BPMB
Malaysia Development Bank

Driving Impact, Delivering Progress

2024
SUSTAINABILITY REPORT

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ABOUT THIS REPORT

Bank Pembangunan Malaysia Berhad (BPMB or the Bank) is proud to present its inaugural Sustainability Report (the Report) for 2024. This Report provides an overview of key sustainability performance and the progress of BPMB's business operations. The content of this Report is guided by our materiality assessment, ensuring that we focus on the most relevant sustainability topics.

Aligned with our financial reporting cycle, this Report contains data and information from the financial year (FY) ended 31 December 2024, covering all our business segments and subsidiaries in Malaysia, unless otherwise stated.

This Report forms part of a reporting suite and is intended to be read in conjunction with our **Annual Integrated Report 2024, Financial Statements 2024** and BPMB's **corporate website**.

This Report has been reviewed and approved by BPMB's senior management and the Board of Directors.

Reporting Framework

To ensure balanced, transparent and impactful reporting, this Report is developed with reference to global best practices and national sustainability guidelines. We draw upon widely recognised and trusted frameworks to guide our sustainability and climate disclosures, ensuring relevance to BPMB's business where applicable. Our reporting is guided by the following key frameworks and guidelines:

- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- The United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB)
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative (GRI) Standards 2021

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Report to our MIND and Sustainability Department at **bpmb.mind@bpmb.com.my**

OUR APPROACH TO SUSTAINABILITY

We are committed to delivering impact capital that drives Malaysia's economic transformation while safeguarding social and environmental well-being. Our approach to sustainability is guided by the overarching MIND and Sustainability (M&S) Framework, introduced in 2024. This Framework integrates sustainability practices across all aspects of BPMB's operations, governance, risk management and decision-making, enabling us to identify, assess and disclose sustainability and climate-related risks and opportunities.

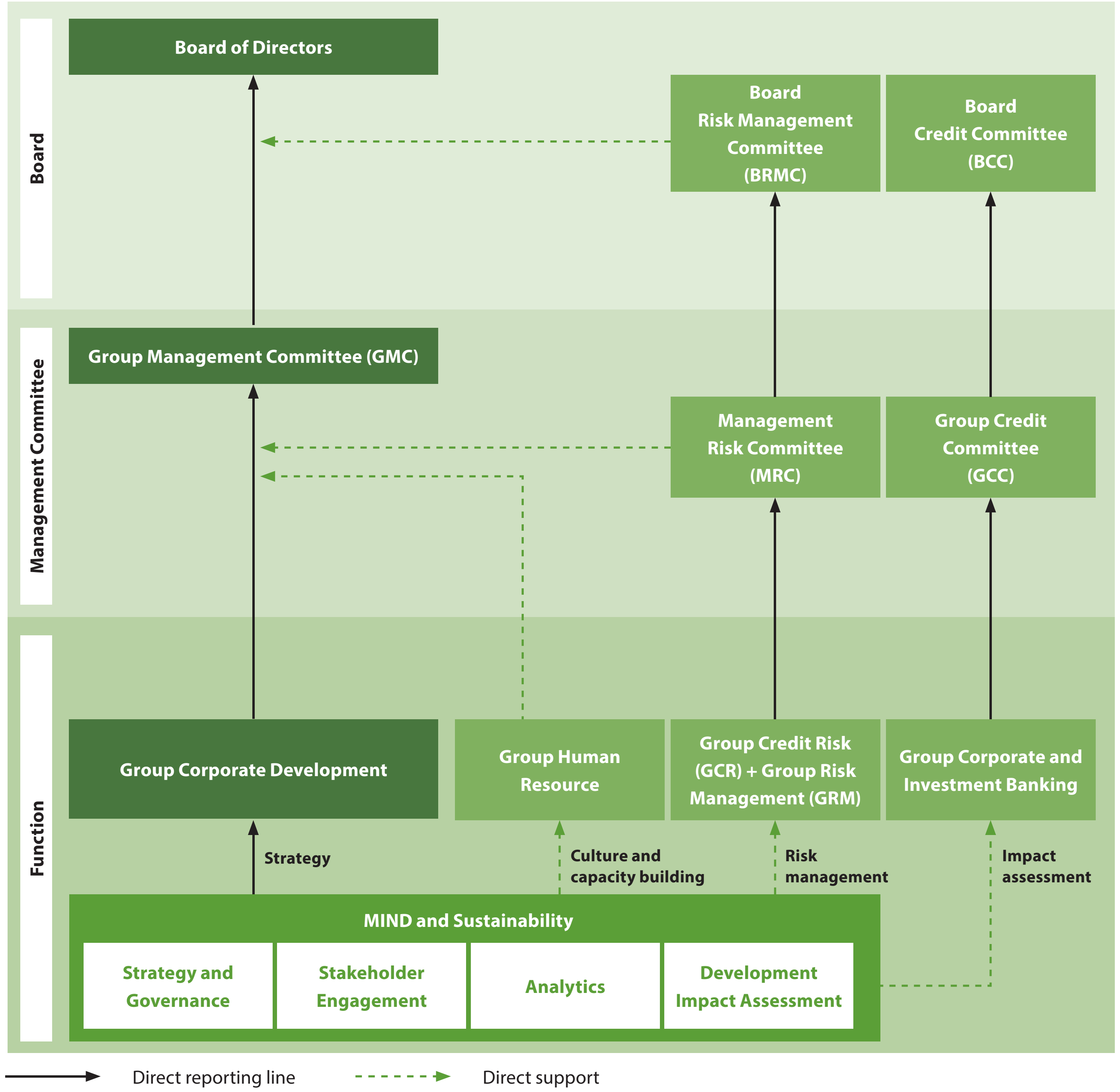
The M&S Framework is aligned with the 12th Malaysia Plan (12MP) and the United Nations Sustainable Development Goals (UN SDGs). It also adheres to key Bank Negara Malaysia (BNM) policies and documents, including the Climate Change and Principle-based Taxonomy (CCPT), Climate Risk Management and Scenario Analysis (CRMSA), as well as the Implementation Guide for Value-Based Intermediation (VBI). The Framework also incorporates global best practices and aligns with national sustainability policies.

The M&S Framework applies to BPMB and all its subsidiaries, reinforcing our commitment to embedding ESG principles in our financing portfolio, operational processes and corporate decision-making structures. The diagram below illustrates the relationship and interconnectivity between the M&S Framework and other existing frameworks or policies:

	Financing Activities	Non-Financing Activities
Key Risks Affected by ESG and Climate Change	**Credit Risk (CR)**	**Reputational Risk (RR)** **Strategic Risk (SR)** **Operational Risk (OR)** **Market and Liquidity Risk (MR)**
Key Frameworks/ Policies Addressing ESG and Climate Change	**MIND and Sustainability Framework** Overarching framework that sets out BPMB's approach in integrating sustainability across the organisation M&S ○ SR	
	Group Governance and Risk Management Framework Overarching document for BPMB's risk governance and risk management policies and procedures GRM ●	
● Integration of ESG/Climate Change Considerations	**Policy on Credit Risk Framework** Holistic approach in managing credit risk and inter-linkages with other risks GCR ● CR	**Operational Risk Management Framework** GRM ● OR
○ Standalone Framework/ Policy Addressing ESG/Climate Change	**MIND Assessment Framework** BPMB's impact measurement framework for financing M&S ○ CR	**Policy on Reputational Risk Management** GRM ● RR
	Climate Change Risk Framework BPMB's approach in managing climate change risks M&S ○ CR	**Sustainable Development Sukuk (SDS) Framework** Outlines BPMB's approach in managing and utilising proceeds from SDS issuance M&S ○ MR

SUSTAINABILITY GOVERNANCE

BPMB's Sustainability Governance Structure



At BPMB, strong governance is the foundation of our sustainability strategy, ensuring that sustainability considerations are fully integrated into decision-making, risk management and business operations.

The Board of Directors (the Board), chaired by BPMB's Chairman, has overall responsibility for the long-term sustainable growth of the business and for ensuring that sustainability and climate-related considerations are embedded in BPMB's strategies. To ensure effective execution, the Board is supported by various dedicated governance bodies, including the Board Risk Management Committee (BRMC), the Group Management Committee (GMC) and the MIND and Sustainability (M&S) Department, each playing a critical role in advancing BPMB's sustainability and climate agenda.

Sustainability risk management is embedded within BPMB's **Group Governance and Risk Management Framework**, with oversight from the BRMC to ensure that sustainability and climate-related risks and opportunities (CR&Os) are identified, assessed and mitigated. The GMC ensures that BPMB's sustainability and climate commitments are executed effectively, while the M&S Department plays a key role in policy development, impact tracking and sustainability disclosures. These governance structures are further strengthened by BPMB's participation in industry-wide climate and sustainability initiatives, ensuring alignment with global best practices, regulatory expectations and stakeholder priorities.

The Board remains committed to continuously strengthening its capabilities in sustainability management, including CR&Os, to drive informed and effective decision-making. This commitment is achieved through periodic capacity-building programmes designed to enhance the Board's understanding of the evolving sustainability landscape. The Board also regularly assesses its sustainability-related competencies to strengthen leadership and oversight of sustainability and climate matters. To embed accountability across the organisation, sustainability-linked performance indicators have been incorporated into the Bank's performance evaluation scorecards for senior management, aligning sustainability with BPMB's strategic direction and operations.

Roles and Responsibilities of BPMB's Sustainability Governance Bodies

Governance Body	Roles and Responsibilities
Board of Directors	Holds ultimate responsibility and oversees the integration of sustainability and CR&Os considerations into BPMB's strategy
	Approves sustainability and climate strategies, policies and material sustainability matters
	Approves sustainability, climate and impact reporting to stakeholders
Board Risk Management Committee	Provides oversight on BPMB's sustainability and CR&Os management strategies
	Ensures sustainability and CR&Os are embedded within BPMB's risk management framework
	Monitors sustainability and climate-related risk exposures, emerging risks and regulatory compliance
	Reviews and endorses sustainability and climate-related risk policies and frameworks
Group Management Committee	Oversees the implementation of BPMB's sustainability and climate strategy
	Tracks progress against BPMB's sustainability and climate commitments, key targets and performance indicators
	Ensures the integration of material sustainability matters into business operations
	Reviews sustainability, climate and impact reporting and stakeholder engagement outcomes
Management Risk Committee	Reviews and monitors CR&Os ensuring alignment with BPMB's risk appetite framework
	Ensures the implementation of BPMB's Climate Change Risk Framework, integrating climate risks into credit assessments and financing decisions
MIND and Sustainability Department	Develops and implements sustainability and climate-related policies, frameworks and strategies
	Conducts materiality assessments and stakeholder engagement
	Monitors and reports BPMB's sustainability performance and impact metrics to the GMC and the Board
	Supports compliance with sustainability, climate and impact reporting and disclosure requirements

For more information on the Board's governance and risk management, please refer to Our Governance section in our **AIR2024**.

STAKEHOLDER ENGAGEMENT

BPMB recognises that meaningful engagement with stakeholders is critical in shaping a sustainability strategy that is transparent, accountable and impactful. We take a structured approach to stakeholder identification, considering both direct and indirect stakeholders who influence or are impacted by our operations.

We Listen

Throughout the year, we engaged with individuals and organisations impacted by our activities, gathering insights on key sustainability concerns. Their feedback helped us understand emerging risks, opportunities and expectations related to responsible banking.

We Engage

We foster meaningful and long-term partnerships by working closely with stakeholders to co-create sustainable solutions. Our engagement efforts focus on areas such as sustainable financing, climate resilience, financial inclusion and governance, ensuring that we address material issues in a transparent and collaborative manner.

We Report

Stakeholder feedback is systematically analysed and integrated into our materiality assessment, shaping BPMB's sustainability strategy and reporting priorities.

To learn more about our engagement with stakeholders including our engagement platforms, objectives and key outcomes, refer to the Stakeholder Engagement section in our **AIR2024**.

Strategic Engagements in Industry Associations

BPMB contributes to the advancement of sustainable finance and climate resilience by actively participating in national and international industry associations and advocacy organisations. Our key memberships include:

<table>
<tr><td>Joint Committee on Climate Change (JC3)</td><td>BPMB actively contributes to the JC3, co-chaired by BNM and the Securities Commission Malaysia, to strengthen the financial sector's climate resilience. We participate in the main committee and key subcommittees (SC):
<table>
<tr><th>SC1</th><th>SC2</th><th>SC5</th></tr>
<tr><td>Risk Management</td><td>Governance and Disclosure</td><td>Bridging Data Gaps</td></tr>
</table>
We co-led SC2 workshops with Pacific Insurance on climate-related metrics and targets and served as a task force member for BNM's Greening Industrial Park (GIP) project, focusing on financing needs and impact assessment.
Read more on the GIP on page 22.</td></tr>
<tr><td>CEO Action Network (CAN)</td><td>BPMB is part of the CAN, a coalition of over 70 leaders committed to advancing sustainability through capacity-building and measurable action. CAN supports businesses in Malaysia in adopting sustainability strategies, with BPMB collaborating with industry leaders to drive responsible and sustainable practices.</td></tr>
<tr><td>UNEP FI PRB</td><td>BPMB is a signatory to the UNEP FI PRB, which guides financial institutions in integrating sustainability into their operations and decision-making processes. Through this commitment, we ensure that our banking activities align with global climate goals, social progress and economic resilience while maintaining transparency and accountability in our sustainability reporting.</td></tr>
<tr><td>United Nations Global Compact (UNGC) Malaysia and Brunei</td><td>Our participation in this global corporate sustainability initiative reinforces our commitment to the Ten Principles of the UNGC, covering human rights, labour, environment and anti-corruption. BPMB takes part in knowledge-sharing initiatives and collaborative projects that drive responsible business practices and sustainability-aligned financial strategies.</td></tr>
<tr><td>Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)</td><td>As a member of ADFIAP, BPMB collaborates with other financial institutions across Asia and the Pacific to promote sustainable development.</td></tr>
<tr><td>Association of Development Finance Institutions of Malaysia (ADFIM)</td><td>Within ADFIM, BPMB contributes to strengthening institutional structures and promoting best practices in Malaysia's development finance and banking industry. As a platform for its 19 member organisations, ADFIM facilitates collaboration on national economic development initiatives, collectively managing assets exceeding RM200 billion.</td></tr>
<tr><td>Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)</td><td>Through ADFIMI, BPMB engages in capacity-building and benefits from advisory services provided in collaboration with the Islamic Development Bank to strengthen development finance capabilities.</td></tr>
</table>

OUR MATERIAL MATTERS

We recognise the importance of identifying and prioritising key sustainability matters that are most relevant to our business and stakeholders. Our materiality assessment process enables us to evaluate, integrate and report on sustainability considerations, ensuring alignment with stakeholder expectations, regulatory requirements and best industry practices.

Materiality Assessment Approach

In 2023, a comprehensive materiality assessment was conducted to evaluate BPMB's impact on people and the environment. This assessment involved a thorough stakeholder engagement process, capturing perspectives from both internal and external stakeholders. By systematically identifying and evaluating stakeholder views, we ensure that our sustainability including climate priorities remains responsive to evolving expectations, regulatory requirements and the Bank's broader development mandate. In determining the material sustainability matters, we referenced the 3rd edition of Bursa Malaysia's Sustainability Reporting Guide and Toolkits. We undertook a four-stage process as depicted below:

1 Identification of Material Topic

The identification of BPMB's material topics was conducted through desk-based research and benchmarking exercise, leveraging established guidelines, policies and industry best practices. Key references included internal documents, reports and regulatory policies by BNM and the 12MP.

This process resulted in the identification of **22** material topics, categorised under four themes: Environment, Social, Governance and Products and Services (Impact), forming the basis for the prioritisation process.

2 Stakeholder Engagement

We have engaged more than **260** internal and external stakeholders, including our employees, senior management and customers, through online surveys and interview sessions. Additionally, secondary research was conducted referencing key policies and guidelines issued by BNM and the Ministry of Finance (MOF).

This process provided valuable insights into stakeholder concerns and expectations, enabling us to prioritise the **22** identified material topics based on their significance to BPMB and broader sustainability considerations.

3 Analysis and Prioritisation

The findings from online surveys, interviews and desk-based research were consolidated and analysed to assess the significance of each sustainability matter from both stakeholder and business perspectives.

This analysis informed the development of a preliminary materiality matrix, ensuring that identified topics reflect BPMB's strategic priorities and stakeholder expectations.

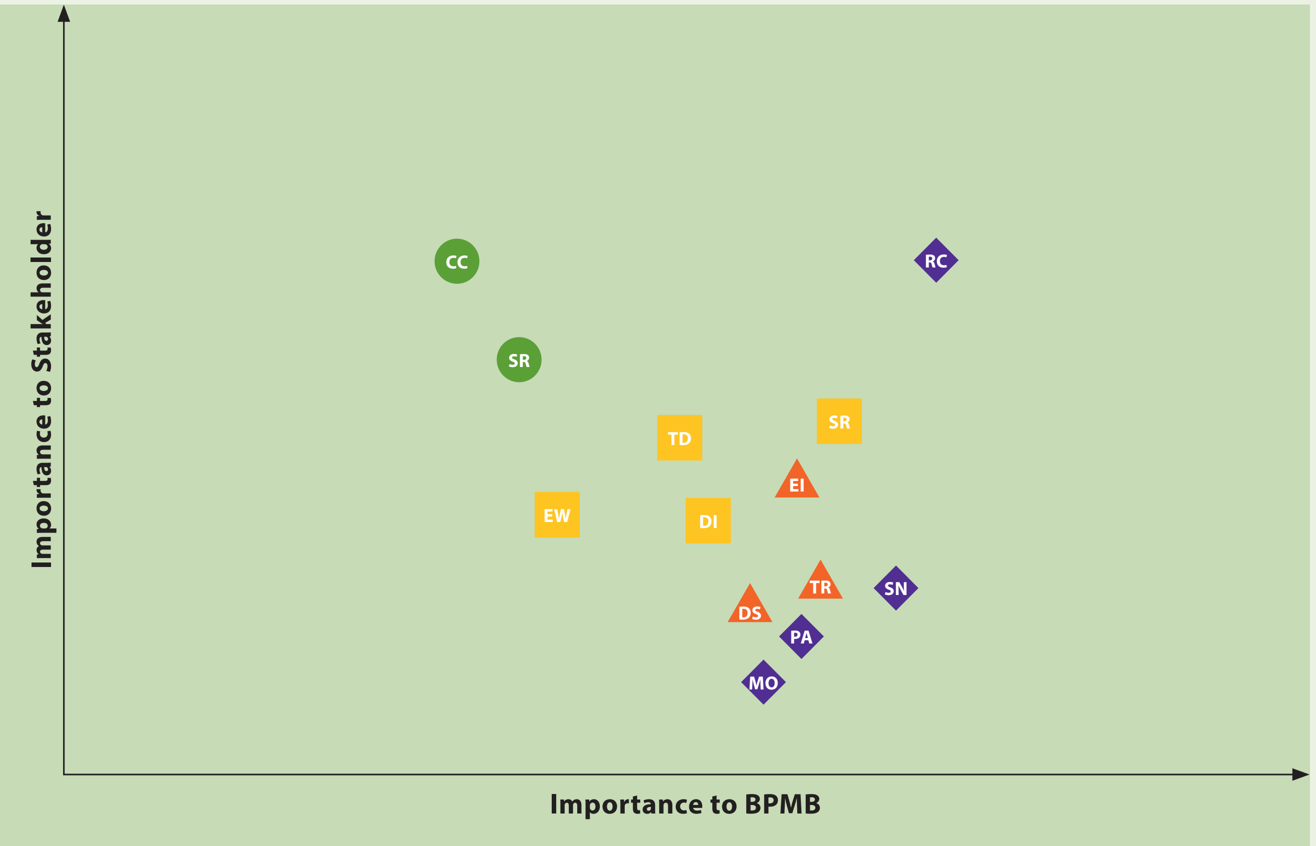
4 Review and Validation

BPMB's senior management conducted internal deliberations to refine and prioritise the most significant sustainability matters. This process narrowed the focus to the top **13** material matters, ensuring alignment with BPMB's strategic objectives and sustainability commitments.

The finalised material matters were then validated and approved by the Board as the highest governing body, reinforcing its commitment to sustainability governance and oversight.

Materiality Assessment Results

13 material sustainability matters were prioritised as high importance, as depicted in the materiality matrix below:



Legends ● Environment (Enterprise) ■ Social (Enterprise) ▲ Governance (Enterprise) ◆ Products and services (Business)

CC	Climate Change
SR	Sustainable and Responsible Sourcing
TD	Talent and Development
DI	Diversity and Inclusivity in the Workplace
EW	Employee Well-being
SR	Social Responsibility as a National Development Partner
EI	Ethics, Integrity and Core Values
TR	Transparency and Reporting
DS	Data Security and Privacy
RC	Renewable and Clean Energy
SN	Supporting National Development
PA	Poverty Alleviation Through Inclusive Economic Activities
MO	Mitigating Our Portfolio's Climate Impact

Our Material Risks and Opportunities

Enterprise			
Significant Material Matters	**Descriptions**	**Risks**	**Opportunities**
Climate Change	Long-term shifts in temperature and weather patterns due to greenhouse gas (GHG) emissions trapping heat. This topic covers BPMB's efforts to address climate change.	Climate-related risks, including physical impacts (extreme weather events) and transition risks (shifting regulations and market expectations), may influence BPMB's operational resilience and regulatory compliance.	Strengthening climate risk management and aligning business strategies with climate policies enhance BPMB's resilience, regulatory standing and leadership in sustainable finance.
Sustainable and Responsible Sourcing	Integrating social, ethical and environmental consideration into supplier selections and procurement processes.	Gaps in supplier adherence to sustainability standards may introduce sustainability risks, affect supply chain resilience and lead to regulatory or reputational challenges.	Strengthening responsible sourcing policies and supplier engagement enhances supply chain transparency, mitigates sustainability risks and supports BPMB's commitment to sustainable procurement.
Ethics, Integrity and Core Values	The moral principles guiding BPMB's conduct, with workplace integrity, reflected in traits like honesty, loyalty, respect and responsibility, essential for decision-making, customer service and employee management.	Maintaining ethical standards requires continuous reinforcement to prevent reputational risks, regulatory challenges and internal misconduct.	Cultivating a strong ethical culture, promoting a positive public image and aligning with the growing demand for Shariah-compliant and responsible banking practices can enhance trust and long-term sustainability.
Data Security and Privacy	Data security involves policies and measures to protect confidential data as per the Data Classification Policy, while data privacy governs its responsible use.	Potential cyber threats, regulatory non-compliance, financial penalties and reputational damage may arise from data breaches and inadequate data protection.	Strengthening security measures, improving incident response, promoting user awareness and data classification responsibility and collaborating with regulators can enhance resilience, ensure compliance and build stakeholder trust.
Diversity and Inclusivity in the Workplace	Ensuring workplace equality, diversity and inclusion by valuing every employee as an individual.	Limited representation and inclusivity in the workplace may reduce innovation, affect collaboration and influence stakeholder perception.	Valuing every employee as an individual fosters an inclusive culture, strengthens employer branding, attracts top talent from diverse backgrounds and enhances collaboration and innovation.

Enterprise

Significant Material Matters	Descriptions	Risks	Opportunities
Talent and Development	BPMB's initiatives to enhance employees' existing skills while identifying new skills and opportunities to support achieving organisational goals.	Continuous learning and upskilling are essential to maintaining a skilled and agile workforce, ensuring employees can adapt to evolving industry demands.	Investing in employee development strengthens workforce capabilities, enhances retention and ensures BPMB remains competitive in an evolving financial and sustainability landscape.
Employee Well-being	This topic is about employee health and safety, which includes physical and mental health in the workplace, work-life balance and employees' working conditions.	Workplace health, safety and well-being challenges may impact employee productivity, increase absenteeism and affect overall job satisfaction.	Promoting a safe and healthy work environment enhances employee well-being, boosts productivity and strengthens BPMB's reputation as a responsible employer.
Transparency and Reporting	BPMB's commitment to disclosing sustainability performance, including climate-related disclosures in alignment with national and international standards.	Evolving regulatory requirements and stakeholder expectations highlight the need for continuous enhancement in sustainability disclosures and reporting standards.	Strengthening sustainability reporting enhances transparency, builds stakeholder trust, improves regulatory compliance and reinforces BPMB's leadership in responsible finance.
Social Responsibility as a National Development Partner	BPMB's commitment to corporate accountability to fulfil its civic duty and take actions that will benefit society.	Ensuring meaningful and measurable societal impact requires a strategic approach to align corporate initiatives with national priorities and stakeholder expectations.	Strengthening corporate social responsibility initiatives enhances BPMB's role in nation-building, fosters positive societal impact and reinforces trust among stakeholders.

Business

Significant Material Matters	Descriptions	Risks	Opportunities
Renewable and Clean Energy	Derived from naturally replenished sources such as wind, hydro and solar power. This topic refers to BPMB financing for this sector.	Evolving policies, technological advancements and market fluctuations may affect the scalability and financial viability of renewable energy projects.	Expanding financing in renewable and clean energy positions BPMB as a key enabler of Malaysia's energy transition, unlocking new growth opportunities in the green economy.
Support National Development	BPMB's role in accelerating the growth of eight strategic and high-impact industries, namely Electrical and Electronics, Global Services, Aerospace, Creative, Tourism, Halal, Smart Farming and Biomass.	Changes in economic conditions, policy shifts and evolving industry demands may impact the growth trajectory of strategic sectors, requiring adaptive financing approaches.	Supporting high-impact industries strengthens Malaysia's economic resilience, fosters job creation and positions BPMB as a key enabler of sustainable national development.
Mitigating Our Portfolio's Climate Impact	BPMB's efforts in minimising the negative impacts on the environment from our project financing.	Exposure to high-carbon sectors may lead to stranded assets, reputational risks and misalignment with national and global sustainability commitments.	Strengthening ESG integration in financing decisions enables BPMB to support low-carbon transition projects, enhance portfolio resilience and reinforce its leadership in sustainable finance.
Poverty Alleviation Through Inclusive Economic Activities	BPMB's contribution to reducing poverty by improving the quality of life for underserved communities through its inclusive project financing.	Addressing the needs of underserved communities requires tailored financing solutions, strong partnerships and long-term impact measurement to ensure sustainable outcomes.	Expanding inclusive financing initiatives promotes socio-economic development, enhances financial inclusion and strengthens BPMB's role in driving equitable and sustainable growth.

SUSTAINABILITY STRATEGY

Guided by our purpose of 'Delivering Impact Capital for National Development', BPMB's sustainability strategy is built on three strategic pillars:

BPMB's Sustainability Strategy

Support Impactful National Development

1

We are committed to financing high-impact projects that drive economic growth and social progress.

Our goal is to be the preferred development bank for the government, providing not only financial solutions but also value-added services that contribute to Malaysia's long-term sustainability agenda.

Develop an Inclusive and Diverse Talent Pool

2

Recognising that people are our greatest asset, we prioritise talent development to cultivate a strong, diverse and productive workforce.

Our focus is on being an employer of choice by fostering a dynamic work environment, nurturing future-ready talent and establishing strategic partnerships for capacity building.

Drive Responsible Business Practices

3

Sustainability is embedded in our operations, governance and decision-making processes.

We strive to be a leader in sustainability by effectively managing climate risks and opportunities, upholding the highest standards of governance and ethics and ensuring that our business practices align with long-term environmental and social sustainability.

These pillars underpin our commitment to integrating sustainability considerations into our financing and operations, ensuring long-term value creation for our stakeholders. As part of this commitment, we support the 2030 Agenda for Sustainable Development and drive sustainable finance and global development by aligning our efforts with the SDGs, focusing on areas where we can create the most meaningful impact.

To strengthen this alignment, we have identified nine priority SDGs, which serve as a guiding framework for our material matters, policies and programmes. These SDGs reflect our strategic focus on financing high-impact projects, fostering an inclusive and diverse workforce and upholding responsible business practices.

By embedding sustainability into our business strategy, we strive to drive positive economic, social and environmental outcomes, reinforcing our role as a responsible financial institution in Malaysia's sustainable development journey.

Aligned with BPMB Corporate Purpose

We deliver impact capital for national development

Sustainability Pillars	 1 **Support** Impactful National Development	 2 **Develop** Inclusive and Diverse Talent Pool	 3 **Drive** Responsible Business Practices
Intended Outcome	Positioned as a strategic development financier through the delivery of high-impact projects and value-added services beyond financing.	Recognised as an employer of choice with a strong and productive talent pool, supported by strategic partnerships for capability building.	A sustainability leader with strong climate risk and opportunity management, underpinned by high standards of governance, ethics and Maqasid Shari'ah principles.
Material Matters	• Mitigating Our Portfolio's Climate Impact • Renewable and Clean Energy • Supporting National Development • Poverty Alleviation Through Inclusive Economic Activities	• Talent and Development • Diversity and Inclusivity in the Workplace • Employee Well-being	• Climate Change • Data Security and Privacy • Ethics, Integrity and Core Values • Transparency and Reporting • Sustainable and Responsible Sourcing • Social Responsibility as a National Development Partner
SDGs aligned	7 8 9 10 12 13	4 5 8 17	12 13 17

Supported by

Sustainability Governance

Imbuing **MIND**

Alignment with **Maqasid Shariah**

Creating positive **IMPACTS** for our:

- Employees
- Customers
- Society
- Investors
- Government and Regulators

Five Key MIND Enablers and Programmes on Imbuing MIND

Looking ahead, BPMB remains committed to advancing sustainability and unlocking new opportunities through the five key MIND enablers. These enablers will serve as catalysts in driving sustainable transitions among our clients, fostering responsible business practices and embedding sustainability at the core of our operations.

1	**MIND Digital**	Digital platform for impact assessment on financing transaction.
2	**MIND Intelligence**	AI-driven impact assessment tool to identify sustainability risks and opportunities that will enable us to provide advice to customers in improving impact.
3	**MIND Impact Lab**	Engagement platform for existing and prospective customers to spur collaboration and build capacity on sustainability and impact initiatives.
4	**MIND Advocacy (MINDa)**	Thought leadership series to demonstrate and share our industry knowledge.
5	**MIND Learning**	Online learning platform for BPMB employees to increase awareness and build capabilities on sustainability and climate topics.

PILLAR 1
SUPPORT IMPACTFUL NATIONAL DEVELOPMENT

Key Highlights

Supporting National Development

- **100%** approved financing in 2024 aligns with the 12th Malaysia Plan, totalling **RM4.3 billion**
- Actively participated in the **COP29, Baku** as part of the Malaysian delegation

Poverty Alleviation Through Inclusive Economic Activities

- **5,755** potential jobs to be created from projects financed
- **2,132** affordable housing units financed in 2024, supporting access to safe and inclusive living conditions for low- to middle-income households
- **346 km** of road infrastructure to be constructed, improving regional connectivity and access to essential services
- **24,366** patients to be served through increased access to healthcare and medical services

Mitigating Our Portfolio's Climate Impact

- All approved financing underwent climate risk assessment

Renewable and Clean Energy

- **RM72.2 million** transition projects financed in 2024
- **21,800 MW** of renewable energy to be generated through green project financing, contributing to cleaner energy production and reduced carbon

1

Support
Impactful National
Development

Supporting National Development

BPMB provides impact capital to drive Malaysia's socio-economic progress, fostering financial inclusion by ensuring equitable access to financing for businesses and underserved communities. As a government-owned DFI, we finance key sectors essential to national development, including infrastructure, maritime, technology, sustainability and financial literacy initiatives that enhance economic participation and resilience.

Financing Malaysia's Development Priorities

In 2024, BPMB reaffirmed its commitment to supporting the objectives of the 12MP and the nation's sustainability agenda. Our financing initiatives are strategically aligned with Malaysia's key national frameworks, including the MADANI Economy Framework, the National Energy Transition Roadmap (NETR), the New Industrial Master Plan (NIMP) 2030 and the Financial Sector Blueprint. These efforts strengthen high-growth sectors, ensuring shared prosperity and long-term resilience for the Malaysian economy.

To accelerate development in the 12MP priority sectors, BPMB offers tailored financial solutions, including:

MADANI Development Programme	Financing for companies supporting the MADANI Economy Framework and 12MP, focusing on restructuring the economy, enhancing security, well-being, inclusivity and sustainability.
Sustainable Development and Transition Programmes	Supporting sustainable technology projects that help Malaysia transition to a low-carbon future aligned with SDGs, including sustainable development and circular economy financing.
Renewable Energy and Transition Programme	Financing companies in technology and energy sectors under the NETR. Our support includes renewable energy, green technology, carbon capture, energy efficiency and more.
Bumiputera Economic Development Programmes	Financing Bumiputera companies in sectors aligned with the Government's Bumiputera Economic Transformation Plan 2035 (PuTERA35). Our support includes the halal ecosystem, social infrastructure like healthcare and education, high-growth agriculture, food security and supply chain activities.
Digital Infrastructure and High Impact Sectors Programme	Offering financing solutions to accelerate Industry 4.0 adoption, digitalisation and advanced technologies while supporting new growth sectors under NIMP 2030. This includes automating business processes with AI, blockchain and digital infrastructure, alongside sectors like pharma, aerospace, chemicals, medical devices and high-value industries like semiconductors and smart farming.
Transportation and Logistics Programme	Providing financial support to businesses involved in logistics, transportation (including aerospace) and maritime-related activities.

Visit our **corporate website** for more information about the programmes mentioned above.

In 2024, BPMB approved **19 projects** that strongly aligns with the 12th Malaysia Plan amounting to **RM4.3 billion.**

Breakdown of financing by the 12MP themes:

Themes	Financial Amount
Resetting the economy *Focuses on improving productivity and innovation and transforming micro, small and medium enterprises*	RM1.5 billion
Strengthening security, well-being and inclusivity *Includes revitalising the healthcare system, eradicating poverty and reducing the development gap*	RM1.7 billion
Advancing sustainability *Focuses on green growth, energy sustainability and water sector transformation*	RM1.1 billion
Total	**RM4.3 billion**

Supporting Malaysia's National Agenda at COP29, Baku

In 2024, BPMB participated in the 29th United Nations Climate Change Conference (COP29), held in Baku, Azerbaijan, from 11 to 22 November 2024. This participation reaffirmed BPMB's commitment to climate finance and sustainability in alignment with BPMB's Agenda 2025. As part of Malaysia's official delegation, led by the Ministry of Natural Resources and Environmental Sustainability (NRES), BPMB played a key role in high-impact discussions, reinforcing its position as a key enabler of Malaysia's sustainable economic transformation.

BPMB's engagement at COP29 is centred on advancing sustainable finance, fostering collaboration and driving climate action through three key areas:

1 Representation in the Malaysia Climate Change Advisory Panel

BPMB was an integral member of the Economy and Finance Cluster at COP29, represented by Encik Joel Khaw, Head of MIND and Sustainability.

This platform enabled BPMB to collaborate with policymakers and industry experts to advance climate finance strategies.

2 Leadership in Panel Discussions

BPMB took the lead in several panel discussions covering diverse topics, from climate adaptation financing to climate education.

These engagements allowed BPMB to contribute thought leadership and share expertise on sustainable financing solutions, particularly in the ASEAN region.

3 Strengthening Climate Finance Initiatives

As a key player in Malaysia's sustainable finance ecosystem, BPMB leverages COP29 as a platform to showcase its commitment to climate action through innovative financial solutions. Key initiatives highlighted included:

- Climate Finance Innovation Lab (CFIL)
- BPMB's impact assessment through the MIND Assessment Framework
- Exploring innovative solutions such as biodiversity-linked sukuk, carbon markets, blended finance and Nature-based solutions (NbS), in line with Malaysia's transition to a low-carbon economy

As COP29 paves the way for new global climate finance targets and carbon market mechanisms, BPMB is committed to playing a pivotal role in supporting Malaysia's transition to a low-carbon and climate-resilient economy. Moving forward, BPMB will continue to:

- **Strengthen collaboration with NRES and key ministries** to align with Malaysia's updated Nationally Determined Contributions (NDCs) by February 2025 and support the implementation of the National Adaptation Plan by 2026.
- **Expand its role in climate finance innovation**, particularly through the **CFIL**, to ideate, develop and accelerate innovative climate finance solutions.
- **Leverage carbon market mechanisms** to explore financing opportunities in carbon trading, biodiversity-linked sukuk and NbS.
- **Enhance capacity-building initiatives** by deepening partnerships through platforms like COP30, JC3 and the Climate Finance Summit, positioning Malaysia as a regional leader in sustainable finance.
- **Drive measurable climate impact** through its **MIND Assessment Framework**, ensuring that BPMB's financing contributes to real and tangible sustainability outcomes.

BPMB Sustainable Development Sukuk Framework

As part of its commitment to sustainable finance, BPMB has established the Sustainable Development Sukuk Framework to drive Malaysia's transition to an inclusive, low-carbon and resource-efficient economy. Through this framework, BPMB issues Sukuk to fund projects that create positive environmental and social impact while ensuring responsible financial practices. The full details of BPMB's latest Sustainable Development Sukuk Framework reports can be accessed on our **corporate website**.

Commitment to Ethical and Responsible Financing

BPMB has approved a general exclusion list of activities under its MIND and Sustainability Framework to uphold ethical financing standards. The Bank does not finance the following:

Illegal Activities
We categorically refrain from financing or engaging in activities that are in violation of local laws or regulations. This encompasses transactions that facilitate illicit conduct, such as arrangements crafted to subvert regulatory, accounting, or tax norms, including schemes aimed at tax evasion or financial statement manipulation. We assert that the legality of any undertaking is assessed in accordance with the prevailing laws of the jurisdiction where it transpires.

Deforestation
Our commitment to sustainability is reflected in our prohibition of financing activities associated with illegal logging, greenfield conversion of High Conservation Value (HCV) forests or adverse impact on High Carbon Stock (HCS) forests and the use of fire for land clearing. The prohibition includes activities/projects which involve significant expansion or greenfield development without conducting an environmental and/or social impact assessment.

Bribery and Money Laundering
We maintain a zero-tolerance stance towards bribery and money laundering in any form, encompassing the provision, solicitation, acceptance, or request of bribes.

Weapons and Ammunitions
We refrain from activities relating to manufacturing or trading of weapons of mass destruction, for example, anti-personnel land mines, cluster munitions, nuclear weapons, biological and chemical weapons and Lethal Autonomous Weapons Systems[1].

Terrorism
We stand resolute against terrorism in all its forms, abstaining from any involvement with entities engaged in violent and intimidating acts, especially those targeting civilians for political ends.

Ethically or Morally Controversial Projects
We refrain from activities contrary to morality or social norms, including gambling[2], adult entertainment, pornography and prostitution.

Smuggling
We refrain from business dealings associated with unlawful movement of goods across national borders.

Coal
In alignment with our environmental goals, we refrain from financing projects related to coal extraction/mining, transportation, trading and/or coal-fired power generation, including expansions, regardless of location. This encompasses project financing, asset-level or general corporate financing specifically designated for greenfield thermal coal mines and/or coal-fired power plant projects.

Violation of Labour and Human Rights
We oppose any interaction with entities found to be in breach of national labour laws or implicated in human trafficking activities, including instances of child labour or violations of labour regulations.

Impact on Heritage Sites[3]
We abstain from engaging in transactions that jeopardise the integrity of UNESCO World Heritage sites or national and/or international protected areas, including natural resource exploitation or industrial operations with detrimental impacts on these sites.

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[1] *Exception may be granted for entities supplying solely to the Ministry of Defense of the Government of Malaysia and/or Malaysian law enforcement agencies.*

[2] *Exception may be granted if the activity concerned is ancillary to a project's primary operations.*

[3] *Subject to alignment with government directives, national policies, or applicable regulations.*

Poverty Alleviation Through Inclusive Economic Activities

Advancing Sustainable Urban Renewal and Affordable Housing

BPMB continues to strengthen its collaboration with the **Real Estate and Housing Developers' Association (REHDA) Institute** to drive sustainable urban renewal and enhance access to affordable housing. Building on the partnership formalised in 2023, BPMB supported REHDA in producing its latest report *"Affordable Housing II – Closing the Gap: A Strategic Approach to Balancing Supply and Demand"*. This report was officially unveiled at the Regional Housing Conference 2024 and launched by YB Nga Kor Ming, Minister of Housing and Local Government.

A key highlight of the report is the contribution by BPMB's Economic and Research team in Chapter 4, which examines the Government's commitment to housing for low-income citizens. The chapter highlights the overlapping roles of Federal and State Governments in public housing initiatives and advocates for a centralised portal to streamline access to housing programmes while ensuring continuous monitoring of social housing occupants.

Moving forward, BPMB is dedicated to channelling impact capital towards national development with REHDA as our strategic partner. Future collaborations will focus on convening key stakeholders from the public, private and academic sectors through Impact Labs, a platform aimed at addressing challenges and opportunities in the Urban Renewal Act and affordable housing landscape.

Mitigating Our Portfolio's Climate Impact

As a DFI, BPMB is entrusted with providing financial solutions that contribute to Malaysia's national developmental goals. Our financing activities are aligned with strategic priorities such as infrastructure expansion, economic diversification and social progress, anchored in sustainability and national climate objectives.

MIND: A Holistic Impact Assessment Approach

The MIND Assessment Framework (formerly known as the Measuring Impact on National Development Framework), developed in collaboration with the World Bank, has played a pivotal role in BPMB's impact-driven financing strategy. The Framework quantifies the impact of financial transactions by capturing key sector-specific outcomes while highlighting the unique contributions and challenges across sectors such as infrastructure, energy, healthcare and education.

It ensures that the impact of individual transactions is connected to the broader portfolio, reinforcing BPMB's commitment to responsible financing and national progress. It also ensures that financing decisions create measurable value and align with national development goals.

Evolution from MIND to MIND 2.0: Enhancing Impact Measurement

The MIND 2.0 was launched in 2024, building on the initial iteration of MIND with an improved approach to measuring impact. The updated framework now aligns with all 17 SDGs, the 12MP, BNM's CCPT, VBIAF and other relevant standards. MIND 2.0 provides a more detailed and holistic assessment by incorporating sector-specific indicators and negative impact assessment, ensuring a more balanced evaluation.

MIND Framework Overview

Scope and Applicability

The Framework applies to 100% of new financing across all stages of a transaction:

- Origination
- Monitoring
- Post-completion

An annual MIND review is conducted on all performing accounts in the portfolio.

Impact Assessment

A structured evaluation of the economic, environmental and social outcomes of a transaction.

The assessment aims to:

- Understand and anticipate the potential positive and negative consequences
- Support informed decision-making
- Minimise adverse impacts

MIND Report

A report summarising the findings of the impact assessment, providing evidence-based insights into how a transaction influences economic, environmental and social factors. It serves as a critical tool for stakeholders and decision-makers.

Impact Assessment Approach

BPMB's impact assessment approach involves examining both positive and negative impacts to provide a comprehensive net impact evaluation, ensuring that benefits and potential drawbacks are clearly identified. This approach enables informed decision-making and effective mitigation strategies. The MIND Framework assessment process includes:

Impact Areas	Evaluating economic, environmental and social changes stemming from BPMB's financial activities.
Indicators and Metrics	Assessing positive outcomes, such as economic growth, improved quality of life and sustainability advancements. The Framework also identifies potential risks, such as environmental degradation and social inequalities.
Qualitative and Quantitative Assessment	Combining stakeholder interviews, site visits and data-driven assessment to ensure a holistic evaluation of financing impacts.
MIND Score	A structured impact score that categorises transactions based on their alignment with sustainability and national development goals. **Development Impact Indicators** **Positive Impact** Economic growth, improved quality of life and sustainability advancements. **Negative Impact** Environmental degradation and social inequalities. **MIND Score**

Portfolio Alignment with National Goals

BPMP evaluates its financing portfolio to ensure support for sectors that drive economic growth and facilitate climate transitions. This analysis allows BPMB to prioritise high-impact growth areas while identifying industries that require targeted support for sustainable transition.

2024 Sector Distribution

Construction	9.9%
Electricity, Gas and Water Supply	6.0%
Finance, Insurance/ Takaful and Business	<0.1%
Hotel and Restaurant	7.0%
Transport, Storage and Communication	14.7%
Infrastructure	45.3%
Manufacturing	4.2%
Other Community, Social and Personal Service Activities	2.4%
Real Estate, Renting and Business Activities	10.4%
Housing	<0.1%

In 2024, BPMB's portfolio, guided by the MIND Assessment Framework, demonstrated strong alignment with national development priorities and sustainability goals. The largest allocation was directed towards infrastructure (**45.3%**), emphasising long-term economic growth and improved public services. Key investments in transport, construction and energy sectors (**14.7%**, **9.9%** and **6.0%**, respectively) strengthen essential services, while allocations to real estate, hospitality and manufacturing support urban development, job creation and inclusive growth.

Expansion of Mind Assessment Framework: Strengthening Adoption and Impact

MIND 2.0 has been progressively embedded across BPMB's financing operations. In 2024, BPMB successfully expanded the adoption of MIND from its initial focus on financing to five critical functions: financing, investment, Pembangunan Leasing Corporation (PLC), Private Equity and Strategic Investments (PESI) and zakat. This expansion strengthens BPMB's ability to assess and drive impact across a wider spectrum of financial activities.

In 2024, we assessed over **50** new projects using MIND 2.0 while also reassessing our entire portfolio. This process allowed us to identify previously unrecognised impacts, including enhancing industry efficiency through SME growth, promoting sustainable practices and modernisation and fostering social impact through upskilling opportunities while prioritising development in underdeveloped regions.

Looking ahead, we aim for full adoption of MIND 2.0, including its integration into procurement and Corporate Social Responsibility (CSR) initiatives, further solidifying its role as a comprehensive impact assessment tool.

Beyond BPMB, the Bank aspires to extend the impact of the MIND Assessment Framework by sharing best practices with other DFIs. By advocating for the adoption of MIND among DFIs, BPMB seeks to drive a unified and structured approach to impact assessment across Malaysia's development finance ecosystem. This effort aligns with BPMB's broader vision of fostering sustainable national development through collective action and knowledge sharing.

Empowering Clients for a Sustainable Transition

BPMB takes a proactive and collaborative approach to supporting clients and industries in their transition to a low-carbon economy. Through the MIND Assessment Framework, BPMB engages with clients to assess climate risks and opportunities, ensuring that sustainability considerations are embedded in their business strategies.

The Framework integrates impacts and climate assessments (i.e Climate Change Risk Assessment (CCRA) or CCPT) into the Bank's financing processes, allowing BPMB to effectively identify, manage and monitor broader sustainability and CR&Os. This structured approach enables BPMB to address climate-related risks proactively while guiding clients towards sustainable and resilient business practices. BPMB intends to take this further through MIND Impact Labs, which aims to build capacity within the industry players and identify viable solutions to support their sustainability transition.

	Origination	*Development*	*Post-Completion*
Activities			
	Customer engagement Data collection MIND and CCPT assessment	Customer engagement Monitor impact MIND and CCPT review	Monitor impact Report success stories
Key Objectives			
	Better targeting and design of transactions to meet national priorities Assessing the potential development impact and financial viability of transactions Planning and agreeing on the measurement of development impact	Monitoring progress towards expected development objectives Taking remedial measures, when and if necessary	Monitoring progress towards expected development objectives Communication strategy to showcase success stories

Translating Finance into Measurable Impact

A number of projects were successfully completed in 2024 and are now expected to begin delivering meaningful development outcomes. These achievements illustrate how structured impact financing translates into national progress.

Expected Impacts from Projects Completed in 2024

- Creating over **1,000** direct jobs across construction, logistics, hospitality and housing.
- Expanding access to affordable housing, adding over **70** homes, benefiting around **300** residents.
- Facilitating **over 1.3 million** annual passenger movements through improved public transport infrastructure.
- Enhancing tourism capacity by over **400** hotel rooms, supporting more than **200,000** guest stays annually and boosting local economies.

Notable Projects' Impacts

Financing Purposes	Key Impact Achieved
Development of hotel properties to expand regional hospitality infrastructure.	Delivered over **400** new hotel rooms, enhancing sustainable tourism infrastructure in key urban centres and supporting local economic development through job creation and visitor growth.
Construction of a twin-berth jetty and expansion of port capacity for refined petroleum products.	Increased port capacity and operational efficiency, enabling the handling of larger tankers. This improved energy logistics in East Malaysia and strengthened regional trade and supply chain resilience.
Development of an integrated bus terminal in Gombak to enhance public transport connectivity.	Delivered a modern, multimodal transport hub with integrated transit, parking and retail access. The facility supports improved public transport connectivity, contributes to easing local traffic congestion and aims to offer a more convenient commuting experience.

Projected Outcome from 2024 Approved Projects

The figures below illustrate the potential development impact of projects supported by BPMB's financing in 2024.

Indicator	2024 Outcome
Transitioned project financed	**RM72.2 million**
Renewable energy to be generated	**21,800 MWh**
Road infrastructure under construction	**346 km**
Affordable housing units under development	**2,132 units**
Jobs to be created	**5,755**
Patients to be served	**124,366**

Tackling Sectoral Emissions Through Strategic Partnerships

Greening Industrial Park (GIP)

BPMB supports sustainable transformation at the ground level through the GIP pilot project under the JC3. As a key member of the task force, BPMB is addressing the climate and transition risks associated with industrial parks, which contribute approximately 13.5% of total GHG emissions and represent 2.1% to 10.5% of Malaysia's financial sector exposure.

The GIP initiative aims to help pilot parks and their tenants reduce their carbon footprint, boost climate resilience and improve resource efficiency. The project focuses on greening shared infrastructure and promoting sustainable practices among tenants. BPMB's task force includes partners like BNM, the Securities Commission, MIDA, PLAN Malaysia, SIRIM, CIMB and key ministries such as the Ministry of Economy (MOE) and the MOF.

Renewable and Clean Energy

As part of its commitment to supporting Malaysia's transition to a low-carbon economy, BPMB is providing targeted financing for renewable and clean energy projects. Recognised as a high-impact sector under the 12MP and the NETR, renewable energy plays a crucial role in driving economic growth, job creation and environmental sustainability. In 2024, the Bank approved approximately **RM72.2 million** in green project financing.

To further facilitate investments in clean energy infrastructure, BPMB is collaborating with the Economic Planning Unit (EPU) as the administrator of the National Energy Transition Facility (NETF), with an estimated total allocation of up to RM1.0 billion. This facility aims to bridge funding gaps and encourage broader participation in Malaysia's energy transition.

Recognising the need for innovative financing solutions in the sector, BPMB has also established the CFIL, a strategic initiative to support the development of effective financing mechanisms for climate-related projects.

Breakdown of Green Project Financing in 2024

Renewable Energy and Energy Efficiency	**RM15.0 mil**
Sustainable Resource Management	**RM57.2 mil**

Climate Finance Innovation Lab (CFIL)

CFIL
Climate Finance Innovation Lab

Malaysia is at a pivotal stage in its sustainability agenda, with climate change presenting growing challenges such as extreme weather patterns and shifts in economic activities. In response, Malaysia has committed a 45% reduction in carbon intensity by 2030 and 70% renewable energy in installed capacity by 2050. However, achieving these goals requires RM1.2 to RM1.3 trillion by 2025 to finance Malaysia's energy transition[4], far beyond what traditional financing models can support.

Building on these commitments, Malaysia's renewable energy sector presents significant opportunities for investment, innovation and collaboration. However, unlocking this potential requires greater participation from the private sector, supported by tailored financial mechanisms. Climate-related projects often face challenges such as high initial costs, investment risks and limited access to suitable financial instruments.

To address these challenges, Malaysia's financial sector has taken proactive steps, including an initiative by the JC3, co-chaired by BNM and the Security Commission Malaysia, which spearheads collaboration between regulators and industry on climate resilience.

Aligned with JC3's objectives, the CFIL was established as a flagship initiative led by BPMB to mobilise public and private capital for climate actions. CFIL serves as a strategic platform to ideate, develop and accelerate innovative climate finance solutions and mechanisms.

These efforts support Malaysia's transition to net zero, strengthen climate resilience and advance nature-positive outcomes. By facilitating structured engagement between investors, financial institutions and project developers, CFIL aims to build a robust ecosystem for climate investments and ensure sustainable initiatives receive the funding needed to scale and drive impact.

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[4] *Ministry of Economy, Malaysia (2023), National Energy Transition Roadmap*

To achieve its mission, CFIL operates across four core activities:

Partnership Facilitation	Financial Instruments Innovation	Research and Development	Capacity Building
CFIL acts as a convening platform to bring together diverse stakeholders across public and private sectors. By fostering partnerships and mobilising resources, CFIL strengthens collaboration for impactful climate action and enhances the bankability of climate solutions.	CFIL designs and develops innovative financial instruments to support the development and scaling of climate projects. This includes structuring de-risking mechanisms, blended finance models and providing technical support to improve project viability and investor readiness.	CFIL undertakes research and analysis of global and local climate finance mechanisms to identify gaps and inform strategies. This includes compiling case studies and assessing best practices to guide future innovation and improve capital mobilisation.	CFIL delivers targeted workshops, training programmes and knowledge-sharing platforms to strengthen the strategic and technical capabilities of financial institutions, policymakers and other stakeholders in navigating the evolving landscape of climate finance.

2024 CFIL Highlights

July	**CFIL Announced at the 13th JC3 Meeting**
August - September	**Engaged stakeholders for interest to support**
October	**Established working group to ideate, plan and develop CFIL**
October – December	**Development of operational plan, website and frameworks**

Progress in 2024

Since its announcement at the 13th JC3 Meeting in July 2024, CFIL has made significant strides in setting the foundation for its operations. The initial months were dedicated to engaging key stakeholders to gather insights, build partnerships and secure strategic support for the initiative. This laid the groundwork for the formation of a dedicated working group in October 2024, bringing together representatives from financial institutions, industry players and policymakers to shape the direction of CFIL and its operational focus.

At the same time, CFIL expanded its reach beyond national borders, recognising the importance of global expertise in shaping Malaysia's climate finance landscape. Engagement with the World Bank and the United Nations Development Programme (UNDP) enabled CFIL to leverage international best practices and explore technical and financial support for climate finance solutions in Malaysia. These engagements have provided valuable insights into structuring innovative financing mechanisms that can mobilise private capital for climate-related projects.

Between October 2024 and January 2025, CFIL focused on establishing its operational framework, governance structure and financial mechanisms while also developing its digital presence, including a dedicated website. These foundational efforts are setting the stage for CFIL's launch in 2025, which will mark the beginning of its full-scale implementation. Visit our CFIL **website** for more information about the programmes mentioned above.

PILLAR 2
DEVELOP INCLUSIVE AND DIVERSE TALENT POOL

Key Highlights

Talent Management

- **551** employees, **100%** local
- **64.5** average hours of training per year per employee
- **>RM7.2 million** invested in employee training and development
- **69.0%** score on Employee Engagement Survey
- **33.0%** hiring rate as of 31 December 2024

Diversity, Equity and Inclusivity

- **53.2%** of our headcount are women
- **41.3%** of management roles held by women

Employee Well-being

- **>20** programmes conducted on employee health and wellness

2

Develop Inclusive and Diverse Talent Pool

Talent Management

Our workforce is one of our most valuable assets and a key driver of our high-performing institution. With a dedicated workforce of **551** employees in 2024, we foster an engaging and inclusive workplace built on our core values of **Courage, Respect, Shared Trust, Empathy** and **Agility**. These values shape our culture, drive collaboration and strengthen our commitment to integrity and responsibility. Through our people, we continue to create meaningful impact for Malaysia's economy and society.

To ensure a structured and consistent approach to workforce management, we have established a Group Human Resource (GHR) Policy, which outlines mandatory requirements governing all HR activities across the Bank. This Policy ensures the uniform, efficient and effective implementation of HR processes while maintaining compliance with applicable laws and regulatory requirements. Additionally, the Policy is periodically reviewed to remain responsive to evolving business needs and best practices.

Complementing this, our Employee Code of Ethics and Conduct reinforces the highest standards of integrity and accountability in all workforce-related matters. Through this structured approach, we ensure that our human capital strategies, including talent management, employee engagement and professional development, are executed in a transparent, fair and ethical manner.

Profile of our workforce

Total number of employees at the end of 2024

551

Employee breakdown by gender

Male	47.0%
Female	53.0%

Employee breakdown by employment contract

Permanent	96.0%
Temporary/ contract	4.0%

Breakdown of employees' employment contract by gender

Permanent	46.0%	54.0%
Temporary/contract	71.0%	29.0%

Recruiting, Developing and Retaining Talent

Our Evolving Employee Lifecycle Journey

In November 2023, we embarked on our digital transformation by unveiling Phase 1 of the Workday HRMS platform. This initial phase introduced a user-friendly website and mobile application, empowering our employees with essential self-service features such as e-Profile, e-Absence and e-Expense management. This launch laid the foundation for a more agile, connected and efficient work environment.

Building on this strong start, we are proud to announce that Phase 2 of the Workday HRMS platform went live in 2024. The enhanced platform now supports the full employee lifecycle, from recruitment to retirement, integrating advanced modules including:

Recruiting	Enhancing our candidate-centric approach to attract top talent with a streamlined, digital-first process.
Learning	Delivering personalised, continuous learning opportunities that foster professional growth.
Talent Management	Incorporating robust performance management and career succession planning to nurture our future leaders.
Advance Compensation	Aligning competitive remuneration with performance and strategic goals.
Employee Engagement	Utilising Peakon for real-time surveys to capture insights and drive meaningful engagement.
Analytics and Dashboard	Providing data-driven insights that empower informed decision-making across our HR functions.

This fully integrated solution empowers BPMB to deliver a seamless and engaging employee experience. It enables more effective recruitment, support ongoing learning and development and strengthens our succession planning and performance management processes. The successful rollout of Phase 2 reflects BPMB's continued commitment to innovation and long-term human capital development.

Complementing our digital transformation, we actively participated in various career fairs and roadshows in 2024 to enhance our employer branding and engage directly with top talent nationwide. Our involvement in major career events provided a platform to promote career opportunities and strengthen our presence among jobseekers and graduates.

1 Talentbank and GRADUAN Aspire

Our participation in the Talentbank and GRADUAN Aspire career fairs provided strategic avenues to engage with young graduates and strengthen BPMB's visibility as an employer of choice.

These events served as a platform to promote our signature trainee programmes such as the BPMB Award of Group's Undergraduate Scholarship (BAGUS) and Malaysia Short Term Employment Programme (MySTEP), while deepening our understanding of current industry hiring trends and expectations.

2 Ministry of Human Resources Career Fair

Organised by the Ministry of Human Resources (*Kementerian Sumber Manusia*, KESUMA), this fair aligned with national efforts to spur the growth of green jobs and foster a more inclusive and sustainable economy.

BPMB's presence at the event supported these objectives by promoting our evergreen positions, internship placements and trainee programmes, reinforcing its role in nurturing talent aligned with national sustainability goals.

3 PERKESO Career Fair

As part of the National Labour Day celebration, BPMB participated in the career fair hosted by the Social Security Organisation (*Pertubuhan Keselamatan Sosial*, PERKESO).

This platform enabled BPMB to engage a broad spectrum of jobseekers and promote career opportunities in development banking. Our key programmes, including BAGUS and MySTEP, were prominently featured, further reinforcing BPMB's commitment to workforce inclusion and economic empowerment.

4 National Training Week (NTW)

Organised by the Human Resource Development Corporation (HRD Corp) and supported by KESUMA, the NTW promotes lifelong learning and professional development for Malaysians.

BPMB's participation included talent outreach, career guidance and the promotion of its training opportunities, further strengthening its support for a skilled and future-ready workforce.

These initiatives provided immersive exposure to BPMB's dynamic culture and diverse career pathways. Beyond recruitment, our GHR team played an active role in guiding and mentoring jobseekers. We conducted advisory sessions, resume reviews and one-on-one engagement to help candidates better navigate their career aspirations and strengthen their employability.

Being present at these national platforms reflects BPMB's continued commitment to identifying and nurturing talent that will contribute to the nation's sustainable development agenda. Our efforts in strengthening employer branding and nurturing talent have also been recognised through several industry accolades, including:

- Ranking among Malaysia's Top 50 Most Preferred Employers by GRADUAN (32nd in 2023 and 28th in 2024)
- Special recognition by JobStreet by SEEK Malaysia in 2024
- Excellence in Talent Management at the HR Excellence Awards 2024

These recognitions reaffirm BPMB's position as a purpose-driven and progressive employer of choice, committed to building a future-ready workforce.

Compensation and Benefits

Competitive and comprehensive compensation and benefits are essential to attracting, retaining and motivating a high-performing workforce. Our approach to employee remuneration is designed to ensure fairness, transparency and alignment with industry best practices while supporting the well-being and professional growth of our employees.

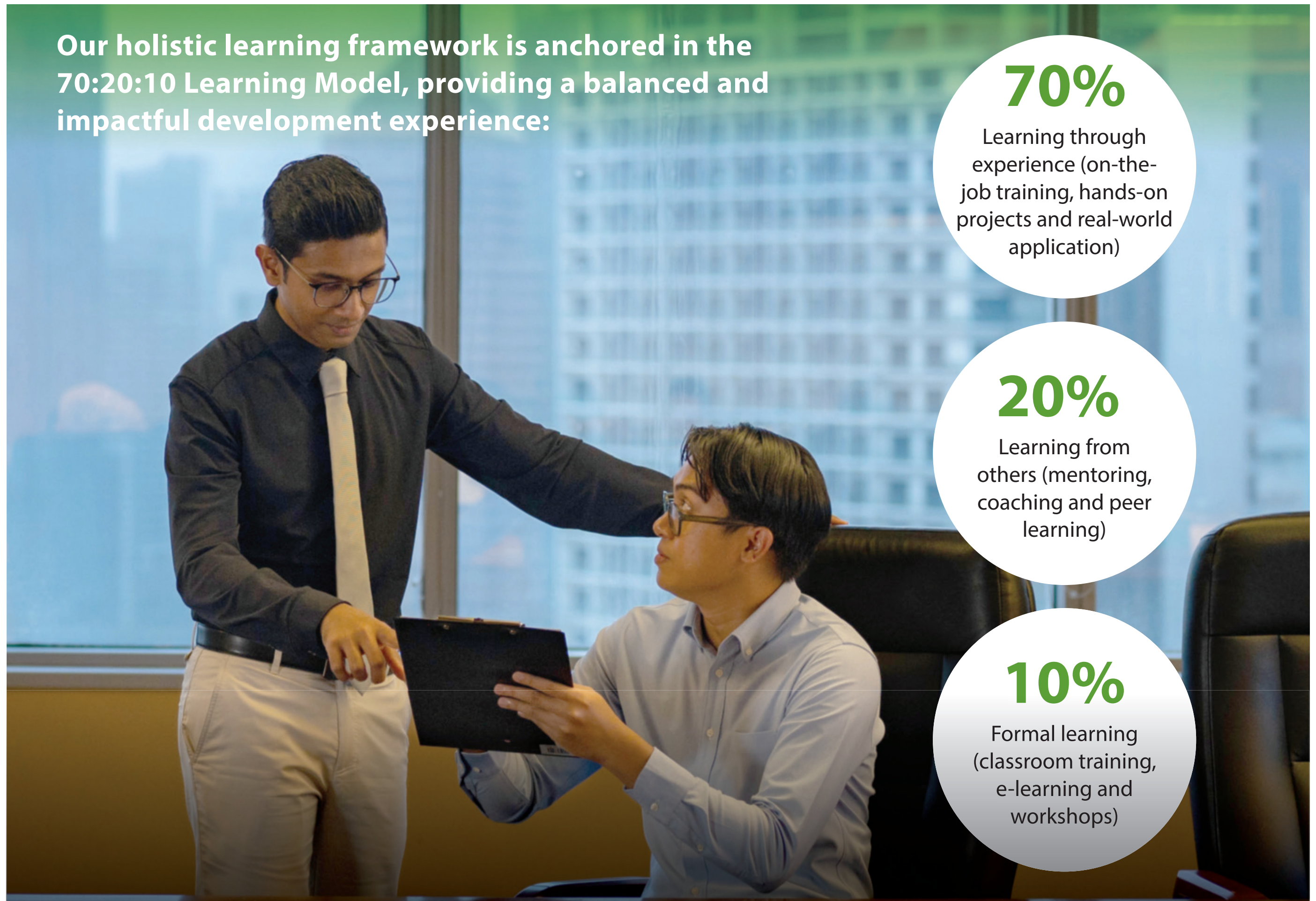
Our total rewards package encompasses a combination of fixed and variable compensation, including competitive salaries, performance-based incentives and long-term benefits. To further enhance our rewards strategy, we have introduced short-term retention plan aimed at securing and sustaining critical talent during pivotal phases of our growth. In addition, we provide a range of benefits that promote employee welfare, such as life insurance, healthcare coverage, retirement contributions, leave entitlements including parental leaves and wellness programmes.

For more information, please refer to the **Employee Well-being Programmes** section on page 34.

Training and Development

Recognising the critical role of continuous professional development in driving organisational excellence, we are committed to equipping our workforce with the knowledge, skills and leadership capabilities needed to thrive in an evolving financial and sustainability landscape. We actively encourage and support employees in seeking opportunities to enhance their professional competencies, fostering a collaborative learning culture between employees, supervisors and management.

We ensure that learning opportunities are structured, well-supported and made accessible to all employees, whether individually or as part of a team. Our structured approach is guided by a Development Needs Analysis (DNA) and Training Needs Analysis (TNA), ensuring that learning initiatives align with both organisational objectives and individual growth aspirations.



Our holistic learning framework is anchored in the 70:20:10 Learning Model, providing a balanced and impactful development experience:

70% Learning through experience (on-the-job training, hands-on projects and real-world application)

20% Learning from others (mentoring, coaching and peer learning)

10% Formal learning (classroom training, e-learning and workshops)

Additionally, all employees undergo competency assessments including leadership, technical, or functional evaluations at relevant intervals to maintain high performance and future readiness. Leadership development remains a key focus, with succession planning initiatives in place to identify and prepare future leaders for critical positions, ensuring a diverse and skilled leadership pipeline that aligns with BPMB's strategic vision.

In 2024, our employees collectively recorded over **35,200** training hours. Looking ahead, we aim to invest a total of 80,000 training hours for employees by 2030. This reflects our continued commitment to nurturing a capable and future-ready workforce through structured and inclusive learning opportunities.

Average hours of training per year per employee in 2024

64.5 hours

Total investment spent on employee training and development in 2024

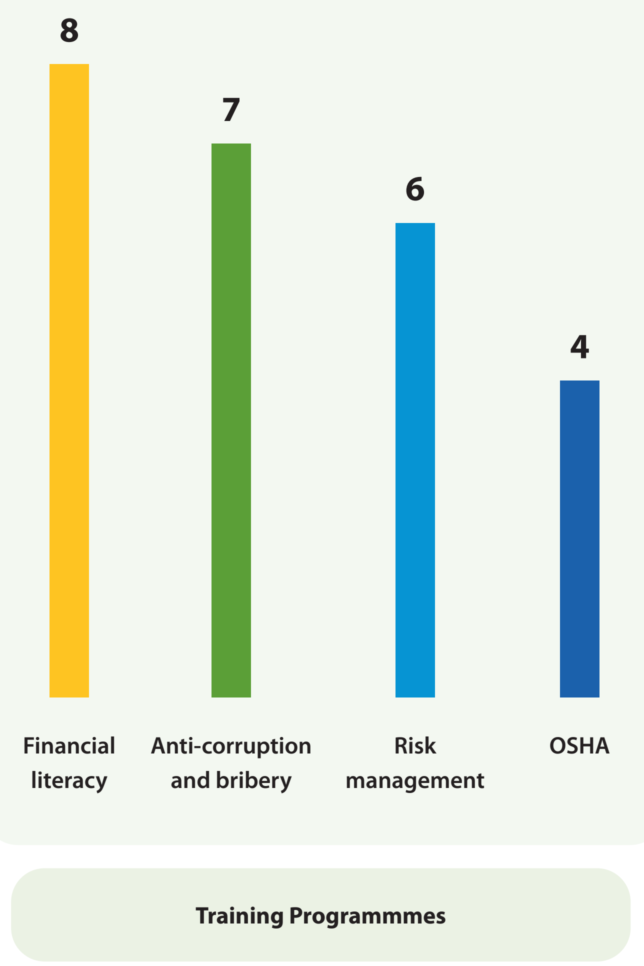
RM7,201,610

Breakdown of average hours of training per year per employee, by gender

♂ **66.8** hours

♀ **62.3** hours

Number of Training Programmes Conducted in 2024



Retaining Talent

We are dedicated to supporting employees in their career growth by offering opportunities for skill enhancement and internal advancement. Encouraging career mobility within the organisation allows employees to take on new challenges while strengthening overall workforce capabilities.

Career development remains a key focus, with **100%** of employees participating in performance and career development reviews in 2024. These structured reviews provide employees with feedback, align personal goals with organisational objectives and identify opportunities for upskilling and career advancement. By fostering open discussions on career growth, we ensure employees receive the necessary support to progress within BPMB.

To further support talent retention, we actively engage with employees through regular check-in sessions and engagement surveys to gather insights and enhance our recruitment and retention strategies. The employee engagement survey conducted in 2024 recorded a **69.0%** engagement score, reflecting overall workplace satisfaction and areas for improvement.

We also recognise long-term contributions through Long Service Awards and a Golden Handshake for eligible retirees. These initiatives go beyond statutory requirements and reflect our appreciation for employee loyalty, while fostering a supportive and rewarding workplace culture.

Recognising the importance of leadership succession, efforts are focused on developing a strong pipeline of talent for key roles. In 2024, **33.0%** of open positions were filled by existing employees, reflecting a commitment to internal career growth. Senior leaders work closely with GHR to identify and prepare employees for future leadership positions through structured succession planning.

New employee hire and voluntary turnover rates in 2024

New hire	9.3%
Voluntary turnover	9.8%

New employee hire and voluntary turnover rates by age group in 2024

	<30 years old	31 – 50 years old	>50 years old
New hire rate	39.2%	54.9%	5.9%
Voluntary turnover rate	20.8%	62.3%	16.9%

New employee hire and voluntary turnover rates by gender in 2024

	♂	♀
New hire rate	51.0%	49.0%
Voluntary turnover rate	50.9%	49.1%

Diversity, Equity and Inclusion

Recognising that a diverse workforce fosters innovation, enhances decision-making and strengthens our ability to serve stakeholders effectively, we at BPMB are committed to building an inclusive and equitable workplace. Here, employees from all backgrounds feel valued, respected and empowered to contribute.

Embracing diversity, particularly in gender and racial representation, enriches our organisation with a multiplicity of perspectives that drive continuous growth and improvement. Our GHR policies and initiatives are designed to uphold fairness and equal opportunities, ensuring an environment where talent can thrive regardless of background.

We value gender equality in the workplace, ensuring fair opportunities and equitable compensation for all employees, regardless of gender. As of 2024, women represent **53.2%** of our total workforce, with **41.3%** holding management positions.

Gender Diversity by Employee Category in 2024

	Male	Female
Top Executives	84.6%	15.4%
Senior Management	57.0%	43.0%
Managers	42.3%	57.7%
Executives and Non-executives	38.6%	61.4%

Age Diversity by Employee Category in 2024

	<30 years old	30 – 50 years old	>50 years old
Top Executives	0.0%	61.5%	38.5%
Senior Management	0.5%	70.0%	29.5%
Managers	5.8%	79.8%	14.4%
Executives and Non-executives	17.8%	70.6%	11.6%

Workforce Race Diversity by Gender in 2024

	Male	Female
Malays and Bumiputera [5]	45.9%	54.1%
Chinese	57.6%	42.4%
Indians	47.1%	52.9%
Others [6]	75.0%	25.0%

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[5] *This category includes ethnic Malays and other indigenous peoples, such as the Orang Asli in Peninsular Malaysia and various indigenous groups in Sabah and Sarawak, who are collectively referred to as Bumiputera.*

[6] *This category includes minority groups not classified under the main categories listed above.*

Respecting Labour Rights and Upholding Freedom of Association

We are committed to upholding fundamental labour rights in line with Malaysia's labour laws, the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organisation (ILO) Core Conventions. This commitment is reflected in our approach to diversity, equity and inclusion and in creating a workplace grounded in dignity, well-being and a safe working environment.

BPMB, affirms these rights through a formal Memorandum of Understanding with the National Union of Commercial Workers, which recognises and supports Collective Agreement (CA) for non-executive employees. The agreement ensures fair and transparent employment terms, alongside progressive enhancements to employee benefits such as parental and pilgrimage leave, medical coverage, allowances and flexible leave options. As of 2024, **9.5%** of BPMB employees are covered by this CA.

We also place strong emphasis on cultivating a safe and supportive work environment. Engagement sessions between the GCEO, senior management and employees are held regularly throughout the year to understand and address employee concerns, including those related to labour rights, workplace practices and overall employee experience. This ongoing dialogue reinforces our people-first approach and commitment to a respectful and responsible workplace.

Managing Workplace Discrimination and Grievance Mechanism

We continue to cultivate a respectful and inclusive work environment where fairness, dignity and professional integrity are upheld at every level. We uphold a zero-tolerance approach towards discrimination, harassment, or any form of misconduct and take proactive steps to embed these values across the Bank.

To support this, we have in place multiple formal grievance channels that offer employees safe and confidential avenues to raise workplace concerns. These include:

Whistleblowing Channel
for confidential reporting of misconduct.

GHR Department
for direct engagement on employment-related matters.

Immediate supervisor
for day-to-day operational concerns.

All concerns raised are treated with strict confidentiality and reviewed through a structured process to ensure impartiality, timeliness and appropriate resolutions. The Bank continues to monitor these channels to identify potential areas for improvement and to strengthen our workplace culture.

In 2024, six confirmed grievance cases were recorded and fully resolved amicably. All reported issues were reviewed and resolved through established protocols. By ensuring responsive and accountable grievance management, we strengthen our organisational culture and uphold the trust placed in us by our people.

Employee Well-being

Occupational Health and Safety (OHS)

At BPMB, the health, safety and well-being of our employees and stakeholders are integral to our commitment to responsible business practices. While we operate in a corporate environment, we prioritise a safe, supportive and inclusive workplace that fosters well-being and productivity. We recognise that workplace health and safety is a fundamental right and a key enabler of a resilient, engaged workforce, ensuring we continue to drive sustainable development effectively.

2024 Safety Performance

Total number of recordable work-related injuries	Total work-related injury rate per 1,000,000 hours worked	Total number of fatalities	Total number of employees trained in health and safety standards
2	1.82	0	87

OHS Management

Our approach to health and safety is guided by our Safety and Health Policy, which provides a framework to ensure a safe, secure and conducive working environment. The Safety and Health Policy is accessible to all employees via the Bank's intranet and is incorporated into the staff onboarding induction programme. It applies to all employees, contractors and individuals under BPMB's supervision, reinforcing our commitment to a workplace free from hazards and risks.

Key Aspects of BPMB's OHS Approach

1 Governance and Oversight

The Safety and Health Policy is endorsed by the Board of Directors, underscoring top-level commitment to workplace safety and employee well-being.

2 Regulatory Alignment

We comply with the Occupational Safety and Health (Amendment) Act 2022 and continuously monitor evolving regulatory requirements to strengthen workplace safety measures and ensure compliance with the latest standards.

3 Stakeholder Engagement

Our Occupational Safety and Health Committee, comprising employer and employee representatives, plays an active role in reviewing and strengthening safety initiatives.

4 Structured Implementation

Our Annual OHS Plan outlines key activities and measures aimed at improving workplace health and safety.

5 Performance Monitoring

We are progressively establishing quantitative targets for safety and health performance, with implementation scheduled for 2025.

We provide a formal channel for employees to report safety and health concerns. Workers can raise any safety-related issues by emailing BPMB's official OHS email at **ohsa@bpmb.com.my**.

Any relevant concerns will be deliberated during the Occupational Safety and Health Committee meeting, which convenes on a quarterly basis to ensure workplace safety matters are addressed effectively. Chaired by the Managing Director, Group Operations, this Committee comprises both employer and employee representatives. It proactively tackles health and safety issues while reinforcing BPMB's commitment to an inclusive and participatory approach to occupational health and safety.

Health and Safety Training

We are committed to equipping employees with the necessary knowledge and skills to maintain a safe and healthy workplace. As part of our OHS plan, we conduct health and safety training and awareness programmes to enhance employees' preparedness for workplace hazards, emergency situations and overall well-being.

In 2024, a total of **87** employees received training on health and safety standards, reinforcing BPMB's commitment to building a workforce that is well-informed and prepared to handle workplace safety risks.

Our health and safety training programmes include:

Fire and Evacuation Drills

Equipping all employees with the knowledge on responding effectively to emergency situations and following emergency evacuation procedures.

First Aid Training

Providing employees with essential life-saving skills to provide immediate assistance during medical emergencies.

Emergency Response Training

Regular training sessions conducted by relevant authorities to equip the Emergency Response Team (ERT) with essential skills to respond effectively to workplace emergencies.

Wellness Webinars

Addressing various health and wellness topics to promote holistic well-being among employees.

OHS Programmes

Beyond training, we implement structured OHS programmes to proactively manage workplace risks, enhance emergency preparedness and promote overall employee well-being. These programmes align with regulatory requirements and industry best practices, reinforcing our commitment to a safe and healthy work environment.

Key components of our OHS programmes include:

Risk and Hazard Assessments	A Hazard Identification, Risk Assessment and Risk Control (HIRARC) document, which systematically identifies potential workplace hazards, assesses associated risks and implements effective mitigation measures to minimise occupational health and safety risks.
Action Plans with Quantified Targets	A structured prioritisation and integration of action plans will be introduced, with specific safety improvement targets set for implementation starting in 2025.
Emergency Preparedness and Response	Established Guidelines on Emergency Preparedness and Response, outlining protocols for effectively managing workplace emergencies. Regular ERT briefings, including internal and external training sessions facilitated by the Malaysian Fire and Rescue Department, ensure that our teams remain prepared to respond swiftly and effectively in crisis situations.
Workplace Inspections	Quarterly workplace inspections are conducted by the Occupational Safety and Health Committee, proactively identifying and ensuring that necessary corrective measures are implemented to maintain a safe working environment.
OHS Awareness and Engagement	Actively promote OHS awareness by implementing workplace safety initiatives such as: OHS awareness posters to reinforce safety messages across the workplace. Health and wellness talks/webinars to educate employees on preventive health measures and promote holistic well-being.

Further to that, we are committed to extending workplace safety consideration beyond our internal operations by embedding OHS criteria into procurement and contractual requirements. By integrating safety expectations into our engagement with vendors and service providers, we aim to uphold high occupational health and safety standards across our supply chain.

For more details on our procurement approach, please refer to the **Sustainable and Responsible Sourcing** section on page 48.

Employee Well-being Programmes

We are committed to ensuring the well-being of our employees by fostering a safe, supportive and healthy workplace. We recognise that employees who are physically and mentally well are best placed to drive productivity and contribute to the success of the Bank.

To support work-life balance and encourage healthy habits both in the workplace and at home, we have implemented various initiatives focused on holistic well-being. We are dedicated to creating a family-friendly workplace and providing optimal working conditions, particularly for employees who are also parents and caregivers. To achieve this, we offer flexible working arrangements, designated prayer rooms and facilities. Additionally, we actively promote wellness through a range of programmes addressing key health topics, including mental health, nutrition and physical fitness. We organise an annual Health Day to raise awareness on various health issues and encourage employees to adopt healthier lifestyles. In 2024, over **20** programmes were carried out through the Bank's Sports and Recreation Club, ranging from sports and fitness tournaments to social activities and family events, fostering team spirit and supporting overall well-being.

PILLAR 3
DRIVE RESPONSIBLE BUSINESS PRACTICES

Key Highlights

Our Climate Action

- **~19.0%** reduction in Scope 1 and 2 GHG emissions in 2024 compared to 2023, with total emissions amounting to **2,201.8 tCO_2e**
- **10,058 Gigajoules (GJ)** of total energy consumption
- Formed the **Energy Management Committee** to drive operational energy efficiency
- Conducted **29** training sessions on sustainability and climate topics, engaging **>400** employee Bank-wide

Sustainable and Responsible Sourcing

- **Strengthening our Procurement Policy** by including environment, social and governance criteria

Data Security and Privacy

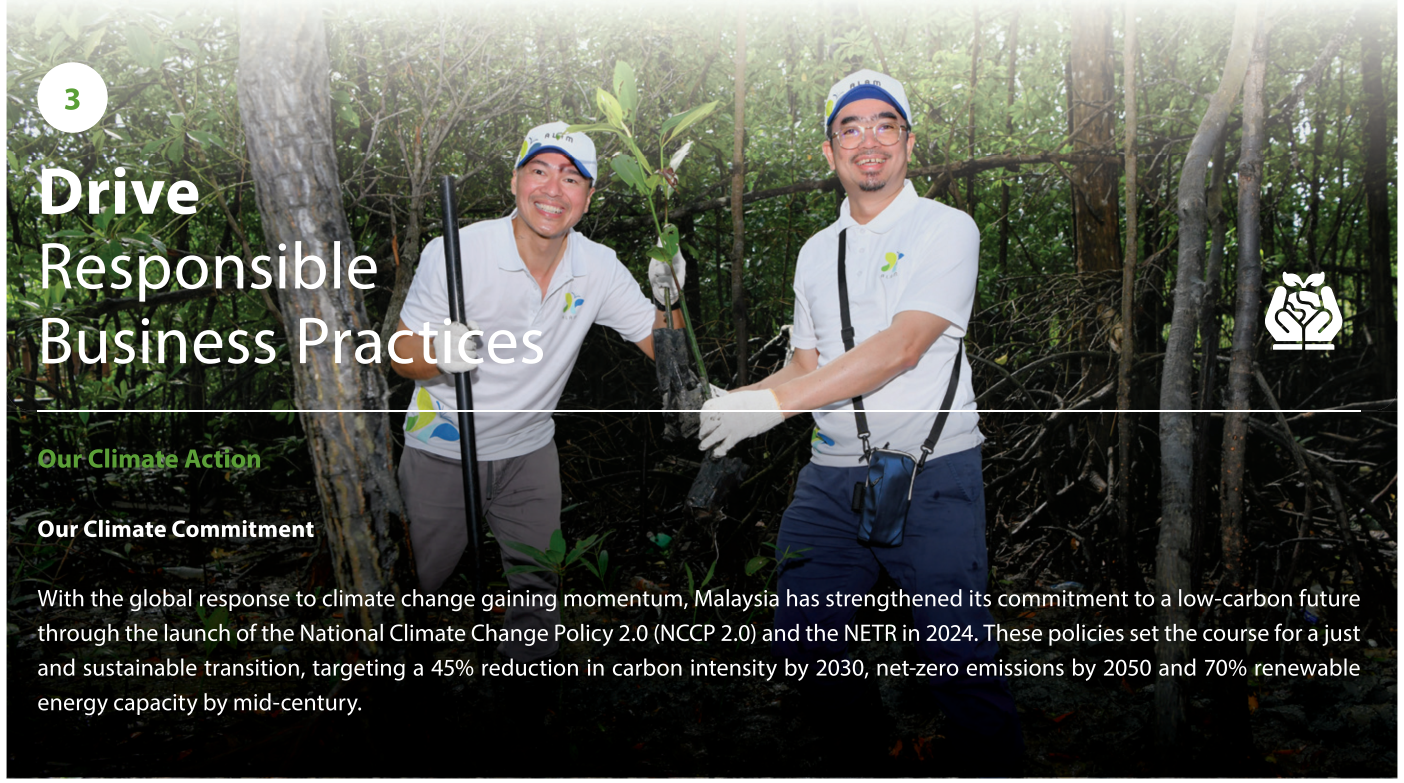
- Established a risk-based **Technology Risk Management Policy**

Business Ethics and Integrity

- Successfully implemented the **Organisational Anti-Corruption Plan (OACP)** across the Bank
- **Zero tolerance policy** on bribery, corruption, extortion, money laundering, fraud and other malpractice
- **Zero** incidence of confirmed corruption

Social Responsibility as a National Development Partner

- **>RM400,000** contributed to **22** CSR programmes, benefiting **2,717** beneficiaries
- **30,560** volunteering hours of employee involvement in community investment and engagement activities
- **>RM4.0 million** invested to empower **66** scholars under the BAGUS Scholarship programmes to date
- **>30 job** opportunities were offered through the MySTEP programme



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Drive Responsible Business Practices

Our Climate Action

Our Climate Commitment

With the global response to climate change gaining momentum, Malaysia has strengthened its commitment to a low-carbon future through the launch of the National Climate Change Policy 2.0 (NCCP 2.0) and the NETR in 2024. These policies set the course for a just and sustainable transition, targeting a 45% reduction in carbon intensity by 2030, net-zero emissions by 2050 and 70% renewable energy capacity by mid-century.

We recognise that climate action is essential to long-term economic resilience and national development. As a DFI, we play a pivotal role in mobilising capital, addressing CR&Os and supporting Malaysia's transition towards a low-carbon economy.

Our commitment to climate stewardship is embedded in our governance, financing decisions and risk management framework. We continuously enhance our internal capabilities, data systems and climate-related practices to align with national and internationally recognised standards and regulations. These include the BNM's CCPT, International Financial Reporting Standards (IFRS) S2 for Climate-related Disclosure Standards and industry guidelines such as the TCFD Application Guide for Malaysian Financial Institutions, which fully incorporates the TCFD recommendations.

For easy reference, the **TCFD Index** can be found on page 65 of this report.

Climate Governance

Strong governance is the backbone of BPMB's climate action strategy. Our Board of Directors provides strategic oversight, ensuring that CR&Os are integrated into BPMB's long-term business strategy. Supporting this, the BRMC oversees climate-related financial risks, ensuring compliance with regulatory expectations.

To translate these commitments into action, our MRC ensures that climate risk assessments, financed emissions tracking and stress testing are embedded within BPMB's risk management framework. Meanwhile, the M&S Department leads the execution of BPMB's climate policies, financing strategies and stakeholder engagements. The M&S Department also collaborates with Group Credit Risk (GCR) and Group Risk Management (GRM) to assess and manage sustainability and CR&Os.

Read more on BPMB's **Sustainability Governance** on pages 3 to 4.

The table below outlines the frequency and key climate-related matters discussed at the Board and management levels. These discussions provide valuable insights that inform decision-making, enabling the Board and management to review and guide the Bank's business strategy and financial planning effectively.

Forum	Committee	Meeting Frequency	Key Climate-related Matters Discussed
Risk	Board of Directors	As required	· Review of climate scorecard and performance progress · Updates on climate-related projects and initiatives, including: - Implementation plan in response to BNM's CRMSA Policy Document - Gap analysis and action plans related to BNM's CCPT - Reporting of the Bank's Scope 1 and Scope 2 GHG emissions reduction measures and performance - Enhancement to the Bank's climate-related disclosure practice - Sustainability and climate-related industry trends and developments, including regulatory requirements and government directives/policies - Threshold limits and current status on CCPT classification exposures and MIND Score at portfolio level
	BRMC	As required	
	MRC	Monthly	
Credit	Board of Directors	Monthly	· BNM CCPT classification for customers (at origination and annual review) · MIND Score for each client (at origination and annual review) · Sustainable Development Sukuk Framework utilisation and progress report
	Board Credit Committee (BCC)	Monthly	
	GCC	Bi-weekly	

BPMB continuously strengthens the Board's knowledge and expertise in climate-related matters. Throughout the year, BPMB's Directors participated in training and awareness sessions focused on climate-related issues, equipping them with the insights needed to oversee and guide the Bank's sustainability strategy effectively.

To further reinforce sustainability leadership at the Board level, BPMB appointed Puan Nor Darina Mohd Yusof as an Independent Non-Executive Director in October 2024. Puan Darina brings over 30 years of experience in banking, with a strong background spanning risk management, investment banking and sustainable finance, positioning her as a valuable addition to BPMB's sustainability governance framework. For a detailed overview of the Board members' backgrounds, sustainability-related experience and contributions, refer to the section on Board of Directors in our **AIR2024**.

Identifying Climate-Related Risks and Opportunities

We consider climate change risk as a cross-cutting risk that has an impact on the other principal risks, particularly credit, liquidity, operational and market risks. As a financial institution, we are inherently exposed to CR&Os through our lending and other financial intermediary activities. These risks have a relatively material impact on our business resilience and long-term strategy, influencing risk management and decision-making processes.

To better understand our exposure, we conduct climate risk and scenario analysis assessments from two key perspectives: as an organisation and as a lender/investor. We apply scenario analysis based on frameworks from the Network for Greening the Financial System (NGFS) using the Current Policy scenario[7] and the Net Zero 2050 scenario[8]. The table below provides an overview of BPMB's material climate risks and opportunities, outlining their potential impact on BPMB and our approach to managing them effectively:

Climate Risks			
Climate Risk Type and Driver	**Risk Type**	**Potential Impact to BPMB**	**Mitigation Measures**
Transition Risks · Policy and Regulatory Changes · Technology Shifts · Market Dynamics · Reputational Pressure	**Credit Risk** Potential increase in impairments due to stricter climate-related regulations affecting borrowers' creditworthiness.	The financial performance of customers may be affected due to physical risk damages to their business operations and/or collateral assets. The introduction of a new carbon pricing mechanism could impact customers' profitability and repayment capacity as they transition to a low-carbon economy.	· Assessing environmental and social impacts through the MIND Assessment Framework during financing origination and annual reviews, with MIND Scores integrated alongside credit scores in decision-making · Conducting CCRA, categorising accounts in line with BNM's CCPT, and using Geographic Information Systems (GIS) to identify areas with high physical risk exposure · Integrating climate risk considerations into our Risk Appetite Statement and Tolerance Levels (RASTL) · Assessing and monitoring climate-related risks at the portfolio level by sector, including thorough qualitative scenario analysis · Conducting quantitative analysis to evaluate the potential impacts of climate risks on probability of default (PD), loss given default (LGD), and exposure at default (EAD) · Performing Climate Risk Stress Testing (CRST) in line with BNM's 2024 CRST exercise · Developing a transition plan/framework to support customers' transition to a low-carbon economy · Assessing Scope 3 financed emissions

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[7] *Warming of 3.0-4.0°C (aligned with the Intergovermental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5, International Energy Agency (IEA) Stated Policies Scenario (STEPS))*

[8] *Limited warming of 1.6-2.0°C (aligned with IPCC RCP 4.5, IEA Sustainable Development Scenarios (SDS))*

Climate Risks

Climate Risk Type and Driver	Risk Type	Potential Impact to BPMB	Mitigation Measures
Transition Risks · Policy and Regulatory Changes · Technology Shifts · Market Dynamics · Reputational Pressure	**Market Risk** Shifts in consumer preferences and investor sentiment favouring sustainable finance.	Significant interest/profit rate fluctuation due to physical climate events or disorderly transition to a low-carbon economy.	· Conducting impact assessment using the MIND Assessment Framework · Enhancing BPMB's development mandate through active involvement in initiatives such as the CFIL, GIP and NETF · Incorporating climate risks in the Market Risk Management Framework · Developing and promoting green financial products (e.g., green bonds, sustainability-linked loans (SLLs)) · Conducting CCRA and categorising the assets based on BNM CCPT · Conducting CRST in line with BNM's 2024 CRST exercise
	Liquidity Risk Risk arises from potential disruptions in funding access and asset liquidity due to climate-related events.	Physical climate events and natural disasters may reduce liquidity among depositors in affected sectors, potentially impacting BPMB's funding stability and increasing liquidity risk.	
	Operational Risk The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.	Increased exposure to business disruptions due to evolving policy standards and heightened climate-related risks, including natural disasters and physical climate events impacting BPMB's operations.	· Conducting qualitative analysis using the NGFS Current Policies and Net Zero 2050 scenarios · Assessing Scope 1 and Scope 2 GHG emissions for our operations and evaluating the potential impacts of climate policy changes under each scenario · BPMB operates from a single physical location, our headquarters in Kuala Lumpur, which was identified as having a moderate physical risk under both scenarios assessed. In July 2024, we relocated to a green building to achieve further energy savings and efficiencies · Exposures to potential climate-related business disruptions included in BPMB Group's Risk Assessment and Business Impact Analysis Report
	Legal Risk Increased legal action against companies for failing to address climate change risks.	Potential lawsuits, higher compliance costs.	· Strengthening climate-related governance frameworks and integrating climate considerations into lending policies
	Reputational Risk Stakeholder scrutiny over climate commitments leading to reputational risk.	Potential loss of investors, clients and regulatory penalties.	· Enhancing climate risk disclosures · Improving stakeholder engagement on sustainability and climate efforts · Demonstrating proactive leadership in development mandate roles, such as BPMB's involvement in CFIL, GIP and NETF

Climate Risks

Climate Risk Type and Driver	Risk Type	Potential Impact to BPMB	Mitigation Measures
Physical Risks · Acute (extreme weather) · Chronic (e.g., rising sea levels)	**Acute** Direct impact on borrowers' operations and assets due to floods, hurricanes and heat waves.	Increased loan defaults, higher insurance costs and operational disruptions.	· Performing qualitative scenario analysis to assess portfolio exposure · Implementing CRST and integrating climate resilience criteria into financing decisions · Staying informed on emerging technologies to better identify, predict, analyse and manage high-risk areas
	Chronic Long-term impact on real estate and infrastructure projects due to rising sea levels and water stress.	Decreasing property values, increased collateral risk.	· BPMB office relocated to a green building in 2024 · Supporting adaptation finance by incorporating climate vulnerability assessments into project financing

Climate Opportunities

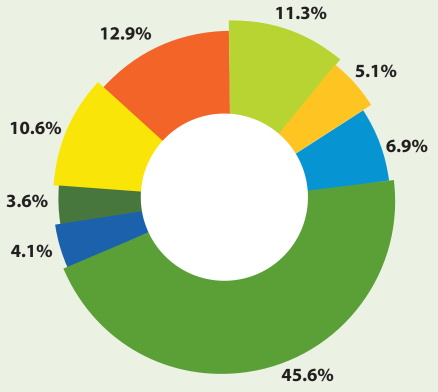
Climate Opportunities Type and Driver	Opportunity Type	Potential Impact to BPMB	Measures
Growing demand for green financing	**Expanding Green Financing Offering** Increased market demand for green loans, bonds and sustainable finance instruments.	Enhanced portfolio diversification and leadership in sustainable finance.	· Expanding green financial products, including green bonds and SLLs · Prioritising financing for low-carbon projects
Transition to a low-carbon economy	**Transition Financing** Supporting high-emission sectors in adopting cleaner technologies and improving sustainability.	Strengthens BPMB's role in climate transition and risk mitigation.	· Developing transition plan/framework · Assessing financed emission intensity (tCO$_2$e/RM) in BPMB's RASTL
Growth in sustainability-linked finance	**Sustainability-Linked Instruments** Market shift towards performance-based sustainability finance with KPI-driven incentives.	Increased investor demand for sustainability-linked products.	· Introducing SLLs and bonds tied to ESG performance metrics · Aligning offerings with BNM's CRMSA

Sectoral Climate Risk Exposure

As part of the climate risk analysis of our financing portfolio, we have mapped high-risk sectors and developed impact pathways to assess the vulnerabilities posed by physical and transition risks. This assessment enables us to anticipate potential financial and operational challenges while identifying opportunities to support the transition to a low-carbon economy. The following outlines the material climate risks that BPMB is prone to, based on our corporate lending portfolio:

Percentage of total financing activity as at 31 December 2024

🟩	Construction	11.3%
🟨	Electricity, gas and water supply (utilities)	5.1%
🟦	Hotel and restaurant	6.9%
🟩	Infrastructure	45.6%
🟦	Manufacturing	4.1%
🟩	Others	3.6%
🟨	Real estate	10.6%
🟧	Transportation, storage and communication	12.9%



Selected High Climate Risk Sectors

The tables below provide a summary of the key risks faced by the four selected high climate risk sectors of our portfolio under the respective scenarios.

Transition Risks

Potential Impacts	Construction/ Infrastructure	Transportation	Real Estate	Utilities
Carbon Pricing Resulting in Increased Operating Costs	Higher operating costs due to increased electricity tariffs, fuel costs and construction material prices.	Increased cost of vehicle ownership due to rising fuel prices.	Higher operating costs due to increased electricity tariffs and fuel costs.	Increased operating costs due to higher carbon taxes from GHG emissions associated with fossil fuel-based electricity generation.
Cost of Upgrading/ Adapting to a Low-carbon Economy	Investment required to adopt lower-emission materials, methods and technologies.	Higher cost of owning hybrid/electric vehicles compared to older internal combustion engine (ICE) vehicles.	Investment required to retrofit and upgrade properties to meet green building standards.	Investment required to transition to clean energy technologies, such as wind turbines and solar panels.
Reduced Demand and Asset Values Due to Changing Market Sentiment and Consumer Preferences	Reduced demand for construction in high-carbon sectors.	Lower resale values and higher financing rates for older, fuel-inefficient ICE vehicles; declining vehicle ownership due to changing consumer preferences.	Declining demand and asset values for carbon- and energy-intensive properties; reduced demand for residential and commercial real estate in high-carbon sectors.	Reduced demand for carbon-intensive energy sources due to evolving consumer preferences.
Enhanced Reporting Requirements and Compliance Costs	Increased costs due to enhanced climate reporting obligations and stricter environmental compliance requirements across the value chain.			

Physical Risks

Potential Impacts	Construction/ Infrastructure	Transportation	Real Estate	Utilities
Higher Spending on Maintenance and Repair of Assets	Increased corporate spending on maintenance and repair of construction sites and equipment.	Increased corporate spending on maintenance and repair of vehicles.	Increased corporate spending on maintenance and repair of properties.	Increased corporate spending on maintenance and repair of equipment and materials.
Higher Takaful Premiums	Higher takaful premiums for constructions in risk-prone locations.	Higher takaful premiums for vehicles in risk-prone locations.	Higher takaful premiums for properties in risk-prone locations.	Higher takaful premiums for power stations in risk-prone locations.
Operational Disruptions and Delays	Project disruptions and delays and their associated cost increases.	Supply chain disruptions leading to delays and associated cost increases.	Revenue loss from business interruption to tenants.	Hydropower generation disruptions due to dam breaches, turbine and generator damage leading to associated cost increases and reduction in output.
Higher Capital Spending to Increase Climate Resilience	Higher capital spending requirement on climate resilience infrastructure at construction sites.	Higher capital spending requirement on climate resilience infrastructure at public transport station.	Higher capital spending requirement on climate resilience infrastructure at real estate properties.	Higher capital spending requirement on climate resilience infrastructure at power station.
Increase in Operating Costs Due to Water Shortage	Increased operating costs due to increase in price of water (as a construction input).	Water shortage impact hydroelectric generation resulting in higher operating costs caused by increase in electricity prices.	-	Increased investment by adopting more expensive cooling methods for coal-fired power plants; Increased costs due to reduction in power output to comply with regulations.
Worker Injuries and Associated Damages	Worker injuries and associated litigation and reputational damages.	-	-	-
Devaluation of Assets in Risk-prone Locations	-	Devaluation or destruction of vehicles in risk-prone locations.	-	-

Approach to Managing Climate Risks

BPMB has incorporated climate change and sustainability considerations into its business strategy as part of its mission to deliver impact capital for national development. In line with this commitment, the Bank has set a goal to achieve carbon neutrality for Scope 1 and 2 emissions by 2030, with a long-term ambition to reach net zero by 2050. As part of this journey, BPMB has identified climate-related opportunities that can drive business growth through qualitative scenario analysis using different climate scenarios, ensuring alignment with the Bank's sustainability objectives.

Scenario	Opportunities	Financial and Operational Impact
Net Zero 2050 Scenario	**Products and services** Introduction of green finance products catering to BPMB's key corporate sectors: **1. Construction/ Infrastructure:** · Green loans and bonds for construction of renewable energy plants, clean transportation and climate resilience infrastructure **2. Real estate:** · Green loans and bonds for development of new green buildings · Green or sustainability-linked loans for upgrading existing buildings to meet updated green building standards and codes, such as installing rooftop solar panels **3. Transportation:** · Green loans for businesses transitioning to electric vehicle fleets · Green loans for companies operating electric scooter or e-bike services **4. Utilities:** · Green financing for energy storage projects that facilitate quick integration into existing power grids · Green financing for the development of local renewable microgrids in communities and industrial areas	· Increased revenues through demand for green finance products and services · Reputational benefits resulting in increased demand for services · Access to fiscal incentives and tax breaks for investing or contributing to the low carbon transition
Current Policies Scenario	**Products and services** Increased demand for financing climate-disaster recovery such as: · Bridging financing by real estate and construction sector borrowers to rebuild damaged assets · Construction sector borrowing due to high demand for reconstruction of infrastructure and properties post climate disasters	· Increased revenues from higher demand for corporate financing to finance climate disaster recovery
	Resilience: Ensure locations of financed projects and collaterals have low exposure to flooding and storms.	· Reduced credit risk through lower PD and LGD

Integrating Climate Risk Insights into Financing Decisions

As BPMB continues to assess its climate risk exposure across sectors, it is imperative to translate these insights into actionable strategies that support sectoral transitions while mitigating financial risks. Understanding the vulnerabilities of key industries allows BPMB to refine its risk management frameworks, ensuring that capital is deployed towards low-carbon, climate-resilient and financially sustainable projects.

BPMB's approach to managing sector-specific climate risks is guided by:

Climate Change Risk Framework (CCRF)

Outlines BPMB's overarching strategy to integrate climate risk factors into financial decision-making, ensuring resilience in a low-carbon economic transition.

Climate Change Risk Assessment (CCRA)

A climate risk assessment based on BNM's CCPT and embedded within BPMB's MIND Assessment Framework.

In 2024, we enhanced our capabilities further by incorporating the CCRA, aligned with BNM's taxonomy, into our enhanced impact assessment tool, MIND 2.0, providing us with a comprehensive view of our financing impacts.

Read more about this in the **MIND Assessment Framework** section on page 18.

Complementing these enhancements, BPMB engaged with over **80** clients and key stakeholders in 2024 to facilitate knowledge-sharing on CR&Os. The Bank's Relationship Managers (RMs) now undergo half-yearly training on sustainability, equipping them with the expertise to advise and guide clients on integrating climate considerations into their business strategies. This not only benefits individual customers in building more resilient and sustainable operations but also contributes to the broader goal of national development through responsible and impact-driven financing.

Further to these developments, BPMB has assessed its portfolio financing deployment towards climate-related risks and opportunities, categorised according to the BNM's CCPT. This classification provides a structured view of BPMB's exposure across different levels of climate alignment.

2024 Breakdown of portfolio exposure by CCPT category	
C1 - Climate suporting	7.2%
C2 and C3 - Transitioning	41.5%
C4 and C5b - Watchlist	38.3%
C5a - Watchlist	13.0%

For a more detailed overview of our risk management strategy, including how we manage climate-related financial risk across our portfolio, please refer to the Risk Management section in our **AIR2024**.

Our GHG Emissions

Our operational emissions are largely attributed to activities at our corporate headquarters. In 2024, our total Scope 1 and Scope 2 GHG emissions amounted to **2,201.8 metric tonnes of carbon dioxide equivalent (tCO_2-e)**, reflecting nearly **19.0%** reduction from the previous year (**2,716.5 tCO_2-e**). This decline highlights our ongoing efforts to improve energy efficiency and reduce our carbon footprint.

Our Scope 1 and Scope 2 GHG emissions stem mainly from energy consumption for office operations, including purchased electricity usage and fuel consumption from company-owned vehicles. A summary of these emissions[9], along with a detailed breakdown of Scope 1 sources, is presented in the tables below.

Scope 1 and Scope 2 GHG emissions (tCO_2-e)	2024	2023
Scope 1	41.8	47.5
Scope 2[10]	2,160.0	2,669.0
Total emissions of Scope 1 and Scope 2	**2,201.8**	**2,716.5**

Scope 1 breakdown in 2024 (tCO_2-e)	
Stationary combustion (standby genset fuel)	0.7
Mobile source (from BPMB's vehicles)	41.2
Total	**41.9**

The transition to our new corporate headquarters[11], a green building office tower marks a significant step in BPMB's drive towards improved energy efficiency and sustainability performance. The building's green design and advanced energy-efficient features enable better monitoring and optimisation of energy consumption, further supporting our long-term emissions reduction efforts.

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[9] *All our carbon emission data follow the methodologies in accordance with the GHG Protocol Corporate Accounting and Reporting Standard using the operational control consolidation approach. Gases included are CO_2, CH_4 and N_2O. Scope 1 and Scope 3 emissions factors are sourced from the GHG Conversion Factors for Company Reporting version 2.0 (2023), published by the UK Department for Environment, Food and Rural Affairs (DEFRA).*

[10] *Scope 2 emissions factors for electricity grids in Malaysia are sourced from the Grid Emission Factor (GEF) published on MyEnergyStats, an online portal managed by the Energy Commission of Malaysia.*

[11] *BPMB's office was located at Menara Wawasan until mid-2024 before relocating to Menara Bank Pembangunan as our new headquarters in July 2024.*

Beyond our direct and indirect emissions, we have expanded our reporting scope to include Scope 3 emissions. For the reporting year, total Scope 3 emissions amounted to **167.6 tCO_2-e**, as detailed in the table below.

Scope 3 breakdown in 2024 (tCO_2-e)	
Business travel (by air)	160.5
Water supply	3.2
Water treatment	3.9
Total	**167.6**

Building Internal Capacity for Climate Action

At BPMB, we recognise that building internal expertise is key to driving meaningful climate action. In 2024, we expanded our climate-related training efforts to equip employees with the knowledge and skills needed to navigate evolving sustainability expectations. A total of **29** in-house and external training sessions were attended by over **400** BPMB employees across Business and Support Functions, reinforcing awareness of CR&Os. These sessions introduced Business Functions to key assessment tools aligned with BNM CCPT requirements and the SDGs, supporting more informed decision-making.

To further embed sustainability into our corporate culture, we encourage employees to pursue climate-related certifications, enhancing technical expertise and industry knowledge. Incentives were introduced for employees to pursue accredited professional certifications to ensure capacity building opportunities are offered equally to all personnel. Moving forward, our climate training initiatives will continue to evolve, with refresher programmes planned to keep employees updated on the latest sustainability standards, regulatory developments and best practices.

The table below highlights selected key climate-related capacity-building opportunities conducted in 2024:

Category	Focus Area	Target Audience
Climate governance and risk management	· Impact assessment · CCPT · CRMSA	RMs from BPMB's business functions, including our subsidiaries
Climate leadership and industry engagement	· Financial industry trends · Collaborative strategies	Senior management
Climate awareness by industry peers and regulators	· Standards and certifications · Green building practices · Climate change · Climate metrics and targets · Impact measurement · Sustainable finance simulation	BPMB's employees
Upskilling on climate skills through certification	· GHG emissions identification, calculation, assessment and verification	RMs and business functions

Moving Forward: Strengthening BPMB's Climate Action

As we continue to strengthen our role in sustainable finance, we remain committed to mitigating climate risks and leveraging opportunities to support Malaysia's transition to a low-carbon economy. Through our MIND Assessment Framework, we will continue to drive climate action by integrating sustainability into financing decisions, fostering industry collaboration and building internal and external capacity.

Our 2025 – 2026 climate action focuses on key initiatives that strengthen BPMB's ability to assess, manage and support sustainable financing and transition efforts. These efforts align with regulatory expectations and global best practices, ensuring a structured approach towards responsible financing. These include:

Enhancing climate risk preparedness by participating in BNM's CRST and strengthening resilience assessment frameworks.

Advancing emissions tracking and transparency by leveraging Partnership for Carbon Accounting Financials (PCAF) methodologies for Scope 3 financed emissions measurement.

Supporting industry transition through sector position papers that assess climate risks, regulatory trends and business opportunities.

Developing a credible Sustainable and Transition Finance Framework, ensuring financing decisions align with Malaysia's low-carbon aspirations.

Fostering climate finance innovation through CFIL, accelerating the development of innovative green financing solutions.

Managing Our Environmental Footprint

We are committed to managing our operations sustainably by minimising our environmental footprint. We focus on using resources efficiently, implementing measures to reduce energy and water consumption and promoting waste reduction through reuse, recovery and recycling wherever possible.

Energy

Effective energy management is a key component of our commitment to sustainability and operational efficiency. In 2024, we embarked on our energy management journey by establishing and implementing an Energy Management System (EnMS) to systematically manage energy consumption. This initiative aims to reduce energy use and minimise our environmental footprint by reducing carbon emissions, contributing to the broader effort of combating climate change.

Energy Management System Overview

Policy and Commitment

Established an Energy Management Policy, ensuring commitment from senior management towards energy efficiency objectives.

Operational Controls

Implementation of energy-saving measures in daily operations.

Monitoring and Tracking

Systematic measurement of energy consumption across BPMB.

Training and Awareness

Employee engagement programmes to promote responsible energy use.

Continuous Improvement

Development of energy performance enhancement plans.

The Energy Management Committee (EMC) plays a pivotal role in the successful execution of BPMB's EnMS. The EMC is chaired by the Managing Director, Group Operations, with the Property Management and Services (PMS) Department serving as the Secretariat. The EMC comprises representatives from various business segments within BPMB and convenes quarterly to review performance and identify areas for improvement. The EMC provides updates on BPMB's energy management performance to the management annually or as required.

To further enhance tracking and control energy consumption, BPMB has established **13** Energy Accounting Centres (EACs) across the Bank. Each EAC functions as a dedicated monitoring unit, allowing energy consumption to be closely measured, tracked and managed. These centres allow for a detailed examination of energy usage by dividing the Bank's energy consumption into specific operational sections, which ensures accurate data collection and analysis. This organised method facilitates targeted interventions to optimise energy efficiency, identify inefficiencies and effectively implement energy-saving initiatives.

Energy consumption breakdown in 2024 (GJ)	
Fuel consumption from non-renewable sources	11.3
Electricity consumption from non-renewable sources[12]	10,046.3
Total energy consumption	**10,057.6**

Energy Management Programmes

Energy efficiency remains a key pillar of our sustainability commitment as we continuously seek ways to optimise energy consumption across our operations. In 2024, we took proactive steps to optimise energy consumption through monitoring, awareness campaigns and system enhancements. Throughout the year, BPMB implemented targeted initiatives to improve energy efficiency and instil a culture of responsible energy use.

Key energy efficiency initiatives in 2024

Category	Initiatives
Operational Efficiency	· **Quarterly energy walk:** Regular inspections to identify and rectify energy inefficiencies · **Fine-tuning of photocell sensors:** Optimising daylight sensors to accurately adjust office lightings based on availability of natural light · **Fine-tuning of air conditioning setpoints:** Optimising temperature settings for better energy efficiency while maintaining comfort
Infrastructure Enhancements	· **Lighting upgrades to light-emitting diode (LED):** Transitioning to LED lighting across office premises to reduce energy consumption · **Purchase of electrical appliances with 5-star energy efficiency rating:** Ensuring all newly procured appliances meet the highest energy efficiency standards
Staff Awareness and Engagement	· **Energy-saving campaign:** Disseminating energy-saving messages through on-site visual materials and digital communications to encourage responsible consumption

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[12] *Total data consolidated are from Menara Wawasan (from January 2024 to December 2024) and Menara Bank Pembangunan (from July 2024 to December 2024).*

As we advance our energy management agenda in 2025, BPMB will strengthen energy efficiency through automation, governance improvements and driving greater awareness. Training programmes will be arranged for the operations and maintenance team and the EMC to enhance their technical knowledge and expertise in energy management, in ensuring successful implementation of the energy management system. Automated lighting controls will be introduced on set schedules to minimise energy waste.

To embed sustainability in corporate culture, BPMB plans to establish an Energy Management Working Procedure, providing a structured framework for conservation efforts. Participation in Earth Hour will further reinforce BPMB's commitment to global climate action by encouraging employees and stakeholders to reduce non-essential energy use. Additionally, Sustainability Month will serve as a platform for promoting energy conservation and environmental responsibility through workshops, interactive activities and employee engagement.

Waste and Resource Management

We recognise the importance of responsible waste management in minimising our environmental footprint and contributing to a more sustainable future. As part of our commitment to sustainability, we have implemented various initiatives to reduce waste generation, promote recycling and enhance overall waste management across our operations and value chain.

To encourage responsible waste practices, we have established waste reduction programmes across the Bank. These initiatives include:

Recycling Stations	**Education and Awareness**	**Encouraging Reusable Food Containers**
Strategically placed at key office locations, these stations facilitate the proper collection and processing of recyclable materials such as paper, cans, glass and plastic.	Posters are displayed in common areas to educate employees on proper waste segregation and disposal practices, fostering a culture of environmental responsibility.	Employees are provided with reusable food containers and coffee cups to minimise single-use packaging waste, reducing dependency on disposable food packaging and contributing to overall waste reduction.

To ensure efficient waste management, we have put in place structured processes to track and monitor waste-related data. These measures include:

Segregation at Source	Waste is categorised and separated at the point of generation using standardised waste classifications, such as recyclable and general waste. This segregation helps optimise waste recovery and recycling efforts.
Weighing and Recording	All waste is measured and the data is systematically recorded. This enables us to track waste generation trends and evaluate the effectiveness of our waste reduction initiatives.
Documentation and Reporting	Proper documentation of waste data is maintained to support internal monitoring and reporting. This allows us to assess our performance, set realistic waste reduction targets and enhance transparency in our sustainability efforts.

Waste diverted from disposal by waste category in 2024	Metric Tonnes
Papers and cardboards	15.7
Metals	0.6
Plastics	0.02
Scheduled waste [13]	1.1
Total	**17.4**

The Bank is making progress in improving its data on waste and resource management. By gaining insights into consumption trends and refining our data collection process, we are exploring the implementation of strategic initiatives to manage our environmental impact.

Sustainable and Responsible Sourcing

Sustainable Procurement

BPMB is focused on promoting sustainable procurement practices that support our long-term vision of responsible business operations. In 2024, we strengthened our Procurement Policy and Procedures to reiterate BPMB's commitment to ensuring that all vendors dealing with BPMB adhere to environmental, social and governance practices. This enhancement demonstrates the Bank's commitment to transparency, fairness and value enhancement, ensuring that all procurement activities are conducted with integrity, compliance and accountability.

Responsible Sourcing

Supporting our sustainable procurement efforts, we successfully implemented a fully deployed e-Procurement system on 29 March 2024. This milestone strengthens governance by streamlining procurement processes, enhancing transparency and ensuring compliance with internal policies and regulatory requirements. The system also facilitates data-driven decision-making, improving the efficiency of tendering and payment processes while enabling comprehensive tracking and monitoring of procurement activities.

Aligned with our mandate as a DFI, BPMB continues to prioritise local suppliers as part of our commitment to strengthening domestic supply chains and supporting national economic development. In 2024, a significant proportion of our procurement expenditure was directed to local and Bumiputera-owned businesses, underscoring our commitment to inclusive economic participation and ensuring that our procurement strategy contributes meaningfully to Malaysia's socio-economic progress. This also helps ensure that our suppliers adhere to responsible sourcing standards, aligning with BPMB's broader sustainability objectives.

Vendor Code of Conduct and Ethical Procurement Practice

A cornerstone of our sustainable procurement framework is our comprehensive **Vendor Code of Conduct**, which outlines the standards and expectations for all vendors, including suppliers, service providers, agents and subcontractors engaged in business with BPMB. This Code requires that all vendors adhere to lawful, ethical and professional business practices, with strict guidelines covering:

- **Conflict of interest prevention**
- **Anti-bribery and corruption measures**
- **Confidentiality and data protection, including compliance with the Personal Data Protection Act 2010**
- **Health, safety and environmental standards**

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[13] *Scheduled waste data are from fluorescent tubes and e-waste.*

To uphold integrity in procurement practice, BPMB embeds strong anti-corruption measures within our procurement policies, guided by the T.R.U.S.T. principles under the Guidelines for Adequate Procedures (Section 17A, MACC Act). These principles reinforce transparency, risk management and due diligence across all supplier engagements, ensuring ethical and responsible business conduct and responsible sourcing practice.

Further details on BPMB's broader ethical and governance commitment can be found in the **Business Ethics and Integrity** section on page 49.

Data Security and Privacy

Data security and privacy are integral to BPMB's digital transformation and sustainability agenda. We have established a robust, risk-based Technology Risk Management Policy that defines our responsibilities and requirements for planning, managing and safeguarding our IT environment. This Policy incorporates both preventive and detective measures to mitigate risks associated with our IT systems and environment. It applies to all employees, Board members and IT service providers with endorsement from our Board of Directors.

To support our operational resilience and sustainable growth, BPMB continuously enhances the technology and cybersecurity framework through advanced technology and security controls and regular risk assessments. All policies and frameworks are routinely reviewed and updated to ensure ongoing compliance with relevant regulatory, laws and industry standards, with key developments reported to senior management and the Board.

In alignment with our commitment to data protection and compliance with the Personal Data Protection Act 2010, BPMB upholds the highest standards of privacy for all personal data collected from customers and stakeholders. The **Privacy Notice** governs the collection, use and disclosure of Personal Data by BPMB and its subsidiaries, ensuring that all data is processed for legitimate business purposes.

Business Ethics and Integrity

At BPMB, we take immense pride in our core values, CREATE: **C**ourage, **RE**spect, **A**gility, Shared **T**rust and **E**mpathy, which shape our identity and guide our operations. Central to these values is a steadfast culture of robust business ethics and compliance that is consistently applied across the Bank.

Courage	Respect	Agility	Shared Trust	Empathy
C	RE	A	T	E
We say what needs to be said (bold, empowered) and step up to address difficult issues (integrity).	We treat everyone with courtesy, care and compassion.	We are savvy, quick and resilient to continually innovate and deliver impactful results collaboratively.	We trust each other and create credible partnership.	We treat our people and customers with respect, compassion and collaboration.

Group Policies and Guidelines on Business Ethics

BPMB is steadfast in our commitment to conducting business with the highest standards of integrity and transparency. We uphold a zero-tolerance policy towards bribery and corruption in all our daily operations, strictly adhering to the applicable laws and guidelines, including those set by the Malaysian Anti-Corruption Commission (MACC).

To ensure exemplary ethical conduct across the Bank, we have implemented comprehensive ethics-related policies and due diligence measures. Approved by our Board of Directors and applied Group-wide, these policies include our Anti-Bribery and Corruption Policy, which comprises the **No Gift Policy** and the **Anti-Bribery and Corruption Policy Statement**. In addition, we have adopted the **Corporate Integrity Pledge** *"Ikrar Bebas Rasuah"*, **Whistleblowing Policy** and **Treat Customers Fairly Charter**, all of which promote accountability and robust corporate governance. Read more about our ethics-related policies on our **corporate website**.

Embedding Ethical Conduct: Communication and Training on BPMB's Corporate Policies

We recognise that cultivating a culture of compliance and integrity requires continuous engagement, structured training and strong leadership. In 2024, we introduced a series of initiatives to enhance awareness and understanding of our corporate policies, ensuring alignment with best practices in governance and risk management. Key initiatives in 2024 includes:

Strengthening Internal Controls and Compliance Frameworks	· Established a Centralised Customer Due Diligence Team to strengthen due diligence practices · Implemented a Management of Conflict of Interest Framework, outlining governance protocols for identifying, managing and reporting actual, potential, or perceived conflicts of interest. This framework also covers Chinese Walls and Personal Account Dealings · Enhanced compliance awareness through Onboarding and E-Learning Modules and targeted internal training sessions
Capacity Building and Certification Programmes	· Partnered with the International Compliance Association to provide certification programmes for AML/CFT officers and front-line staff handling customer due diligence · Recertified ISO 37001:2016 Anti-Bribery Management System by SIRIM
Integrity-driven Partnerships and Engagements	· BPMB became the first financial institution to spearhead *Kem Angkatan Mahasiswa Antirasuah* (AMAR), a youth anti-corruption movement, in collaboration with MACC · Study visit to MACC for the First Line of Defense (employees from Corporate and Investment Banking) and newly appointed Designated Compliance Officers (DCOs) · Periodic engagement sessions with DCOs, including the DCO Retreat 2024 under the theme "Ethical Excellence", reinforcing their role as integrity champions · Co-organised the Integrity and Internal Control Excellence Day with Group Internal Audit and Group Risk. This event featured BPMB's Group CEO, leading the recitation of the Corruption-Free Pledge, witnessed by the Deputy Commissioner of MACC
Recognition for Ethical Leadership	· Winner of the Corporate Governance Category at the ADFIAP Awards 2024 in Cambodia


Kem Angkatan Mahasiswa Antirasuah (AMAR)


Integrity and Internal Control Excellence Day

For more information on these initiatives, please refer to the Risk Management section on our **AIR2024**.

Raising and Reporting Concerns

In line with our unwavering commitment to the highest standards of ethics, integrity, accountability and legal conduct, we have established a comprehensive **Whistleblowing Policy** and procedure. As part of our **Corporate Integrity Pledge** and adherence to Malaysia's Anti-Corruption Principles, this Policy reinforces our dedication to transparency and robust corporate governance.

The Policy provides a secure and confidential framework for both internal and external stakeholders, including Directors, senior management, employees, customers, agents, consultants and public or government officials, to report concerns regarding illegal, unethical, or questionable practices. In doing so, it covers a broad spectrum of issues, ranging from corruption, bribery, fraud and embezzlement to harassment, abuse of power and other conduct that may expose the Bank to reputational risks.

Reporting and Whistleblowing Mechanism

BPMB is committed to fostering a speak-up culture by providing employees and external stakeholders with secure, independent and confidential whistleblowing channels to report any concerns related to misconduct, unethical behaviour, or regulatory breaches.

The whistleblowing mechanism comprises two distinct channels (i) internal reporting channel for direct submissions within the Group, and (ii) an independent external channel managed by Deloitte through the Deloitte Halo platform, which is dedicated solely to the Group's employees. This initiative aims to enhance accessibility and efficiency by providing a more user-friendly, and secure alternative reporting mechanism.

All whistleblowing reports are escalated to the designated internal and independent parties for impartial review and appropriate action.

Upon receiving a disclosure made in good faith, the Policy ensures that all concerns are independently and objectively investigated, with appropriate follow-up actions implemented. It also accommodates varying levels of anonymity, thereby empowering individuals to report issues in a manner that best suits their comfort and need for confidentiality. Furthermore, alternative avenues are available for whistleblowers to report concerns to the relevant enforcement authorities, ensuring that no valid issue goes unaddressed. During the past three years, we have no confirmed incidents of corruption.

Read more on BPMB Whistleblowing Policy and mechanism in our **AIR2024**.

Social Responsibility as a National Development Partner

Corporate Social Responsibilities (CSR)

Our CSR strategy is well structured, data driven and aligned with the UN SDGs, reinforcing our role as a DFI in promoting inclusive growth and sustainable development nationwide. Our CSR initiatives are anchored on four key pillars:

1 **Community Development**

Enhancing social well-being and uplifting underserved communities.

2 **Financial Literacy**

Providing individuals and businesses with essential financial knowledge.

3 **Environment**

Promoting sustainable practices and environmental responsibility.

4 **Women Empowerment**

Creating opportunities and advocating for gender equality in economic and leadership roles.

In 2024, we contributed over **RM400,000** to **22** CSR programmes, benefiting **2,717** individuals. Our support focused on education access, food security, healthcare, cultural preservation and financial empowerment, reinforcing our long-term commitment to national development and community well-being.

To further strengthen our impact, our employees dedicated a total of **30,560** volunteering hours in 2024, actively participating in outreach efforts such as financial literacy workshops, environmental education and social inclusion activities. This forms part of our broader aspiration to achieve 50,000 employee volunteer hours by 2030, embedding a culture of purpose-led service within the organisation. As part of our ongoing efforts, we will continue to refine our CSR approach and explore potential collaborations that support this long-term goal.

2024 CSR Programmes

Pillars	Key Programmes	Total Contribution	Beneficiaries
Community Development	· Hari Raya and festive outreach to underprivileged groups · Food security programmes in urban and rural areas · Support for indigenous education and disaster relief · Local healthcare and cultural preservation initiatives	RM324,440	2,550
Financial Literacy	· Youth Financial Literacy Empowerment Programme for secondary school children	RM16,500	62
Environmental	· Oratory Competition on sustainability and environmental matters · Environmental Awareness for the youth	RM52,160	75
Women Empowerment	· Financial literacy and entrepreneurship workshops for women entrepreneurs (in partnership with **Women of Will**)	RM9,000	30
Total		**RM402,100**	**2,717**

Our Achievements

BPMB's role in advancing programmes that uplift communities and promote long-term sustainability earned notable accolades in 2024, reflecting the Bank's growing impact beyond finance.

Bank of the Year Award (Development Bank)

CSR and Sustainability Award 2024 by CSR Malaysia

Recognised for over **40** initiatives led by our CSR unit and Amanah Lestari Alam (ALAM), focused on community development and education.

Malaysia's Company of the Year Award (Banking)

Top Asia Corporate Ball 2024 by RHA Media

Acknowledged as one of Malaysia's top **10** companies for demonstrating leadership in CSR, sustainability and ESG.

Zakat Contributions: Advancing Sustainability through Islamic Social Finance

In 2024, BPMB reaffirmed its commitment to societal obligations by contributing **RM10.5 million** in business zakat, guided by ethical values and Islamic financial principles. The zakat was managed by the Zakat Management Unit under Group Shariah Management and distributed in accordance with Shariah principles, ensuring structured governance and impactful outcomes.

The zakat distribution was carried out in accordance with BPMB's Policy on Business Zakat under the oversight of the Shariah Committee, which reviewed and approved both the allocation and distribution amount, while the Board of Directors provided the strategic oversight by approving the total business zakat to be paid by the BPMB Group. Through this structured and transparent approach, BPMB continues to support inclusive and sustainable development in line with Islamic social finance values.

These contributions were primarily allocated to the asnaf Fakir and Miskin through two main distribution approaches such as self-distribution by BPMB and allocations to state zakat authorities. A total of **RM6.5 million** was channelled to **14** state zakat authorities to support localised distribution efforts in line with their respective regional priorities. The remaining **RM4.0 million** were distributed through self-distribution and utilised across three key pillars: 1) Education, 2) Healthcare and 3) Basic Needs through targeted initiatives aimed at enhancing the quality of life for underprivileged communities by addressing immediate necessities while also supporting long-term development.

To enhance the impact and accountability of zakat distribution, BPMB introduced the MIND Zakat parameter, an innovative tool used to measure and assess the impacts of zakat-funded initiatives. This tool is applied at both the pre-and post-funding stages to ensure effective planning and measurable results. MIND Zakat not only integrates sustainability principles but also aligns with the strategic priorities of both the Nation and BPMB, while taking into account key socio-economic factors.

In 2024, BPMB's zakat initiatives were strategically aligned with the SDGs, focusing on long-term value creation for underprivileged communities. Through targeted programmes in Education, Healthcare and Basic Needs, BPMB supported over **4,700** beneficiaries, contributing to goals such as SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 3: Good Health and Well-being, SDG 4: Quality Education, SDG 6: Clean Water and Sanitation and SDG 10: Reduced Inequalities.

Back-to-School Programme for asnaf students

Clean water access in Kampung Luar, Kedah

2024 Zakat Contribution

Pillar	Key Programmes	Impact	SDG Alignment	Total Contribution	Total Beneficiaries
Education					
BPMB's largest zakat allocation supported educational empowerment for asnaf students, helping to break the cycle of poverty through access to quality learning and professional development.	• **Back-to-School Programme:** Provided school essentials to **1,722** asnaf students in partnership with *Pertubuhan Hati Suci* • **BPMB Undergraduate Zakat Scholarship Award:** Full scholarships for **50** asnaf students at local public universities • **Professional certification support:** Sponsored three students for FIA-ACCA qualifications with the Malaysia Professional Accountancy Centre • **Religious education access:** Funded operational costs for *Kelas Fardhu Ain* and Al-Quran for **662** students in Sabah, in collaboration with *Pertubuhan Kecemerlangan Pendidikan Ummah*	Improved access to education, increased future employability and strengthened community resilience.	1 NO POVERTY 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES	RM3,603,097	2,437
Healthcare					
BPMB supported healthcare access and medical education through zakat contributions.	• **Dental education support:** Donated four new dental simulators to Universiti Teknologi MARA to enhance teaching and learning for future dental professionals	Improved quality of healthcare training and long-term benefits for public health services.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION	RM413,300	288
Basic Needs					
BPMB addressed essential living conditions and emergency relief for vulnerable communities.	• **Clean water access:** Constructed a water catchment and piping system for **1,400** individuals (**258** families) in rural Kedah with Muslim Care Malaysia Society • **Food security:** Distributed food baskets to **160** asnaf families in Johor under the ALAM Be-Leaf Programme • **Disaster relief:** Provided post-flood assistance to **300** families in Kelantan in collaboration with Yayasan Food Bank Malaysia	Enhanced living conditions, improved health outcomes and strengthened community resilience to environmental challenges.	1 NO POVERTY 2 ZERO HUNGER 6 CLEAN WATER AND SANITATION 11 SUSTAINABLE CITIES AND COMMUNITIES	RM297,254	2,060

Scholarships and MySTEP Programmes

Since 1981, BPMB has been committed to developing exceptional Malaysian talent. Through its scholarship and youth employment initiatives, BPMB continues to invest in future leaders who will contribute meaningfully to national progress.

The BPMB's flagship initiative, the Bank Pembangunan Undergraduate Scholarship Award (BAGUS) reflects this commitment by offering more than just financial support. BAGUS is a comprehensive programme designed to equip scholars with critical skills, networking opportunities and real-world exposure.

In 2024, BPMB awarded a total of **66** scholarships to students across key fields such as accounting, finance, actuarial science, economics, mathematics, information technology, law and engineering. These includes **16** scholarships funded by the Bank and **50** supported through zakat contributions.

16 Students

under the BPMB Award of Group's Undergraduate Scholarship

50 Students

under zakat in collaboration with Group Shariah Management Department

BPMB's comprehensive scholarship covers tuition fees, living and book allowance, computer support, air travel and a structured summer internship. In 2024, BPMB has invested over **RM4.0 million** to sponsor in its scholars, reaffirming its commitment to national socio-economic progress through the development of high-potential future leaders.

BPMB also supports the Malaysia Short-Term Employment Programme (MySTEP), providing graduates with structured job opportunities. Participants in MySTEP gain practical skills and competencies through training and mentorship, further enhancing their employability in Malaysia's economy. In 2024, BPMB welcomed **33** MySTEP participants, offering them structured job placements with tailored training and mentorship to enhance their employability.

Looking ahead, BPMB targets to sponsor **500** young Malaysian talents under the BAGUS and MySTEP programmes by 2030. This forms a key pillar of our long-term human capital development strategy, reinforcing our role as a development financial institution committed to building a skilled and future-ready workforce.

AMANAH LESTARI ALAM

Amanah Lestari Alam (ALAM) is a tax-exempt nature trust, established in 2020 as a national environmental initiative under the Ministry of Finance and spearheaded by BPMB as the founding guarantor. Incorporated as a company limited by guarantee (CLBG), ALAM operates as a legally distinct, not-for-profit entity aligned with the 12MP, specifically Theme 3: Advancing Sustainability, Strategy C3: "Instilling a Sense of Ownership and Shared Responsibility".

Functioning at the intersection of policy, community and environmental action, ALAM complements BPMB's institutional sustainability agenda by advancing public environmental literacy, inclusive development and ESG capacity building. Its core mission is to foster behavioural change and catalyse systemic, community-driven solutions that support Malaysia's broader climate and biodiversity ambitions.

Since it started operations in 2022, ALAM has engaged over **1.8 million** individuals through various platforms and programmes, including social media and mobilised approximately **RM14.7 million** in project value. Its strategic partnerships span across government, civil society, multilateral organisations, academia and the private sector. More about ALAM's mission and governance can be found at **https://alam.earth/**

ALAM at a Glance

15 programmes delivered in 2024

>RM0.7 million mobilised in funds, benefiting **20,701** individuals

>RM14.7 million in total project value since its inception in 2022

>1.8 million individuals reached nationwide since 2022

Key SDG Areas

4 QUALITY EDUCATION

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

ALAM's Strategic Focus Areas

In delivering its mandate under the 12MP, ALAM's programmes in 2024 were structured across three strategic focus areas:

1

Public education and advocacy

This area strengthens environmental education and national climate discourse through campaigns, Responsibility multi-stakeholder dialogues and international platforms. It aims to foster public literacy, advocate policies and mindset shifts on sustainability issues.

2

Grants for research, education, conservation and rehabilitation

Through targeted support for education and conservation, ALAM empowers marginalised communities, promotes ecosystem resilience and help embed sustainability principles in policy and practice.

3

Youth capacity building and empowerment

ALAM positions youth as active agents of change by equipping them with leadership skills, resources and platforms to drive environmental solutions within their communities.

Focus Area 1: Public Education and Advocacy

Programmes	Our Impact[14]	SDG Indicators Aligned
1. ***Merubah Minda* Series** ALAM delivered **10** thought leadership sessions in collaboration with **13** strategic partners, reaching over **1,100** participants from corporate, academic and public sectors. The series addressed key themes including climate finance, biodiversity and indigenous knowledge, driving policy conversations and promoting sustainable thinking through cross-sector dialogue.	Total fund: **RM61,030** Total beneficiaries: **11, 119**	Goal 4.7 Goal 12.6 Goal 12.8 Goal 13.3 Goal 13.b Goal 14.1 Goal 14.2 Goal 15.2 Goal 17.14 Goal 17.16 Goal 17.17
2. **ALAM Instagram Challenge** This social media-based contest engaged nearly **100** participants and reached over **63,000** users through **125** creative submissions. The challenge promoted sustainable living, particularly among youth, by encouraging waste reduction, conscious consumption and everyday environmental action in conjunction with global ESG awareness days.		
3. **National Climate Governance Summit 2024 and Institution of Higher Learning (IPT) Engagement** As a University Strategic Partner, ALAM co-organised the National Climate Governance Summit with Climate Governance Malaysia and extended its reach through **11** IPT satellite events. The initiative engaged more than **3,800** participants, including over **1,000** students and lecturers, strengthening climate leadership among both corporate and academic audiences.		
4. **Malaysia SDG Summit 2024** ALAM supported the national SDG Summit organised by the Ministry of Economy and partners, contributing as a panellist and content partner. The summit engaged nearly **6,000** participants through high-level discussions and thematic showcases, with ALAM highlighting the integration of Education for Sustainable Development (ESD) in national education and climate agendas.		
5. **Climate Change Forum – Path to COP29** In collaboration with NRES, Malaysian Green Technology and Climate Change (MGTC) and BPMB, ALAM co-organised the national forum that shaped Malaysia's narrative for COP29 and supported the launch of Climate Change Policy 2.0. ALAM contributed to content development and participated in a panel discussion on community resilience, engaging over **150** stakeholders across sectors.		
6. **13MP Technical Working Group (TWG) and Inter-Agency Planning Group (IAPG) Participation** ALAM participated in the Technical Working Group and Inter-Agency Planning Group led by the Ministry of Economy for the formulation of the 13MP. ALAM contributed policy input on ESD and sustainability, with its recommendations adopted into the preliminary national plan.		

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[14] *All financial impact figures in this report reflect Direct Programme-Driven Capital Mobilisation (PDCM) i.e., funds and in-kind resources mobilised through ALAM-initiated or facilitated programmes. These include direct contributions from partners, grants and volunteer value equivalents and do not follow formal international valuation standards. This method is intentionally adopted to maintain transparency, relevance and context-appropriateness in reflecting ALAM's grassroots and strategic influence.*

Focus Area 1: Public Education and Advocacy (cont'd.)

Programmes
7. UN Convention on Biological Diversity (CBD) COP16 Participation As part of Malaysia's delegation, ALAM participated in four expert panels at the UN CBD COP16, Cali, Colombia, alongside NRES. The sessions highlighted Malaysia's climate-biodiversity linkages and advanced ALAM's collaboration on global biodiversity conservation platforms.
8. UN Framework Convention on Climate Change, COP29 At COP29 in Baku, ALAM curated and led five sessions at the Malaysia Pavilion, spotlighting grassroots climate education, community resilience and sustainable palm oil practices. ALAM's CEO and Trustee served as speakers, reinforcing the Bank's and ALAM's roles in shaping Malaysia's global climate positioning.

Focus Area 2: Grants – Research, Education, Conservation and Rehabilitation

Programmes	Our Impact[14]	SDG Indicators Aligned
1. ESD Advocacy and Stakeholder Engagement ALAM collaborated with the Ministry of Education (MOE) and key partners to advance ESD and Global Citizenship Education (GCED) at the policy level. As one of six appointed organisations, ALAM supported the formation of the MOE ESD Strategic Alliance and contributed to curriculum reform proposals and the development of a national ESD Action Plan for 2026–2035. **2. Indigenous Women Empowerment and Children Early Education (*Rumah Baca* Programme)** In partnership with the Perak State Parks Corporation, ALAM expanded its community education initiative from one to four *Rumah Baca* centres in Royal Belum. The programme benefited **475** indigenous children and families, with over **20** children registered into formal schooling. It also supported Indigenous women as community educators, integrating literacy, environmental awareness and inclusion in one of Malaysia's most critical ecological landscapes. 	Total fund: **RM117,447** Total beneficiaries: **475**	Goal 4.2 Goal 4.4 Goal 4.6 Goal 4.7 Goal 12.8 Goal 13.b Goal 13.3 Goal 15.9 Goal 17.17

Focus Area 3: Youth Capacity Building and Empowerment

Programmes	Our Impact[14]	SDG Indicators Aligned
1. ALAM Be-Leaf Programme Through nationwide greening efforts, ALAM mobilised nearly **600** youth participants across Selangor, Terengganu, Johor and Kedah to plant **1,750** trees and collect over **600 kg** of waste. As a recognised delivery partner under the Ministry of Youth and Sports (KBS)' *Rakan Muda – Rakan Bumi* initiative and through collaboration with both the NRES and KBS, the programme which aligns with the Malaysian Greening Programme: 100 Million Tree Planting Campaign, strengthened environmental ownership and sustainable habits among young Malaysians. **2. Youth Environment Living Labs (YELL)** ALAM co-funds a matching grant mechanism with UNDP, supporting **12** youth-led environmental projects across Malaysia. In 2024, with the European Union and OSK Foundation joining as partners, the total pooled fund exceeded **RM8.0 million**. The programme directly engaged over **3,200** young people, produced **165** media outputs, and reached nearly one million individuals. YELL fostered youth leadership and innovation in localised climate action and advocacy. **3. National Young Reporter for the Environment (NYRE) 2024** In collaboration with the Green Growth Asia Foundation, ALAM supported this environmental journalism initiative involving nearly **2,000** students from **146** institutions. The programme enhanced youth capacity in environmental storytelling through workshops and competitions, generating over **690** submissions across writing, photography and videography categories. **4. Global Indigenous Youth Summit for Climate Change (GIYSCC) 2024** As one of Asia's Co-Leads, ALAM curated regional sessions for the virtual summit and hosted a national hub featuring youth leaders for, by and among indigenous peoples from Malaysia, Fiji, Timor-Leste and beyond. The event attracted over **800** participants globally and showcased cross-border Indigenous youth collaboration in addressing the climate crisis. **5. Capacity Building Workshop for Science, Technology, Engineering and Mathematics (STEM)** In partnership with Eco-Schools Malaysia and international collaborators, ALAM delivered a climate education workshop to over **40** STEM teachers and education officials from **11** states. The programme is expected to benefit over **2,400** students directly and nearly **5,000** more through classroom application annually.	Total fund: **RM601,368** Total beneficiaries: **9,107**	Goal 4.3 Goal 4.4 Goal 4.7 Goal 11.4 Goal 12.8 Goal 13.2 Goal 13.3 Goal 13.b Goal 14.2 Goal 14.5 Goal 15.1 Goal 15.2 Goal 15.5 Goal 15.9 Goal 17.16 Goal 17.17

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[14] *All financial impact figures in this report reflect Direct PDCM i.e., funds and in-kind resources mobilised through ALAM-initiated or facilitated programmes. These include direct contributions from partners, grants and volunteer value equivalents and do not follow formal international valuation standards. This method is intentionally adopted to maintain transparency, relevance and context-appropriateness in reflecting ALAM's grassroots and strategic influence.*

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Voice from the Ground

At the heart of ALAM's mission is a belief in shared responsibility and inclusive transformation. From grassroots educators to Indigenous leaders and youth changemakers, these voices reflect the real-world impact of ALAM's work and the enduring partnerships that support it. Their stories highlight how collective action built on trust, empowerment and shared purpose can drive meaningful change for people and the planet.

"Mangroves play a crucial role in our ecosystems, and initiatives like ALAM Be-Leaf Programme are vital in addressing climate change and fostering environmental awareness among our youth."

- YB Nik Nazmi Nik Ahmad, Former Minister, Ministry of Natural Resources and Environmental Sustainability[15]

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[15] Bank Pembangunan Malaysia Berhad, "Amanah Lestari Alam Successfully Launches Alam Be-leaf Programme 2024 with Mangrove Planting in Klang,", May 12, 2024.

"Youth are the cornerstone of Malaysia's future. It's crucial that we engage them in projects like these to not only foster environmental stewardship but also to ensure they play an active role in shaping our nation's trajectory."

- YB Hannah Yeoh, Minister, Ministry of Youth and Sports[15]

"Consistent with the concept of MADANI, ESD emphasizes ethical values and mindsets, and a sense of responsibility, to guide young people to relate what and how they learn to how they can make a difference in their communities, environments and the world."

- YB Fadhlina Sidek, Minister, Ministry of Education[16]

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[15] Bank Pembangunan Malaysia Berhad, "Amanah Lestari Alam Successfully Launches Alam Be-leaf Programme 2024 with Mangrove Planting in Klang,", May 12, 2024.

[16] Sustainable Development Solution Network, "The Jeffrey Cheah Foundation Launches a Nation-wide Scale-up of Education for Sustainable Development Training for Malaysian Teachers," July 3, 2024.

> "Our journey with ALAM began when they believed in us turning a youth-led mangrove project into a growing movement rooted in trust and shared purpose. With their support, we've mobilised thousands of volunteers, trained citizen scientists, and connected local voices to global climate platforms, proving that youth are not just participants but true partners in change."
>
> **- Luqman Hakim Md Zim, President of Kelab Belia Prihatin Malaysia**

> "I've always loved working with children and being a teacher at *Rumah Baca* ALAM fills me with pride. It brings me so much joy to guide them and see their eyes light up as they learn. Here, they're not just playing, they're growing, learning and building the foundation for a better future. Knowing that I can be part of their journey makes every moment truly meaningful."
>
> **- Rita from Suku Kaum Jahai, Teacher at Rumah Baca ALAM**

> "For 40 years, ESD has been at the heart of my work as a science educator and teacher trainer. While educators and NGOs have worked to integrate it into schools, national initiatives remain limited. In 2021, ALAM invited my team and me to research into ESD's status, sparking a journey toward a long-held dream—the possibility of transformation in our educational ecosystem. Thank you, ALAM, for igniting this hope."
>
> **- Prof. Dr Esther Daniel, Universiti Malaya**

> "The YELL programme has shown what's possible when strong commitment meets shared purpose. What began as a strategic partnership has evolved into a vibrant ecosystem, bringing in more partners, resources and youth leaders across Malaysia. ALAM's unwavering dedication to empowering local voices and advancing environmental leadership has been key to this progress. Together, we're not only building capacity, we're building a movement for lasting change."
>
> **- Manon Bernier, Deputy Resident Representative for UNDP Malaysia, Singapore and Brunei Darussalam**

> "With ALAM's support, we were able to build a conducive learning space for children as part of our *Rumah Baca* initiative. This initiative began in one village has now expanded to four, driven by requests from the Orang Asli community themselves. This ongoing partnership has built trust, attracted like-minded funders and demonstrated how a shared vision can unlock lasting impact for education and conservation in Royal Belum."
>
> **- Mr. Lau Ching Fong, Acting Director Perak State Parks Corporation**

These efforts reflect ALAM's commitment to building a generation of informed, empowered and resilient leaders who are driving Malaysia's sustainability journey from the ground up. As ALAM looks ahead, it remains focused on deepening systemic impact, forging inclusive partnerships and scaling grassroots solutions. Through sustained collaboration and shared responsibility, ALAM envisions a future where environmental stewardship is rooted in everyday action, led by the people, for the planet.

TCFD INDEX

TCFD Pillars	Recommended Disclosure	Disclosure Reference
Governance *Disclose the organisation's governance around climate-related issues and opportunities.*	a. Describe the board's oversight of climate-related risks and opportunities.	BPMB has embedded climate-related oversight at the highest level, with the Board of Directors providing strategic direction on sustainability and climate risk management. The BRMC ensures regulatory alignment and financial resilience, while the MRC oversees the integration of climate risk assessments into decision-making. The M&S Department, working closely with Group Credit Risk and Group Risk Management, drives execution, financing strategies and stakeholder engagements. Read more on these sections: • **Sustainability Governance**, pages 3 to 4 • **Our Climate Action**, pages 35 to 37 • **Our Material Matters**, pages 7 to 11
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy *Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.*	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	The Bank has committed to achieving carbon neutrality for Scope 1 and Scope 2 emissions by 2030, with a long-term ambition to achieve net zero by 2050. Climate considerations are embedded into BPMB's financing decisions through the MIND Assessment Framework, ensuring that environmental and social impacts are assessed alongside financial risk at both origination and annual reviews. The Bank also conducts climate scenario analysis to assess sectoral vulnerabilities and identify transition opportunities, aligning its strategy with BNM's CCPT, IFRS S2 Climate-related Disclosure Standards and the TCFD Application Guide for Malaysian Financial Institutions. The Bank actively supports Malaysia's transition to a low-carbon economy by financing green projects, engaging with clients on sustainability transitions and enhancing its risk appetite to account for climate-related exposures. Read more in the following section: • **Sustainability Strategy**, pages 12 to 13 • **Our Material Matters**, pages 7 to 11 • **Stakeholder Engagement**, pages 5 to 6 • **Supporting National Development**, pages 14 to 17 • **Mitigating Our Portfolio's Climate Impact**, pages 18 to 22 • **Renewable and Clean Energy**, pages 22 to 23 • **Our Climate Action**, pages 35 to 45 • **Managing Our Environmental Footprint**, pages 45 to 48
	b. Describe the impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celcius or lower scenario.	
Risk Management *Disclose how the organisation identifies, assesses and manages climate-related risks.*	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Climate risk is integrated into BPMB's Group Governance and Risk Management Framework, ensuring a structured approach to identifying, measuring and mitigating both transition and physical risks. The Climate Risk Management Policy, established in 2021, reinforces climate considerations within BPMB's risk appetite, policies and stress-testing approaches. BPMB employs qualitative and quantitative climate scenario analysis, geographic risk mapping and climate stress testing in line with BNM's 2024 Climate Risk Stress Test exercise. Read more about how we managed climate-related risk in the following sections: • **Risk Management**, **AIR2024**, pages 109 to 128 • **Mitigating Our Portfolio's Climate Impact**, pages 18 to 22 • **Renewable and Clean Energy**, pages 22 to 23 • **Our Climate Action**, pages 35 to 45
	b. Describe the organisation's processes for managing climate-related risks.	
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets *Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	BPMB monitors climate-related performance through Scope 1, Scope 2 and selected Scope 3 emissions, alongside assessing portfolio exposure to climate risks and opportunities under BNM's CCPT framework. In 2024, we engaged over **80** clients and stakeholders to enhance climate risk awareness. Additionally, our RMs undergo biannual sustainability training to better support clients in integrating climate considerations into their strategies. See more on section: • **Our Climate Action**, pages 35 to 45 • **Managing Our Environmental Footprint**, pages 45 to 48
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

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