workforce.

• Developing ESG Capabilities

- We strive to educate our employees with a sound ESG training that will equip them with the knowledge to engage with our clients and customers in the topic of sustainable investment.

Continuous ESG Training Initiatives

ESG training for HLAM and HLISAM equity teams

ESG introductory training for HLIB client-coverage teams, including education on green bond standards

Courses and seminars on ESG financing for HLIB Investment Banking team

Training on global and regional developments in ESG regulations and sustainable finance for HLIB Treasury and Markets teams

Sustainability Statement

- In FY2022, employees across HLCB held extensive engagements with ESG subject-matter experts in the process of developing our Sustainability Framework.
- 42 employees participated in 10 educational sessions provided them with key knowledge on ESG risk and industry trends on sustainability.

42 EMPLOYEES

participated in 10 ESG educational sessions

• Developing our Talent

- We support the professional development of our people to accelerate their learning and development.

Human Capital Development Highlights (FY2022)

Total
training hours
> 7,590

Averaged training hours
per employee
14

• Management Associate Programme

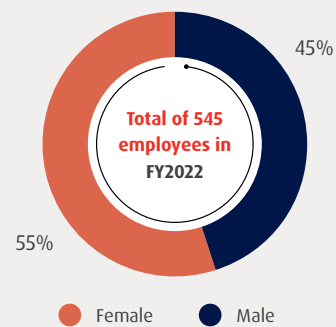
- In FY2022, HLIB introduced a Management Associate (“MA”) programme to recruit and place graduates in respective business departments for two years in order to gain knowledge and hands-on exposure in the financial services industry.

We have recruited 3 MA trainees who are currently attached to our Equity Markets and Debt Markets divisions. Our aim is to sustain the momentum of the MA program and we target to recruit a total of 7 MA trainees moving forward.

• Promoting Diversity and Inclusion

- To promote diversity, we have established a Board Diversity Policy to underscore our commitment in balancing and diversifying our Board members in terms of gender, skills and experience in a way that is congruent with HLCB’s expansion objectives.

Our Workplace Diversity by Gender in FY2022



• Fostering Internal Mobility

- Our High Potential (“HiPo”) Programme is our core succession planning initiative that enables us to effectively identify and nurture promising talent internally, with HiPo candidates shortlisted at the end of each fiscal year and being inducted into a two-year training programme.

50 EMPLOYEES

have so far benefitted from our HiPo programme

Since inception, we have identified 50 suitable candidates to participate in our HiPo programme using our evaluation procedures.

Sustainability Statement

Community Banking and Outreach

SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE

GRI 103-1, 103-2, 103-3, 413-1

Why It Matters

As a responsible corporate citizen, we are consistently expanding our efforts to support and uplift local communities, whether through the introduction of products and services that can enhance their lives or direct contributions through our CSR initiatives. By adopting a mindful approach to community development across the Group, we directly bolster the sustainability of our business by enhancing our brand reputation and building loyalty amongst customers that benefit from our initiatives.

As part of a Group-wide CSR initiative undertaken in FY2022, HLFG organised a Mangrove Tree Planting program in line with the Malaysian Nature Society's efforts to rehabilitate and conserve mangrove swamp ecosystems in the Kuala Selangor Nature Park.

2,000 MANGROVE PLANTS

were planted by HLFG employees in FY2022

Our Approach and Performance

HONG LEONG BANK BERHAD

As a socially responsible business, HLB strives to undertake meaningful endeavor to support social enterprises and promotes financial literacy within the community.

- **HLB Jumpstart**

- The Jumpstart programme connects social enterprises with experts and professionals in five key areas of support in an effort to encourage their long-term success.
- To date, we have partnered with a total of 5 social enterprises, each of which have contributed to different causes in Malaysia.

HLB Jumpstart 5 Pillars of Support



Financial Knowledge



Branding and Marketing



Tools and Digitisation



Commercialisation



Volunteerism

In FY2021, we partnered with Benak Raya, a social enterprise that provides employment opportunities for villagers in Sri Aman through the production of specialised rice and other rice-based products. The business has grown from strength to strength since its partnership with Jumpstart, achieving a 192% increase in average yearly sales since our partnership.

Sustainability Statement

- **Promoting Financial Literacy via DuitSmart**

- Launched in September 2019, our DuitSmart Platform has the aim of empowering Malaysians to make sound financial decisions, which could potentially enhance the overall financial health of the country.

Our DuitSmart Platform		
Launched in partnership with Debt Agency of Malaysia (“AKPK”) and the University of Malaya	Advocates and promotes financial literacy, aligned with the Bank’s core focus in community investment towards financial inclusion for all communities in Malaysia	Outreach programmes conducted via online and physical face-to-face sessions

The Communities We Impact		
Students (Universities and Secondary Schools)	Visually Impaired Community	Broader Society via Digital Platforms

Our DuitSmart Impact in FY2022

- We reached over 840 students across schools and universities in Malaysia.
- We curated online financial literacy content for the visually impaired, benefitting more than 240 students across 5 schools.
- Our social media financial literacy content reach grew to 3.1 million views.
- We will expand our reach to primary schools and underprivileged communities in FY2023.

HONG LEONG ASSURANCE

HLA underscored our commitment in contributing meaningfully to the community by undertaking various initiatives during FY2022 that not only served to enhance financial inclusivity but also to bring our employees together for an environmentally conscious cause.

- **HLA & HLMT First Ever E-Waste Collection Campaign Shows Great Promise**

- In conjunction with Earth Day 2022, HLA and Hong Leong MSIG Takaful (“HLMT”) organised the Care for Our Planet Campaign and Bumi Green Project respectively in collaboration with E-waste Recycling Through Heroes, or ERTH for short.

The first phase of the campaign started on 22 February 2022 and ended on 22 April 2022. We started the second phase of the campaign on World Environment Day on 5 June 2022 and ended on 5 August 2022.

350KG IN e-WASTE

have so far been collected by HLA and HLMT in FY2022

Sustainability Statement

- **HLA Stackable collaboration with Perlindungan Tenang Voucher Programme**

- To increase the inclusivity of our products and services, we designed a series of microinsurance products to provide affordable and flexible life protection coverage.
- As part of the Bantuan Keluarga Malaysia (“BKM”) initiative, our customers were enabled to redeem the RM75 voucher that was allocated to eligible BKM recipients via HLA Stackable microinsurance plans.

HONG LEONG CAPITAL BERHAD

HLCB reaffirm our drive to be a responsible organisation that supports local communities, while aspiring to inculcate the spirit of sustainability amongst society.

- **Contributions to the Community**

- During the FY2022, we formed strategic partnerships that are driven by our broad range of social and environmental ambitions, while at the same time undertaking employee-driven initiatives in conjunction with various festive celebrations in Malaysia.

Notable events during FY2022 include a donation drive for the children in Persatuan Rumah Kanak-Kanak Ini Di Sayangi (Rumah KIDS) and a series of charity events held in conjunction with Ramadhan at the Pusat Jagaan Mesra Assalam.

- **HLCB x EARTH E-Waste Recycling Drive**

- HLCB collaborated with EARTH to undertake an end-of-life electronics buyback programme to cultivate eco-friendly behaviour among the community and minimise the impact of e-waste to the environment.

Via this engagement in FY2022, we collected 520 units of used electronic devices, including computers, projectors, smartphones, tablets, printers, ink cartridges and cables.

**520 UNITS OF
e-WASTE**

was collected in FY2022

- **Prosperous New Year with SevenTeaOne**

- In FY2022, HLCB engaged with social enterprise SevenTeaOne to promote the development of safe, inclusive and non-discriminatory platform spaces for differently-abled and marginalised communities to learn employment skills and earn dignified incomes.

We purchased 560 sets of cookies from SevenTeaOne and distributed them to our employees with the aim to support the social enterprise and promote awareness of the cause of this organisation among our employees.

- **Empowering Women this Hari Raya**

- During Hari Raya, we lent our support to Ibupreneur, a social enterprise that works to empower financially dependent and vulnerable mothers in the B40 group with the necessary skills to become micro-entrepreneurs.

We purchased 560 sets of cookies from Ibupreneur and distributed them to our employees with the aim of supporting the social enterprise and promoting awareness of the organisation’s cause among our employees.

- **Helping HLCB Flood-afflicted Families**

- HLCB offered financial assistance to our employees whose homes were severely flooded during the torrential downpours experienced in December 2021 to defray their unforeseen expenses and reduce their financial burdens.

RM21,000

in ex-gratia payments were given to six flood-afflicted employees in FY2022

GRI Content Index

GRI STANDARDS CONTENT INDEX

GRI 103-55 This report has been prepared in accordance with the GRI Standards: Core option.

GRI Standards	Disclosures	Page Number	Reference
Organisational Profile			
GRI 102-1	Name of the organisation	164	General Information
GRI 102-2	Activities, brands, products and services	164	General Information
GRI 102-3	Location of headquarters	164	General Information
GRI 102-4	Location of operations	164	General Information
GRI 102-5	Ownership and legal form	164	General Information
GRI 102-6	Markets served	21-30	Management Discussion & Analysis - HLFG Group Performance Highlights
GRI 102-7	Scale of the organisation	21-30	Management Discussion & Analysis - HLFG Group Performance Highlights
GRI 102-8	Information on employees and other workers	43	A Snapshot of Our FY2022 Performance
GRI 102-9	Supply chain	61	Safeguarding Ethical Business Practices
GRI 102-10	Significant changes to organisation and its supply chain	164	In the recent financial year there were no significant changes to the organisation's size, structure, ownership, or supply chain.
GRI 102-11	Precautionary Principle or approach	34-35	HLFG applies the Precautionary Principles in all areas of operations, which is to apply due care in all operations to safeguard both environment and social interest.
GRI 102-12	External initiatives	-	Not disclosed
GRI 102-13	Membership of associations	-	Not disclosed
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GRI 102-14	Statement from senior decision-maker	16-20	Chairman's Statement
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GRI 102-19	Delegating Authority	34, 86-103	Our Sustainability Governance, Corporate Governance Overview
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GRI 102-48	Restatements of information	-	There were no notable restatements of previous information.
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GRI 102-50	Reporting period	33	Reporting Period
GRI 102-51	Date of the most recent report	32	Sustainability Statement
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GRI 102-56	External assurance	-	External assurance has not been obtained for the non-financial indicators relating to sustainability performance.

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GRI 103-3	Evaluation of the management approach	49-51	Enhancing Our Environmental Responsibility
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