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AEON Credit places customers at the heart of our strategies, guided by the "Customer First" philosophy, to deliver exceptional experiences that drive loyalty and long-term growth.

- EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS
- BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

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- EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS
- BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN
- FINANCIAL INCLUSION, SUSTAINABLE FINANCE AND FINANCIAL PERFORMANCE

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- EMPLOYEE HEALTH, SAFETY AND WELL-BEING
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Discover how AEON Credit brings to life our commitment to environmental stewardship, recognising that a healthy planet is essential for sustainable operations and long-term value creation.

- ENVIRONMENTAL MANAGEMENT
- CLIMATE ACTION

▶ PILLAR 6: CONTRIBUTING TO COMMUNITIES

Our approach to giving back by supporting vulnerable communities, promoting social inclusion, and celebrating cultural diversity in appreciation of the support behind our success.

- STRATEGIC COMMUNITY INVESTMENT



Developed

CLIMATE ACTION FRAMEWORK

PLANTED



10,000 trees across
20 hectares with
30 local forest tree species



Fulfilled Sustainability
Performance Target to
**disburse RM20 million for
Financial Inclusion financing**
from Sustainability-linked Loans
("SLLs")



Collected **2.41 tonnes**
of waste which were
properly disposed

FYE2025 Milestones in 3-Year Sustainability Roadmap Implementation

Reduced emissions equivalent to
4.42 metric tonnes CO₂e
through issuance of virtual
credit cards



Introduced
**Electric
Motorcycle
Financing Scheme**
for employees



Conducted
3 initiatives
under the **Road
Safety Advocacy
Programme**



Started **Scope 3** reporting
for business travel and
employee commuting



Launched
**2 educational
programmes** –
The Teacher's Workshop
and Digital Green Student
Challenge



Developed

FINANCIAL INCLUSION FRAMEWORK



INTRODUCTION

AEON Credit's ultimate holding company, AEON Co., Ltd. ("AEON Group"), aspires to realise a future where our customers can feel a brighter society in which anxieties about environmental issues, disparities, and other negative aspects caused by social development are resolved. Taking inspiration, in the year under review, AEON Credit ("the Group") redoubled efforts to deepen and integrate sustainability as an integral component of our business. We aim to make positive contributions as the collective global force of AEON Group join together to build a better, more sustainable world and realise our vision of creating a future lifestyle that leads to a smile for each and every person.



This Sustainability Statement ("Statement"), covering the period 1 March 2024 to 28 February 2025, articulates the Group's sustainability agenda, management efforts and associated commitments and the Board's reflections of achievements and performance as well as significant sustainability-related plans moving forward.

CONTINUING ALONG THE SUSTAINABILITY ROADMAP

A strong and enduring emphasis on Environment, Social, and Governance ("ESG") underscores AEON Credit sustainability efforts. Guided by a 3-Year Sustainability Roadmap that was developed at the end of FYE2023, AEON Credit has made gradual, but significant, progress towards attaining greater sustainability maturity.

3-Year Sustainability Roadmap

Framework		Focus Area	Key Initiatives			
Policy	Mission Statement	ENVIRONMENT Towards Carbon Neutral Business	Reforestation Activities	Coastline Preservation	Carbon Emission Reduction	Task Force on Climate-Related Financial Disclosures ("TCFD") Recommendations Adoption
		ECONOMY Market Leader for EV Financing	EV Manufacturers Collaborations	Mainstream EV Business	Employee HEV and BEV Financing Promotion	
		Financial Inclusion for Micro Enterprise	Micro Financing for Business	Financial Inclusivity	Entrepreneurs Financial Literacy	
		Green Financing	Green Lending	Digital Volunteering	Eco-Friendly Cards	Green Borrowings
		SOCIAL ESG Education	Digital Literacy Programmes	Solar Panel Financing	Waste Reduce, Reuse, Recycle ("3R") Programme	Road Safety Awareness
		GOVERNANCE Good ESG Governance	Board Commitments on Good ESG Governance	Management Commitment on Sustainability	Endorsement and Assurance	
			Active Collaboration			
			Award			
			Assurance			

Implementation of the Sustainability Roadmap across the identified key initiatives continued in earnest in FYE2025.

INTRODUCTION

The progress made and plans moving forward are detailed in the Progress Report on the 3-Year Sustainability Roadmap which appears in pages 80 to 84. A summary of the more compelling events is presented below.



 Launching of AEON Credit Biodiversity Afforestation Project

The **Biodiversity Afforestation Programme** which planted of **10,000 trees** from 30 indigenous species, including some listed by International Union for Conservation of Nature's as "endangered". Aside from creating a carbon sink, an added benefit is the rehabilitation of a former tin mining and degraded agriculture area to provide a supportive habitat for 150 species of birds to flourish.



 TCFD Scenario Analysis Workshop

In sustainability reporting, we are progressing well towards full adoption of the TCFD reporting regime. In FYE2025, the Group conducted our first **Climate Risk Assessment** and identified climate-related physical and transition risks, alongside, we strengthened Board and Management oversight of climate-related issues. **A Climate Action Framework** and corresponding **3-Year Implementation Roadmap** have been developed to structure execution of our climate-related strategies.



 Nationwide Coastal Clean-up at Tanjung Balau, Johor

Annual **Nationwide Coastal Cleanup** continued with **over 2.41 tonnes** of waste collected through joint efforts by our volunteers and local communities.



 Mangrove Tree Planting 2025 at Byram Forest Reserve, Penang

Over 2,000 mangrove trees planted jointly with local communities in Setiu Wetland, Terengganu and Byram Forest Reserve, Pulau Pinang.



Young Financial Savvy Programme

Development of a 3-Year Financial Inclusion Roadmap which includes promotion of financial literacy through **Financial Savvy Programmes** to build financial management skills for students and those less exposed.



K.A.M.I. Programme to empower underserved communities

Definition of **“Underserved Customers”** serves as a foundation for designing products and services that improve access to financial services for underserved customers. This definition provides structure and the critical mandate to realise the Group’s financial inclusion aspirations.

RECOGNITIONS

The Group is consistently recognised for our exemplary efforts in **upholding sustainability and promoting societal well-being**. The awards we are honoured with testify to our unwavering conviction to **contribute to the greater good** as we create shareholder value.



Outstanding Community Engagement Award at the Sustainability and CSR Malaysia Awards 2024

The **Outstanding Community Engagement Award** at the Sustainability and CSR Malaysia Awards 2024, reaffirms our commitment to **community welfare and sustainable development** to foster positive impact.



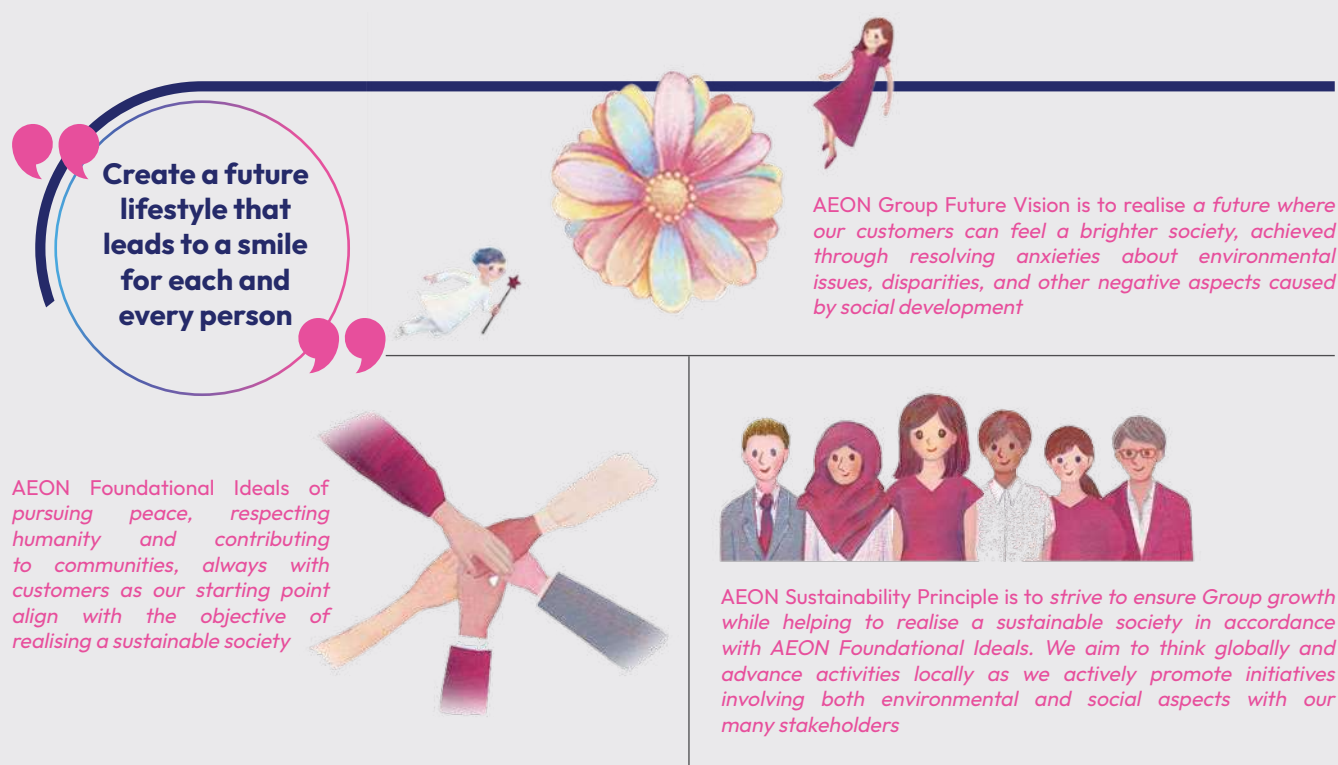
Recipient of the National Corporate Governance & Sustainability Awards 2024 Excellence Award as one of the Top 50 ranked public listed companies

The prestigious National Corporate Governance & Sustainability Awards (“NACGSA”) 2024 Excellence Award testifies to the Group’s relentless focus and embrace of **good practices in corporate governance and sustainability**.

OUR APPROACH TO SUSTAINABILITY

An ever present part of AEON Credit's approach to sustainability is constantly striking the delicate balance between the imperative for commercial results and staying true to our environmental and social responsibilities and commitments. In this regard, the Board and Management have an unwavering focus on prioritising the allocation of resources, in particular funding, to initiatives that will deliver sustained value and ensure that commercial and sustainability priorities are given due and equitable attention.

AEON Credit's approach to sustainability is guided and strongly influenced by AEON Group's Vision and Foundational Ideals. The strong social undertone of the guidance links intimately to our core retail and consumer financial services business and serves to orientate the strategic direction of our sustainability efforts.



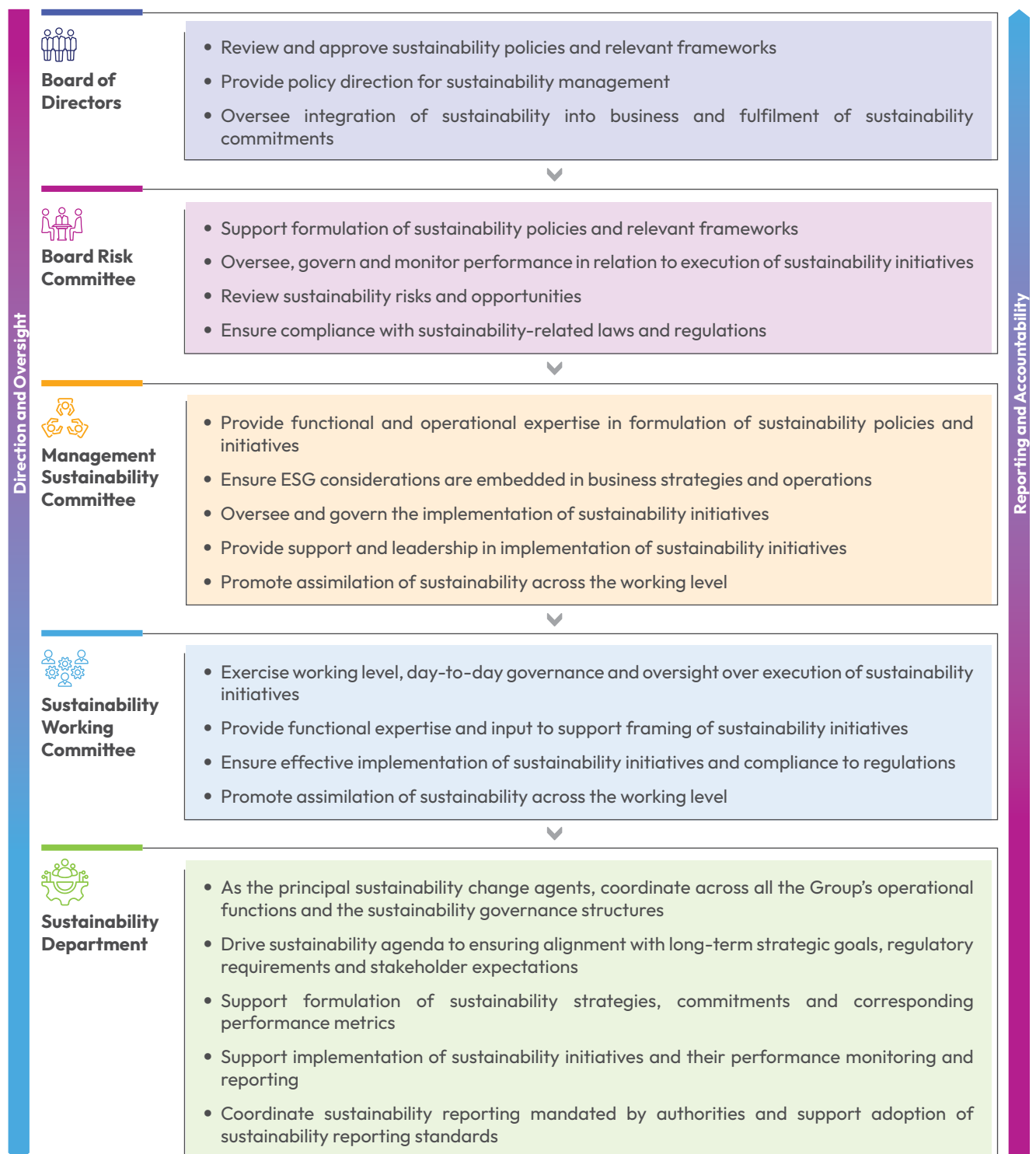
Circularity is a bedrock of AEON Credit's approach to sustainability and is infused into business management and processes. The concept of circular economy has been taken to heart by all entities within AEON Group. Over and above the traditional notion to reduce, reuse, and recycle commodities to protect the environment, circular economy management as practiced across AEON Group, entails redefining our relationships with stakeholders so that we can feed into the value that society and local communities demand, and in the process, enrich them.



SUSTAINABILITY GOVERNANCE

SETTING THE TONE AT THE TOP

A robust governance structure has been established to oversee the management of sustainability across the Group and ensure that it is institutionalised and integrated into the business. The Board leads by example to expedite the embrace of sustainability by personnel from all corners of the Group (AEON People). The Leadership, from the Board through to the Managing Director (“MD”) and top Management all play active roles in shaping and embodying our sustainability agenda.



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE IN ACTION

The Board looks at sustainability from two equally critical lenses, one focused on business sustainability, resilience and longevity and the other on social and environmental sustainability. This ensures decisions made consciously consider our economic ambitions and sustainability responsibilities.

The Board Risk Committee (“BRC”) supports the Board in sustainability oversight and governance, in particular by reviewing sustainability policies and plans, and to monitor the performance of their execution.

The Management Sustainability Committee (“MSC”), provides strategic oversight and ensures cross-functional collaboration on sustainability efforts. It is charged with overseeing and driving implementation of the Group’s sustainability strategies and the associated initiatives executed to fulfil our sustainability commitments, in particular the initiatives contained in the 3-Year Sustainability Roadmap.

Members of the MSC are:

- Managing Director;
- Chief Operating Officer;
- Chief Corporate Officer;
- Chief Financial Officer;
- Chief Credit Officer;
- Chief Information Officer; and
- Chief Risk Officer

Key management personnel is represented through the Sustainability Working Committee (“SWC”), these business and functional experts lend their expertise in the development of sustainability strategies and integration of sustainability across all aspect of our business. The SWC reports to the MSC and to BRC, when required. The SWC plays a critical role in raising sustainability awareness, actively embedding sustainability practices across the Group’s operations.

The SWC supports the Board and BRC in the exercise of governance over sustainability reporting. Given the heightened attention given by the Government, finance and investment community and general public on sustainability we recognise the importance of transparent, objective and fair sustainability reporting. Accordingly, the Board, supported by BRC and MSC, exercises governance over sustainability reporting to ensure the integrity of the information and the disclosures within.

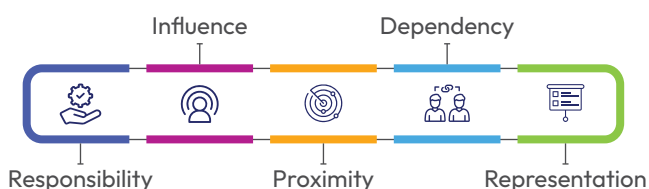
The Sustainability Department is the functional department which has specific sustainability responsibilities. This Department works closely with and is under the direction of the all components of the Sustainability Governance Structure in coordinating and implementing sustainability initiatives to ensure the delivery of the Group’s sustainability commitments. It serves as the secretariat to the MSC, providing technical input, progress updates, and recommendations for action.

Integral to further strengthening sustainability oversight, in particular the reporting and informational integrity aspects we will continue the practice commenced in the previous year in obtaining independent external assurance for relevant material disclosures contained in this FYE2025 Sustainability Statement. This will provide greater comfort over the veracity, credibility and reliability of the disclosures and underscore our commitment to adhering to the highest standards of transparency and accuracy in our sustainability reporting. The external assurance statements are presented on pages 136 to 143.

STAKEHOLDER ENGAGEMENT

In addition to being an indispensable part of AEON Credit’s Materiality Assessment process, stakeholder engagements are also critical to obtain a deeper and more intimate understanding of stakeholders’ concerns and expectations. Stakeholder engagements enable us to gather first-hand, honest and objective perspectives which facilitate formulation and implementation of better targeted and more effective initiatives which best leverage the resources at our disposal. In giving voice to our stakeholders, we benefit from their input and insights, leading to greater balance and objectivity in decision making.

Our selection of stakeholders to engage is based on five criteria:



Stakeholder engagements are conducted across the Group’s virtual and physical communication channels, following a staged approach.



Strategising and Planning

- Identify and prioritise stakeholders
- Determine stakeholders’ motivations, concerns and expectations
- Formulate engagement strategy and plan engagement agenda



Communicating and Engaging

- Conduct engagement, solicit feedback and gather information
- Assimilate stakeholders’ interests, concerns and suggestions
- Formulate and prioritise responses against capabilities and resources



Monitoring and Responding

- Implement responses
- Monitor progress and response efficacy
- Assess performance against desired outcomes
- Institute remediations and improvements needed

Monitoring and responding is critical in stakeholder engagements. Over and above interacting with stakeholders, we track progress and institute necessary remediations to ensure our intended goals are ultimately met. For example, in our Biodiversity Afforestation Programme, we implemented systems to monitor the health of the trees planted to check survival and growth rates, and biodiversity levels to ensure that the trees are growing well and is sequestering carbon effectively.

Our employees is a major stakeholder group that makes critical contributions to sustainability by helping to inspire a groundswell of support throughout our organisation and beyond. In July 2024, we appointed 60 Sustainability Champions as change agents to help drive and embed sustainability. The Champions play a critical role to ensure the Group achieves our sustainability aspirations while staying aligned with regulators' and customers' increasing inclination towards sustainability.

The Group held our inaugural Sustainability Week between 28 October to 1 November 2024, engaging up to 700 employees through a series of interactive and meaningful activities. The event was integral to enlisting the support of our workforce to collaborate for greater sustainability and inspire collective action towards a more sustainable and greener future for all.

The event also featured a no-plastic-packaging and paperless day, a sustainability-themed poster design contest, and a product exhibition showcasing community projects by underprivileged groups. Additionally, a new mobile app promoting food waste reduction and sustainable consumption was introduced.



Green Wear Day in conjunction with Sustainability Week 2024 at Headquarters



A total of 120kg of clothing was donated during Sustainability Week



Canvas fingerprinting activity as a symbol of the company's sustainability efforts



OUR APPROACH TO SUSTAINABILITY

HOW WE ENGAGE OUR STAKEHOLDERS

Our key stakeholders and engagements in the year under review are summarised in the table below.

Customers 	
<p>Why significant</p> <p>Customers are the principal source of revenue and sustains the Group's growth and value creation</p> <p>Why engage</p> <ul style="list-style-type: none"> • Maintain and reinforce loyalty which promotes customer retention • Understand their expectations and demands to better serve them and deliver constantly great customer experiences • Continuously increase customer intimacy and elevate ability to anticipate their changing expectations <p>Engagement mechanisms</p> <ul style="list-style-type: none"> • Business interactions • Company website and social media • Contact centre • Product launches • Conferences/forums/seminars • Contact centre 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Overall customer experience • Product and service parameters including pricing, delivery channels and alignment to expectations <p>Value for the Group</p> <ul style="list-style-type: none"> • Sustained profitability and positive economic results • Strong customer base generating sustained and quality earnings which supports growth and expansion • Strong market standing and brand reputation with positive customer endorsements <p>Value for stakeholders</p> <ul style="list-style-type: none"> • Assurance of constantly positive experiences • A diverse range of products and services that meet expectations and requirements • Convenient digital platforms that are reliable, accessible, available 24x7 and secure • Expeditious and satisfactory issue resolution
Shareholders and Investors 	
<p>Why significant</p> <p>Provide capital to support and sustain growth and to continue creating value for all stakeholders</p> <p>Why engage</p> <ul style="list-style-type: none"> • Keep informed on a timely basis of the Group's financial and sustainability performance as well as corporate developments • Convey the Group's future prospects and key business strategies • Provide assurance of the proper use of the capital invested to generate quality and sustainable shareholder/ stakeholder value <p>Engagement mechanisms</p> <ul style="list-style-type: none"> • Annual and Extraordinary General Meetings • Quarterly results announcements and analyst briefings • One-to-one/group investor relations meetings • Integrated Annual Report 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Business prospects and strategies • Financial performance • Corporate governance, ethics, integrity and compliance to governing legislation • Sustainability performance <p>Value for the Group</p> <ul style="list-style-type: none"> • Continued confidence and trust of shareholders and investors • Ease of access to and support from shareholders and investors, in particular, to secure strong response to calls for additional investment <p>Value for stakeholders</p> <ul style="list-style-type: none"> • Sustained positive returns from investment, assurance of sustained strong dividend pay-outs • Safe and secure investment with resilience to weather economic challenges and uncertainties
Government and Regulators 	
<p>Why significant</p> <p>Provide legal sanction for conduct of business and operations</p> <p>Why engage</p> <ul style="list-style-type: none"> • Keep abreast of changes in legislations governing our business and operations • Ease access to guidance and authoritative body of knowledge on interpretation and implementation of legislative changes • Facilitate constant compliance to legislative requirements and responsibilities • Build and maintain strong bonds to facilitate collaboration for mutual benefit 	<p>Stakeholders' areas of interest</p> <ul style="list-style-type: none"> • Continuously strong and stable financial system • Economic development and strengthening resilience • Regulatory compliance and reporting • Financial consumer equity and protection • Data privacy and confidentiality and cybersecurity • Operational and supervisory challenges <p>Value for the Group</p> <ul style="list-style-type: none"> • Expeditious updates on changes in legislation enabling constant compliance and reinforcing ability to conduct business and create stakeholder value • Contributing to resilience and stability of financial system • Reinforce market confidence and customers' trust in our resilience and proper discharge of fiduciary responsibilities

Government and Regulators



Engagement mechanisms

- Briefings and formal meetings
- Forums with financial services industry associations
- Submissions and proposals

Value for stakeholders

- A continuously strong and stable financial system which lends to national economic growth
- Reaffirms Malaysia's economic resilience through the presence of strong and well governed financial institutions
- Continuous compliance provides order and structure to implement measures to drive greater maturity in financial services industry

Lenders and Financial Institutions



Why significant

Source of funds to support business expansion and growth

Why engage

- Compliance to covenants associated with loans
- Inform of financial performance, business prospects and strategies
- Inform of sustainability performance, commitments and strategies
- Secure a pool of supportive lenders from which to secure funding for expansion and growth
- Explore/leverage opportunities to collaborate for mutual benefit

Engagement mechanisms

- Formal meetings
- Business interactions via various communication channels
- Financial industry association forums and gatherings

Stakeholders' areas of interest

- Compliance to loan covenants
- Business prospects and strategies
- Financial performance
- Corporate governance, ethics, integrity and compliance to governing legislation
- Sustainability performance
- Opportunities to provide funding to the Group
- Opportunities to collaborate/partner

Value for the Group

- Access to pool of supportive and responsive lenders
- Continuously strong relationships which are mutually beneficial
- Accommodative lending terms and conditions

Value for stakeholders

- Compliant and responsible borrower that is committed to discharging responsibilities
- Borrower of impeccable credit worthiness with business stability and is reliable and performing

Rating Agencies



Why significant

Provide independent assessments of the Group's creditworthiness, ensure compliance with evolving regulations and enhance investor confidence

Why engage

- Keep informed on a timely basis of the Group's financial and sustainability performance as well as corporate developments
- Convey the Group's future prospects and key business strategies
- Provide independent assurance to current and prospective lenders of the Group's creditworthiness

Engagement mechanisms

- Online Assessment Platform
- Formal meetings
- Business interactions via various communication channels

Stakeholders' areas of interest

- Business prospects and strategies
- Financial performance as well as stability and quality of earnings
- Corporate governance, ethics, integrity and compliance to governing legislation

Value for the Group

- A strong credit rating is fundamental to securing the confidence of lenders/funders
- Enable the Group with access to funds on better, more accommodative terms

Value for stakeholders

- Pertinent, clear and timely information eases the assessment process and allows for greater accuracy
- Upholds independence of rating agencies and their responsibilities to provide reliable assessments

OUR APPROACH TO SUSTAINABILITY

Employees



Why significant

Backbone of the Group, entrusted to conduct operations and sustain the generation of stakeholder value

Why engage

- Reciprocate dedication and efforts in supporting growth and expansion as well as sustained and quality earnings
- Support and ensure discharge of responsibility for prudent, ethical and responsible conduct of operations to safeguard the Group's interests
- Support efforts to deliver on sustainability commitments and continuously integrate sustainability into business

Engagement mechanisms

- Formal and townhall meetings
- Training programmes and team-building activities
- Corporate Social Responsibility activities
- Employee Hotline
- Employee engagement surveys
- Target setting and performance appraisals

Stakeholders' areas of interest

- Group performance and outlook
- Work performance and targets
- Culture, diversity, equity and inclusion
- Health, safety and well-being
- Employee grievances and resolutions
- Training, professional and career development
- Digitalisation, operational efficiency and ease of discharging duties

Value for the Group

- Dedicated, passionate and competent workforce to support business growth and generate sustainable stream of quality earnings
- Ideas for innovation and continuous improvement
- Delivery of excellent customer experiences leading to elevated customer loyalty

Value for stakeholders

- Respect for employees' rights with zero tolerance for discrimination
- Competitive remuneration and benefits
- Continuous learning and development
- Recognition for dedication and exemplary service
- Sincerity and responsiveness in addressing concerns
- Conducive and safe workplace

Merchants and Business Partners



Why significant

Proven avenue for collaboration which potentially enriches and enhances earnings and customer value propositions

Why engage

- To surface and establish strategic alliances/collaborations for mutual benefit
- Allows access to and leverage of respective customer base to form value propositions that can better fulfil customer requirements

Engagement mechanisms

- Merchant service discussions
- Support channels
- Partnership programmes
- Business alliances and networking
- Corporate events

Stakeholders' areas of interest

- Business opportunities
- Business outlook and strategies
- Opportunities for innovation and continuous improvement
- Operational clarity and issue resolution
- Leveraging complementary strengths to achieve business and operational objectives

Value for the Group

- Enhancement of customer value propositions to better meet requirements and expectations
- Strategic alliances/collaborations that leverage complementary strengths
- Revenue enhancement

Value for stakeholders

- Business and revenue growth through alliances and collaborations
- Access to the Group's customer base as an additional source of revenue
- Strong and enduring relationship with a major financial services provider

Suppliers



Why significant

Source of consumables and services required in operations

Why engage

- Tap into pool of expertise and domain knowledge to enhance efficiency
- Drive and infuse greater sustainability across the Group's value chain
- Access to new technologies and methods to promote more cost effective and efficient operations

Engagement mechanisms

- Events
- Meetings
- Networking interactions
- Suppliers' new product/service introductions

Stakeholders' areas of interest

- Sustainability-infused supply chain
- Supplier assessment incorporating sustainability considerations
- Efficient, fair and responsible procurement processes
- Quality, reliability and timeliness of supplies and services
- Compliance to terms and conditions
- Opportunities for collaboration
- Supply chain transparency and risk management and resilience

Value for the Group

- Supply chain resilience
- Quality, reliable and timely supplies and services
- Compliance to terms and conditions
- Embedding greater sustainability across supply chain

Value for stakeholders

- Reliable and constant source of business and assurance of stream of revenues
- Collaboration/partnering for mutual benefit
- Promote and infuse greater sustainability in suppliers' operations leading to better compliance to regulatory requirements

Local Communities and Non-Governmental Organisations ("NGO")



Why significant

Reciprocate support from communities and continually strengthen relationships and bonds established

Why engage

- Critical to realising the Group's commitment to share returns with and give back meaningfully to the community
- Facilitates support from the local community and NGOs when needed
- Principal avenue for the Group to show care and support vulnerable segments of society and help the underprivileged realise aspirations
- Access to specific expertise of NGOs in executing sustainability initiatives

Engagement mechanisms

- CSR activities
- Assistance in a variety of manner e.g. financial aid, major festivals celebrations, sponsorship of meaningful causes

Stakeholders' areas of interest

- Community support, aid and assistance
- Collaborative volunteering to address various concerns e.g. environmental protection, road safety
- Social welfare
- Education, including financial literacy

Value for the Group

- Secures continuing assurance of support and assistance to realise societal and environmental support goals
- Brings the Group's human side to life to explicitly emphasise duty of care for society and environment
- Builds and reinforces the Group's brand reputation

Value for stakeholders

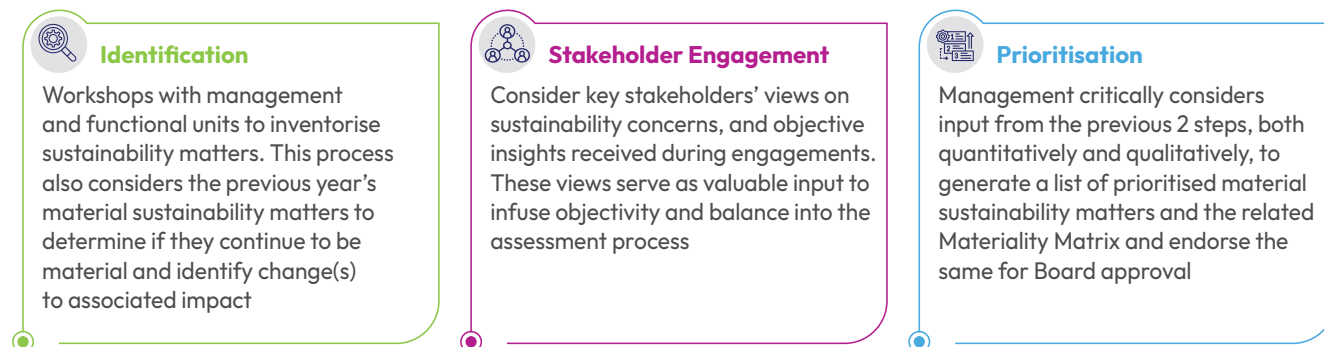
- Financial aid and support for the betterment of the society and environmental integrity
- Support to realise aspirations that are otherwise challenging to attain
- Mitigate impact of marginalisation through lack of funds and resources
- A significant corporate name to champion and support worthy causes

OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

A Materiality Assessment is conducted on an annual basis to determine and obtain a deeper understanding of issues, from a sustainability perspective, that have a material impact on the business and operations of the Group.

The determination of these “material sustainability matters”, starts with a revisit of those from the previous year to ascertain if they continue to be relevant. As well, consideration is given to significant matters that emerged in the current year. To ensure a balanced and inclusive view, material feedback received during our stakeholder engagements are also given due recognition. The following process is adopted in conducting the materiality assessment:

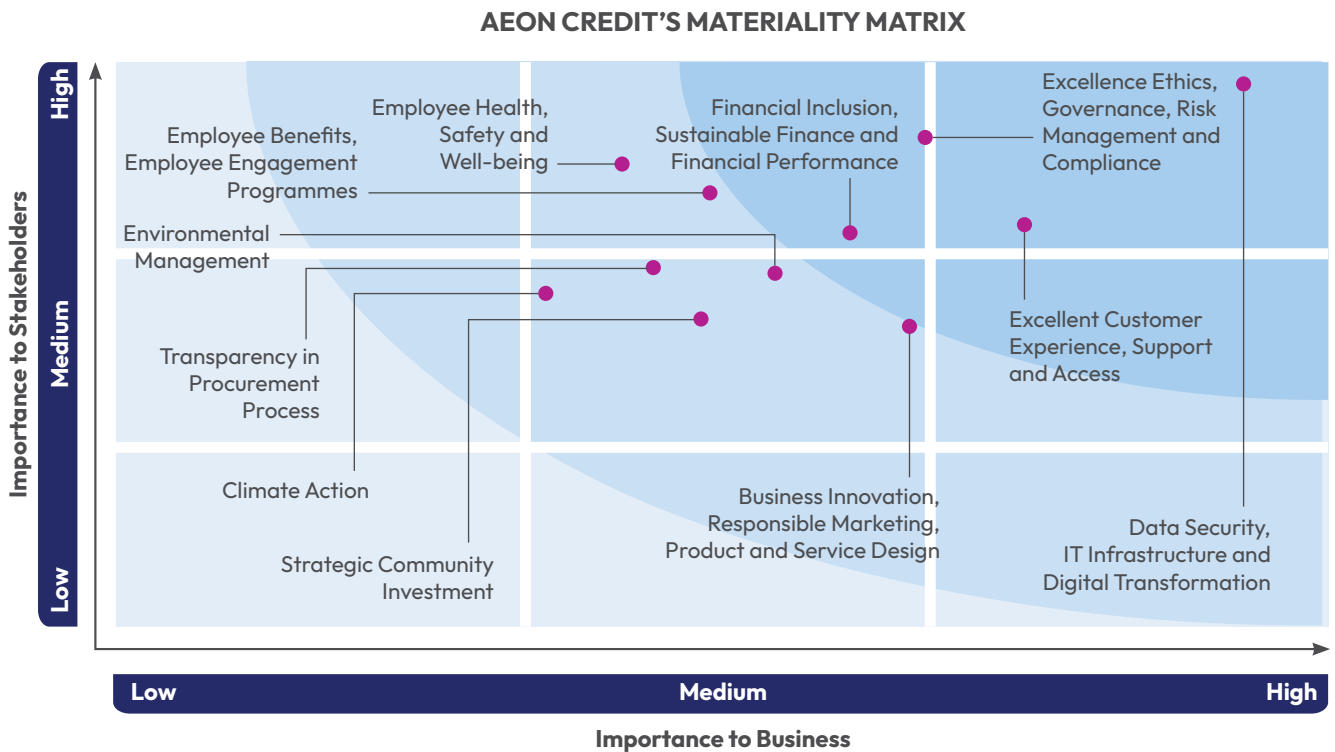


The material sustainability matters for FYE2025 determined from the Materiality Assessment are listed in the table below.

Rank	Change	Priority	Material Sustainability Matter	Sustainability Focus Area
1	↔	High	Data Security, IT Infrastructure and Digital Transformation	Governance
2	↔	High	Excellent Customer Experience, Support and Access	Economy
3	↑1	High	Excellent Ethics, Governance, Risk Management and Compliance	Governance
4	↓1	High	Business Innovation, Responsible Marketing, Product and Service Design	Governance and Economy
5	↔	High	Financial Inclusion, Sustainable Finance and Financial Performance*	Economy
6	↑1	Medium	Employee Benefits, Employee Engagement Programmes	Social
7	↑1	Medium	Employee Health, Safety and Well-being	Social
8	↑3	Medium	Transparency in Procurement Process	Governance
9	↓3	Medium	Environmental Management	Environment
10	↔	Medium	Strategic Community Investment	Social
11	↓2	Medium	Climate Action	Environment

* Financial Inclusion has been brought to the fore to acknowledge AEON Credit's responsibility, as a financial institution, to promoting and embedding responsible financing, spreading financial literacy and inculcating responsible use of financing as well as to uplift society through easing access to financing.

The Materiality Matrix below maps our material sustainability matters based on their relative importance to AEON Credit and our key stakeholders.



SUSTAINABILITY MANAGEMENT

AEON Credit approaches the management of sustainability from a strategic perspective to facilitate alignment with the Group's strategies. This ensures that our business strategies and tactical plans are always formulated with sustainability in mind and all aspects of our operations are infused with sustainability considerations.

Our material sustainability matters are grouped under 6 Sustainability Pillars which represent critical and indispensable elements of our business and operations, each Pillar has a significant impact on the Group's prosperity, longevity growth, and, more fundamentally, our ability to continue generating long-term value for all our diverse stakeholders. All core sustainability areas, namely Economy, Environment, Social and Governance are represented across the Pillars.



OUR APPROACH TO SUSTAINABILITY

The grouping of our material sustainability matters facilitates greater precision in targeting sustainability management efforts, and ensures more effective use of expertise and allocation of resources. Material sustainability matters individually and collectively exert influence over and impact Financial Performance which is our primary material sustainability matter.



Conduct and Trust

- Data Security, IT Infrastructure and Digital Transformation
- Excellent Ethics, Governance, Risk Management and Compliance
- Business Innovation, Responsible Marketing, Product and Service Design
- Transparency in Procurement Process



Employee Health, Safety and Well-being

- Employee Health, Safety and Well-being
- Employee Benefits, Employee Engagement Programmes



Customer Experience

- Excellent Customer Experience, Support and Access
- Business Innovation, Responsible Marketing, Product and Service Design



Environmental Stewardship

- Environmental Management
- Climate Action



Digital Product and Service Transformation

- Excellent Customer Experience, Support and Access
- Business Innovation, Responsible Marketing, Product and Service Design
- Financial Inclusion, Sustainable Finance and Financial Performance














Contributing to Communities

- Strategic Community Investment

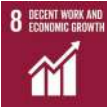

















CONTRIBUTING TO A BETTER WORLD – LINKING SUSTAINABILITY ACTIONS TO UN SDGS













As we integrate and deepen sustainability across the Group we also make conscious efforts to contribute alongside the global fraternity to build a better world for future generations guided by the aspirations of United Nations' Sustainable Development Goals ("UN SDGs"). Accordingly, in planning and executing sustainability management actions, AEON Credit takes pains to ensure that, where relevant, they support the UN SDGs.

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
 3 GOOD HEALTH AND WELL-BEING	Ensure health and promote well-being without discrimination <ol style="list-style-type: none"> 1. Target 3.6: Reduce road injuries and deaths 2. Target 3.8: Achieve universal health coverage 	<ol style="list-style-type: none"> 1. Road Safety Advocacy Programmes for communities 2. Providing health support and maintaining a safe working environment for employees 3. Promoting access to health care as part of Financial Inclusion by easing access to health insurance 4. Naluri App for staff well-being and mental health support and frequent health talks for employees 	 Employee Benefits, Employee Engagement Programmes  Employee Health, Safety and Well-being  Strategic Community Investment






SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Ensure inclusive and equitable quality education and promote lifelong learning for all <ol style="list-style-type: none"> Target 4-A: Build and upgrade inclusive and safe schools Target 4-4: Increase the number of people with relevant skills for financial success Target 4-B: Expand higher education scholarships for developing countries 	<ol style="list-style-type: none"> Address and enhance digital literacy by investing in MAF Smart Classroom Project Committing to reducing unemployment through Management Trainee Programmes Committing to the development of employees through investments in training and upskilling Provide online training programmes for easy access to learning and knowledge Continuous learning and development programmes for the Board, Management and workforce Promoting financial literacy programmes as part of corporate social responsibility ("CSR") initiatives 	 Strategic Community Investment  Employee Benefits, Employee Engagement Programmes
	Achieve gender equality and empower all women and girls <ol style="list-style-type: none"> Target 5.1: End discrimination against women and girls Target 5.5: Ensure full participation in leadership and decision-making 	<ol style="list-style-type: none"> Strengthening practices through the Policy of Human Rights Enhancing the presence of women in top governance and leadership roles 	 Employee Benefits, Employee Engagement Programmes
	Ensure access to affordable, reliable, sustainable and modern energy for all <ol style="list-style-type: none"> Target 7.1 Universal access to modern energy services 	<ol style="list-style-type: none"> Provide financing for purchase of energy efficient appliances/devices and renewable energy generation facilities Focused expansion into financing for green modes of mobility 	 Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance

OUR APPROACH TO SUSTAINABILITY

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all <ol style="list-style-type: none"> 1. Target 8.2: Diversify, innovate and upgrade for economic productivity 2. Target 8.3: Promote policies to support job creation and growing enterprises 3. Target 8.5: Full employment and decent work with equal pay 4. Target 8.6: Promote youth employment, education and training 5. Target 8.8: Protect labour rights and promote safe working environments 	<ol style="list-style-type: none"> 1. Fostering management trainee employment initiatives 2. Advocating for employee well-being and human rights 3. Commitment to local procurement in support national socio-economic development 4. Providing access to credit and financing to Small and Medium sized Enterprises ("SMEs") and mobile payment solutions for individuals in underserved communities 	 Employee Benefits, Employee Engagement Programmes  Employee Health, Safety and Well-being  Transparency in Procurement Process
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation <ol style="list-style-type: none"> 1. Target 9.3: Increase access to financial services and markets 2. Target 9.4: Upgrade all industries and infrastructures for sustainability 	<ol style="list-style-type: none"> 1. Instituting Financial Inclusion initiatives 2. Tailoring financial solutions aligned to customers' unique circumstances 3. Implementation of Digital Transformation Programme 4. Integrating advanced technologies like Artificial Intelligence ("AI") and automation into operations 	 Data Security, IT Infrastructure and Digital Transformation  Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access
 10 REDUCED INEQUALITIES	Reduce inequality within and among countries <ol style="list-style-type: none"> 1. Target 10.1: Reduce income inequalities 2. Target 10.3: Ensure equal opportunities and end discrimination 	<ol style="list-style-type: none"> 1. Strengthening practices through the Policy of Human Rights 2. Commitment to financial inclusion through provision of access to financial services to the underserved 	 Business Innovation, Responsible Marketing, Product and Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance
 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable <ol style="list-style-type: none"> 1. Target 11.6: Reduce the environmental impact of cities 	<ol style="list-style-type: none"> 1. Expansion into sustainable financing for energy efficient, low emission appliances/devices and renewable energy generation facilities 2. Focused expansion into financing for green modes of mobility 3. Opening new branches at locations with green building certifications 4. Promoting Financial Inclusion by helping to bridge the gap in access to financial resources, particularly in underserved communities 	 Climate Action  Business Innovation, Responsible Marketing, Product & Service Design  Excellent Customer Experience, Support and Access  Financial Inclusion, Sustainable Finance and Financial Performance  Environmental Management

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns <ol style="list-style-type: none"> Target 12.5: Substantially reduce waste generation Target 12.6: Encourage companies to adopt sustainable practices and sustainability reporting 	<ol style="list-style-type: none"> Internal initiatives in environmental management, including embracing circular economy principles Exercise continuous diligence to maintain certification in ISO 14001 (Environmental Management Systems) to embed responsible consumption and production 	 Environmental Management
 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts <ol style="list-style-type: none"> Target 13.1: Strengthen resilience and adaptive capacity to climate related disasters Target 13.2: Integrate climate change measures into policies and planning Target 13.3: Build knowledge and capacity to meet climate change 	<ol style="list-style-type: none"> Conducted first Climate Risk Assessment and identified transition and physical risks associated with climate change Developed and put in place a Climate Action Framework and the associated 3-Year Implementation Roadmap with implementation teams due to be appointed Incorporating climate considerations into business activities Enhancing employees' sustainability knowledge, encompassing TCFD adoption Offer financial products for environmental friendly modes of mobility, clean energy, and energy-efficient solutions to support a low-carbon economy Invest in carbon management projects such as afforestation/ reforestation and renewable energy to reduce atmospheric carbon dioxide 	 Climate Action  Financial Inclusion, Sustainable Finance and Financial Performance  Environmental Management
 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development <ol style="list-style-type: none"> Target 14.5: Conserve coastal and marine areas 	<ol style="list-style-type: none"> Ongoing annual coastal area clean-up and waste collection initiatives 	 Climate Action  Environmental Management
 15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss <ol style="list-style-type: none"> Target 15.2: End deforestation and restore degraded forests Target 15.5: Protect biodiversity and natural habitats Target 15-A: Increase financial resources to conserve and sustainably use ecosystem and biodiversity 	<ol style="list-style-type: none"> Institution of afforestation programme On-going mangrove planting initiatives 	 Climate Action  Environmental Management

OUR APPROACH TO SUSTAINABILITY

SDG	How AEON Credit contributes	Related initiatives	Linkage to our material sustainability matter
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels <ol style="list-style-type: none"> Target 16.5: Substantially reduce corruption and bribery Target 16.6: Develop effective, accountable and transparent institutions Target 16-B: Promote and enforce non-discriminatory laws and policies 	<ol style="list-style-type: none"> Continuously strengthen cyber security stance and vigilance against cyber threats Upholding good governance Compliance to regulatory standards Maintaining high integrity standards and ethical business practices Uphold and protect human rights Strict zero tolerance of any form of discrimination Uphold diversity, equity and inclusivity within the workforce 	 Data Security, IT Infrastructure and Digital Transformation  Excellent Ethics, Governance, Risk Management and Compliance  Employee Benefits, Employee Engagement Programmes
	Strengthen the means of implementation and revitalize the global partnership for sustainable development <ol style="list-style-type: none"> Target 17.7: Encourage effective partnerships 	<ol style="list-style-type: none"> Proactive collaboration with regulatory authorities, industry peers and partners in community support and enrichment initiatives 	The management of our material sustainability matters brings to life SDG17 as it entails collaboration with relevant impacted parties and interested, like-minded partners to secure achievement of goals, effectiveness and speed of action

PROGRESS REPORT ON OUR 3-YEAR SUSTAINABILITY ROADMAP

We have made progress in executing our 3-Year Sustainability Roadmap (FYE2023 – FYE2026). Driven by our sustainability aspirations across the core components of Economy, Environment, Social and Governance as well as our support for the UN SDGs, our Sustainability Roadmap integrates sustainability initiatives across the Group's business activities.

ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Reforestation Goal Set in FYE2023 <ol style="list-style-type: none"> Plant 10,000 trees Taskforce on Nature-related Financial Disclosures ("TNFD") reporting by FYE2030 	Current Progress in FYE2025 <ol style="list-style-type: none"> 10,000 trees planted across 20 hectares in Kinta Nature Park Completed Global Positioning System geotagging in Q3 FYE2025 Maintenance of trees on-going Future Plans Plan to conduct external assessment of carbon calculation methodology used to compute and validate carbon sequestered to quantify our carbon neutrality efforts	Overall Status <div> <div></div> <div></div> <div></div> </div>
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ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Coastline Preservation Goal Set in FYE2023 <ol style="list-style-type: none"> Contribute to coastal clean-up through waste collection and recycling Inculcate environmental care through collaboration with local town councils, businesses and university students Mangrove planting for carbon sequestration and coastal area protection 	Current Progress in FYE2025 <ol style="list-style-type: none"> Conducted annual nationwide coastal clean-up that collected over 2.41 tonnes of waste Planted over 2,000 mangrove trees coastal areas in Terengganu and Penang Future Plans Continue coastal clean-up efforts and mangrove trees planting	Overall Status <div> <div></div> <div></div> </div>
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Legend

 Completed
  Work in progress
  Yet to start/delayed

ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: Carbon Emission Reduction Goal Set in FYE2023 Reduce direct and indirect Greenhouse gas ("GHG") emissions by 40% by FYE2026 and achieve carbon neutrality by FYE2030	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. Climate Action Framework and associated 3-Year Implementation Plan developed to support realisation of climate goals 2. Scope 1 and 2 emissions reduced by 25% 3. Started Scope 3 reporting for emissions from employee commuting and business travel Future Plans <ol style="list-style-type: none"> 1. Plan to conduct external assessment of carbon calculation methodology used to compute and validate carbon sequestered to quantify our carbon neutrality efforts 2. ESG Dashboard being developed for carbon accounting, targeted completion by Q2 FYE2026 	Overall Status
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ENVIRONMENT | Towards Carbon Neutral Business



Key Initiative: TCFD Adoption Goal Set in FYE2023 Full alignment to TCFD reporting by FYE2025	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. TCFD gap and scenario analysis, and Implementation Roadmap tabled to the Board 2. Results of Climate Risk Assessment tabled to the Board 3. Climate-related disclosures aligned to TCFD requirements Future Plans <ol style="list-style-type: none"> 1. Further evaluate and understand the Group's climate-related risks 2. Adoption of IFRS S1 and S2 	Overall Status
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ECONOMIC | Market Leader for EV Financing



Key Initiative: <ol style="list-style-type: none"> 1. EV manufacturers collaboration 2. Mainstream EV Business 3. Employee Hybrid Electric Vehicle ("HEV") and Battery Electric Vehicles ("BEV") financing promotion Goal Set in FYE2023 Financing of low-emission electric vehicles and embedding this as an integral part of the Group's business with the goal of attaining market leadership	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. SPTs mandates reducing environmental impact of transportation through financing of low-emission modes of mobility 2. Accommodative interest rates applicable for e-motorcycles financing 3. Introduced E-Bike Financing Scheme for employees Future Plans Intensify promotion of financing solutions for low-emission modes of mobility	Overall Status
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ECONOMIC | Financial Inclusion for Micro Enterprise











Key Initiative: <ol style="list-style-type: none"> 1. Micro Financing for Business 2. Financial Inclusivity 3. Entrepreneurs Financial Literacy Goal Set in FYE2023 SPTs focuses the Group to promoting and contributing to financial inclusion, for instance by lowering barriers to allow the underserved to access financing and embedding financial literacy especially to the less exposed and the younger population	Current Progress in FYE2025 <ol style="list-style-type: none"> 1. "Underserved customers" defined 2. 3-Year Financial Inclusion Roadmap developed to provide structure and clarity to execute financial inclusion efforts 3. 2 maiden financial literacy initiatives conducted in the form of Financial Savvy Programmes Future Plans <ol style="list-style-type: none"> 1. Customise products and services to effectively support low, medium, and high-income segments 2. Continue conducting financial literacy programmes and widen to include the Group's workforce 	Overall Status
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Legend

Completed
 Work in progress
 Yet to start/delayed

OUR APPROACH TO SUSTAINABILITY

ECONOMIC Green Financing 		
Key Initiative: Green Lending Goal Set in FYE2023 Embed financing for green, low emission appliances/devices, modes of mobility and renewable energy facilities/system as an integral part of the Group's portfolio of products	Current Progress in FYE2025 Green financing products are available for financing of electric mobility, energy-efficient electrical appliances, and bicycles Future Plans Expand Green Financing solutions to include solar energy systems	Overall Status 
ECONOMIC Green Financing 		
Key Initiative: Digital Volunteering Goal Set in FYE2023 Leveraging digital platforms to secure market leadership	Current Progress in FYE2025 Introduced e-donation functionality to allow AEON Wallet users to convert AEON Points into cash donations towards charitable causes; the pilot beneficiary was Malaysian AEON Foundation ("MAF"). This functionality has an active user base who are aligned to causes that the Group also supports Future Plans <ol style="list-style-type: none"> 1. Actively encourage customers' adoption of digital delivery channels to access products and services 2. Continuous and intense focus on security and data confidentiality to provide customers with peace of mind and confidence to use digital channels 	Overall Status 
ECONOMIC Green Financing 		
Key Initiative: Eco-friendly cards Goal Set in FYE2023 Reduce environmental impact by using sustainable materials and promoting a greener, more responsible way to deliver our products and services	Current Progress in FYE2025 Introduced virtual card to offer an eco-friendly, digital payment mechanism. This reduces reliance on plastic cards and encourages customers to shift to greener habits Future Plans <ol style="list-style-type: none"> 1. Continue to inculcate and encourage adoption virtual cards to reduce reliance on plastic to minimise environmental footprint 2. We are working towards issuing physical cards using eco-friendly materials, targeted to be launched in Q3 FYE2026 	Overall Status 
ECONOMIC Green Financing 		
Key Initiative: Green Borrowings Goal Set in FYE2023 Link borrowings such as social loans/bonds or sustainability-linked loans ("SLLs") to sustainability goals, to further incentivise and drive towards carbon neutrality	Current Progress in FYE2025 Established a Sustainability-linked Loan Framework. Our SLLs are linked to the achievement of specific SPTs related to ESG criteria, including reducing carbon emissions Future Plans Actively explore new sustainability-based borrowing opportunities with our banking partners with a view to securing such borrowings where terms and conditions are appropriate and conducive	Overall Status 

Legend

 Completed
  Work in progress
  Yet to start/delayed

SOCIAL | ESG Education



Key Initiative: Digital Literacy Programmes Goal Set in FYE2023 Promote and widen digital literacy as part of the Group's Social Impact programme	Current Progress in FYE2025 1. Invested in MAF Smart Classroom project. Schools with Smart Classroom installed: FYE2024: 12 schools FYE2023: 40 schools 2. In FYE2025, focus turned to educational programmes through conduct of the Teacher's Workshop and Digital Green Student Challenge Programme Future Plans Enable online tuition classes leveraging Smart Classroom setup to improve education results for identified students	Overall Status
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SOCIAL | ESG Education



Key Initiative: Solar Panel Installations Goal Set in FYE2023 Support installation of solar panels to promote generation and use of renewable energy	Current Progress in FYE2025 Implementation yet to be commenced Future Plans To be determined	Overall Status
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SOCIAL | ESG Education



Key Initiative: Waste 3Rs Programme Goal Set in FYE2023 Promote and embed circular economy through sustainable waste management based on the 3Rs concept	Current Progress in FYE2025 Implementation yet to be commenced Future Plans To be determined	Overall Status
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SOCIAL | ESG Education



Key Initiative: Road Safety Awareness Goal Set in FYE2023 Raise and embed knowledge and awareness of road safety among school students	Current Progress in FYE2025 Conducted 3 initiatives in FYE2025 under the Road Safety Advocacy Programme with Motorcycle Manufacturers and Dealers Association: 1. Suzuki Road Safety Campaign 2024 at Hentian Sebelah Plaza Tol Sg Besi Arah Selatan (300 SIRIM certified adult safety helmets were distributed) 2. Safety Fiesta X Dewi Yamaha at Stadium Bola Sepak Kuala Lumpur (100 SIRIM certified adult safety helmets were distributed) 3. Suzuki Road Safety Campaign 2025 at Dataran Ilmu Bandar Baru Selayang (300 SIRIM certified adult safety helmets were distributed) Future Plans 1. Continue collaborations under Road Safety Advocacy Programme with Motorcycle Manufacturers and Dealers Association during Festive Seasons 2. Conduct Road Safety Advocacy with Dealers Association, Motorcycle Manufacturers and Road Transport Department (Road Safety Unit) in schools, tentatively scheduled for Q3 FYE2026 onwards	Overall Status
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Legend

Completed
 Work in progress
 Yet to start/delayed

OUR APPROACH TO SUSTAINABILITY

GOVERNANCE | Good ESG Governance



Key Initiative:

Board Commitments on Good ESG Governance

Goal Set in FYE2023

Stronger and more dedicated senior level involvement in sustainability management and governance

Current Progress in FYE2025

1. Enhanced Board Charter and Board of Directors' Terms of Reference to include oversight of climate-related matters
2. Continuing Board training on the climate-related aspects of sustainability to deepen knowledge and enhance decision making capabilities

Future Plans

1. Board training on Sustainability Standards: IFRS S1 and S2
2. Board learning and development will be a constant to further their sustainability-related competencies. This serves to enhance preparedness to address more complex sustainability considerations that will arise in the future, including more wide-ranging, complex sustainability and climate-related legislation

Overall Status



GOVERNANCE | Good ESG Governance



Key Initiative:

Management Commitment on Sustainability

Goal Set in FYE2023

Greater and more explicit more explicit management, in particular, senior management, attention and commitment on sustainability

Current Progress in FYE2025

Widened management's responsibilities to also cover management of climate-related issues, risks and opportunities, in addition to sustainability

Future Plans

Form a Climate Committee for dedicated focus on overseeing and implementing initiatives to realise sustainability and climate-related goals

Overall Status



GOVERNANCE | Good ESG Governance



Key Initiative:

Endorsement and Assurance

Goal Set in FYE2023

Third party assurance of sustainability reporting to enhance credibility and provide comfort to investors, lenders and the general public

Current Progress in FYE2025

Engagement of independent third party to provide external assurance over selected aspects of our Sustainability Statement which started in FYE2024 continued

Future Plans

Independent third-party assurance will be a continuing feature in our annual Sustainability Statement

Overall Status



Legend

● Completed ● Work in progress ○ Yet to start/delayed



PILLAR 1: CONDUCT AND TRUST

What this means to us

AEON Credit upholds integrity, transparency, and strong ethical standards in all business dealings. We ensure trust is built through transparent communication, consistent delivery of commitments, and maintain robust internal governance to comply with laws and regulations. Together, strong conduct and trust are fundamental to maintaining stakeholder confidence and ensuring long-term sustainability.

Stakeholders



Customers



Shareholders and Investors



Suppliers



Lenders/Financial Institutions



Government and Regulators



Employees



Rating Agencies

Key Indicators

- Complaints/cases reported
- Number and severity of disruptions to Business Critical Functions
- Number of awareness and training programmes
- Number and percentage against total of Anti-Bribery and Corruption Pledges and Integrity Declarations received from employees and business associates respectively
- Percentage of procurement directed to local suppliers
- Certifications

Material Matters



Excellent Ethics, Governance, Risk Management and Compliance



Data Security, IT Infrastructure and Digital Transformation



Business Innovation, Responsible Marketing, Product and Service Design



Transparency in Procurement Process

UN SDGs



Relevant BURSA Common Sustainability Matters

- Anti-Corruption
- Data Privacy and Security
- Supply Chain Management

Performance Summary

Anti-Bribery and Corruption Pledge



100%

employee pledges completed

47%

business associates' declaration completed

Whistleblowing



0

cases of bribery and corruption reported from whistleblowing channels

Procurement Process



94% of total procurement spent directed to local suppliers/vendors

Cybersecurity



RM7.65 million

invested for cyber security

PILLAR 1: CONDUCT AND TRUST

AEON Credit holds an enduring responsibility to uphold good governance and ethical conduct in our operations. Beyond regulatory compliance, we owe our stakeholders, in particular our customers, an obligation to properly discharge our fiduciary duties, justify their trust and safeguard their interests. Every member of our workforce is mandated to practice impeccable professionalism and act with utmost integrity in their discharging their responsibilities.



EXCELLENT ETHICS, GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

Ethics, governance, risk management and compliance are fundamental requirements in the financial services industry to safeguard the interests of all financial consumers and to secure the stability of the country's financial system. To reciprocate the trust placed on AEON Credit by our stakeholders and the Government, the Group is committed to always conduct ourselves with the highest standards of professionalism, integrity, responsibility and ethical conduct and always be fully compliant with our statutory obligations.

(i) AEON Foundational Ideals and Group Future Vision

All entities within AEON Co., Ltd. ("AEON Group") our ultimate holding company, subscribe to AEON Foundational Ideals and Group Future Vision, which are centred on peace, people and community, to guide their conduct of business.

AEON firmly believes that retailing is an industry to promote peace, humanity and local communities.

To remain a thriving corporate group that fulfils this mission, we are committed to continuous innovation, with customers as our starting point. AEON is committed to actively engaging in peace efforts, supporting human happiness and norms, and contributing to the prosperity of local communities. These ideals form the foundation of putting "customers as our starting point," which places the needs and preferences of our customers first and at the centre of our operations.

We always put our customers first and act with the highest standards of integrity, using this as a mirror to reflect ourselves and as the standard for every decision and action made by all AEON People (our workforce). Founded on AEON Foundational Ideals and their underlying values and philosophy, AEON Credit's Policy of Code of Ethics and Conduct ("Code") as approved by the Board, reflects the Group's collective identity and provides guidance for ethical practices and decision-making while also ensuring adherence to legal and regulatory standards to safeguard stakeholder interests.

The Code offers clear direction to Directors and employees in handling complex situations, emphasising what is considered acceptable behaviour. It cultivates a corporate culture focused on ethics, transparency, and accountability. By setting consistent standards, the Code enhances the Group's reputation and fosters trust from our stakeholders, in particular, customers, investors, regulators, and finance providers.

(ii) Anti-Bribery and Anti-Corruption

As a good corporate citizen it is incumbent on AEON Credit to stringently oppose and eradicate bribery and corruption. Accordingly the Group has zero-tolerance to all forms of bribery and corruption which can tarnish our good name and market reputation and cause irreparable damage to our value creation ability.

Compliance to the Group's Policy of Anti-Bribery and Corruption Management System ("ABCMS") is mandated on all employees, business associates and members of the Board of Directors to reinforce and preserve integrity across the Group and throughout our supply chain. The Board, supported by the management, exercises oversight over the management of anti-bribery and anti-corruption and enforcement of the associated requirements. Leading by example, they collectively inculcate and embed a culture of integrity across the Group and beyond encompassing business associates.

To secure early commitment, an Anti-Bribery and Corruption Pledge is mandatory and signed by all new employees upon onboarding to affirm their commitment to ethical conduct and compliance with the Group's anti-bribery and anti-corruption requirements. Along similar lines, business associates are required to sign an Integrity Declaration, further reinforced through due diligence processes to provide comfort of their adherence to anti-bribery and anti-corruption principles, upon commencement of our business relationship. During this financial year, the Anti-Bribery and Corruption Pledge and Integrity Declaration were revised to incorporate corruption following which resubmission of the declaration was required.

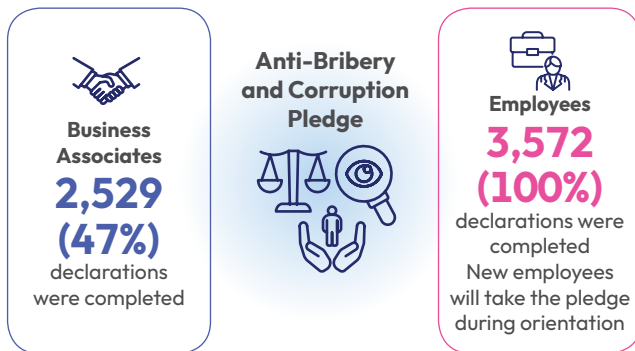
AEON Credit is certified in ISO 37001:2016 - Anti-Bribery Management Systems ("ABMS") which attests to the robustness of processes in place to prevent, detect and address incidents of bribery. The ABMS also facilitates compliance to the adequate procedures requirement under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Independent internal and external assessments, performance monitoring reporting, are conducted to ensure ongoing compliance. In addition, we have formal whistleblowing mechanisms to facilitate reporting of instances of misconduct which serves to fortify constant vigilance.

The Business Process Department is functionally charged with the responsibility to reinforce the Group's integrity principles and to continuously strengthen the anti-bribery and anti-corruption culture. In FYE2025, the Business Process Department's principal activities include:

- 1 Conducting the online Anti-Bribery and Corruption Pledge and Integrity Declaration for internal and external stakeholders respectively.

For the FYE2025, all current employees have completed the Pledge, which was updated and enhanced to also cover anti-corruption, further strengthening our commitment to integrity.



- 2 Anti-Bribery and Corruption Risk Assessment to gain insights on better managing and addressing bribery and corruption risks;
- 3 Incorporating anti-bribery and anti-corruption-related measures into ABMS to enhance governance and risk mitigation;
- 4 Development of Key Risk Indicators for Anti-Bribery and Corruption Risk Assessment;
- 5 Facilitating the conduct of internal and external audits, including the ABMS surveillance audit;
- 6 Providing updates on anti-bribery and anti-corruption activities during the annual management review to the EC, BRC and Board;
- 7 Conducting training and awareness programmes to reinforce anti-bribery and anti-corruption principles and improve understanding of the Malaysia Anti-Corruption Commission Act 2009; and
- 8 Enhanced the Policy of ABCMS and conducting training to the Board on its implementation to ensure awareness of legal responsibilities and compliance obligations.

In line with AEON Credit's Policy of Code of Ethics and Conduct, no political contributions were made either directly or indirectly by the Group.

The Group also has in place a stringent Policy of Gift and Entertainment, this is further articulated in the Corporate Governance Overview Statement on pages 144 to 159.

Continuous improvement is an intrinsic part of effectively managing and addressing bribery and corruption risks. To this end, the following key priorities are in the pipeline for FYE2026:

- 1 Bank Negara Malaysia ("BNM") introduced implementation of anti-bribery and anti-corruption controls across the financial sector based on the Corporate Integrity System Malaysia's ("CISM") framework. Actions to comply to CISM requirements, moving forward, include:
 - to appoint an Integrity Officer to lead anti-bribery and anti-corruption matters;
 - enhance Policy of ABCMS to incorporate required information such as anti-bribery and anti-corruption controls on public officials and facilitation fee; and
 - further improving training and awareness programmes to reflect changes in the business, legislative and regulatory environments.

AEON Credit's ABCMS which has been approved by the Board and communicated to all employees, business associates and stakeholders, is available on the Company's website under the Corporate Governance section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/anti-bribery-policy/>

or scan the QR code below:



PILLAR 1: CONDUCT AND TRUST

(iii) Anti-Money Laundering (“AML”)

As a non-bank financial services provider, it is mandatory and imperative for the Group to strictly comply to the provisions of Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLTFPUAA”). In this regard, the Group is guided by its Policy of Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions (“AML/CFT/CPF and TFS for FIs”) which is reviewed at least annually or as and when there are legislative amendments.

The Board, supported by the BRC, exercises oversight over management and compliance to this critical legal mandate to ensure tight and constant monitoring and expeditious and accurate reporting. The Group has established formal control processes and systems to support the identification, monitoring, management and mitigation of associated risks across customers’ lifecycles.

The Group through our many years of operation, has amassed detailed knowledge of our customer segments and their risk profiles which in turn, informs the conduct of our customer due diligence processes. An Enhanced Due Diligence (“EDD”) is conducted for high risk customers who also require approval from the Senior Management, or above, prior to establishment or continuation of business relationships.

A critical part of our customer due diligence is name screening in which names of individuals or entities are checked against various global databases, such as sanction lists, watchlists, lists of Politically Exposed Persons (“PEP”) and media reports – this assures that prospective customers are of good repute and integrity and free from legal sanctions.

Training is regularly conducted for the workforce to reinforce understanding and compliance to AMLTFPUAA. New recruits are trained as part of the onboarding process and across their employment lifecycle. In addition, the workforce is required to complete an AML e-learning annually. The Board and Management members are similarly trained upon onboarding and provided with annual refresher training.

In the course of FYE2025, the Group conducted the following key activities in relation to AML:


- 1 Completed an Institutional Risk Assessment with external consultants to assess internal AML compliance controls; and
- 2 Conducted training and sharing sessions for the workforce, Management, and Board, to keep them abreast of the latest AML regulations and legislative requirements.



Moving forward, future priorities in relation to anti-money laundering are:

- 1 Successfully complete the implementation of the new AML System;
- 2 Revise AML-related policies and procedures based on latest amendments to BNM’s Anti-Money Laundering Policy Document; and
- 3 Update internal training materials according to the latest amendments to AMLTFPUAA, if necessary.

AEON Credit’s AML/CFT/CPF and TFS for FIs Policy which has been approved by the Board and communicated to all employees, business associates and stakeholders, is available on the Company’s website under the Corporate Governance section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/anti-money-laundering/>

or scan the QR code below:



(iv) Compliance

Across the Group all relevant governance bodies exercise constant vigilance to ensure compliance in their respective sphere of responsibility given that the Group's operations are subject to multiple statutes and overseen by a range of regulators. All responsible parties ensure risks attendant to their respective operations are identified, appropriately managed and mitigated to ensure resilience in the Group's value generation capacity. These governance bodies report compliance matters to the BRC who also keeps the Board informed and updated. This chain of command facilitates expeditious action along with required authority/sanction to execute needed interventions, urgently, when required.

The Board has approved a Compliance Framework to govern processes that drive compliance across the Group's business and operations. Further reinforcing this Framework, a Monthly Compliance Meeting has been initiated with Senior Management (comprising the MD and Division Heads) to share compliance related updates and issues. To ensure continuous compliance, the Compliance and Risk Management Departments collaborate with business units to monitor and manage compliance risks through risk-based periodic reviews of related policies and internal controls. Constant reinforcement in the workforce is facilitated through regular training and awareness programmes.

(v) Whistleblowing

Whistleblowing is an integral part of the Group's good governance practices to encourage reporting of valid cases of improper conduct. A Whistleblowing Policy ("WP") is in place to govern processes related to disclosures of any wrongdoing and risky or unethical behaviour within the Group. A wide range whistleblowing channels have been implemented to provide secure and reliable access for employees, suppliers and vendors to raise concerns. The Group affords whistleblowers the requisite protection, in accordance with the Whistleblower Protection Act 2010, including confidentiality (to the extent reasonably practicable) and protection against retaliation and detrimental actions.

All reports are confidentially investigated with the necessary whistleblower safeguards and protection in place. Appropriate action will be taken where investigations prove the veracity of the whistleblower complaint. Whistleblowers are kept informed of the outcome of the investigation testifying to AEON Credit commitment to transparency.

In FYE2025, 23 reports were received through our whistleblowing channels, all of which were investigated and satisfactorily brought to proper closure. In all 23 cases, a no bribery or corruption was noted.

Our WP and information on whistle-blowing channels is accessible from our Company's website at:

 <https://aeoncredit.com.my/about-us/corporate-governance/whistle-blowing-policy/>

or scan the QR code below:



DATA SECURITY, IT INFRASTRUCTURE AND DIGITAL TRANSFORMATION

IT-enabled services are now pivotal to attract new customers and retain existing ones and has acquired a central place in the Group's strategic plans. Our Digital Transformation has gradually widened and deepened digitalisation across the Group, delivering capabilities of increasing complexity and sophistication and has now moved into the domain of AI.

(i) Business Continuity Management and Cyber Security

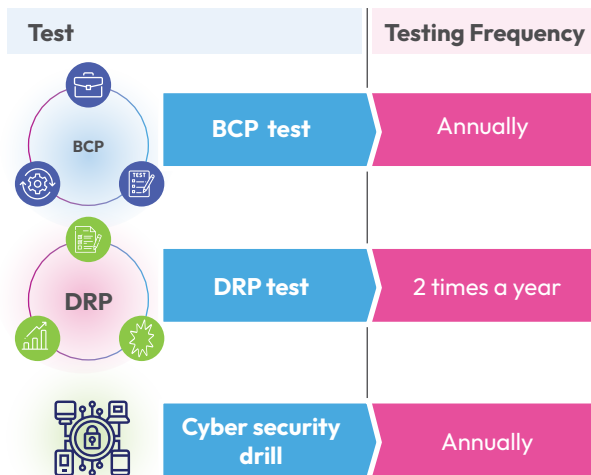
Digitalisation is accompanied by a set of associated responsibilities and customer obligations, including constant, uninterrupted availability, secure transacting capabilities, data privacy and confidentiality as well as cyber security. This set of responsibilities are also demanded by the regulatory authorities to maintain confidence in the financial system and ensure that customers are always protected.

The Group has in place the requisite IT infrastructure needed to provide reasonable assurance of availability for continuous service provisioning. This is backed by business continuity management infrastructure, systems and processes to ensure the Group is in a state of constant preparedness to address any service disruptions. Guidance for execution of the necessary interventions are documented in following comprehensive plans, in compliance with BNM requirements:



PILLAR 1: CONDUCT AND TRUST

These plans are kept current to take account of changes in our operating environment as well as new and emerging threats. The plans are also subjected to a testing regime that meets with BNM's minimum requirement of, at least, annual testing.



The testing regime includes, simulations based on hypothetical but realistic scenarios and tests designed assess the ability and adequacy of our business continuity infrastructure, systems and processes to respond to and mitigate risks and expeditiously recover and resume operations of our Critical Business Functions ("CBF") from disruptions caused by eventuation of these risks.

To support speedy recovery, the Group has a dedicated back-up site with all requisite infrastructure and services for back-up operations. Observations surfaced during testing, in particular weaknesses and areas of improvement are acted on and rectified to further strengthen operational resilience and heighten preparedness so as to ensure business continuity.

In the year under review, a BCP test was successfully conducted on 22 November 2024 to test the infrastructure of the newly renovated offices in the Bangsar South Headquarters as well as activation of the alternate Chief of Crisis Management in the absence of MD. The testing noted that the business continuity management infrastructure, systems and processes were adequate and operating as intended to support operational availability of CBFs and uninterrupted service provisioning. Learnings and observations were documented, and all required rectifications were expeditiously carried out.

(ii) Cyber Security

The prevalence of electronic transactions demands that the Group's infrastructure and applications be protected from malicious activities from cyber criminals which have become increasingly sophisticated in their methods and range of cyber threats. Accordingly, we place a strong focus on continuously strengthening our cyber security capabilities and keeping them up to date so that our fortifications against cyber threats are constantly strong and in a state of preparedness.

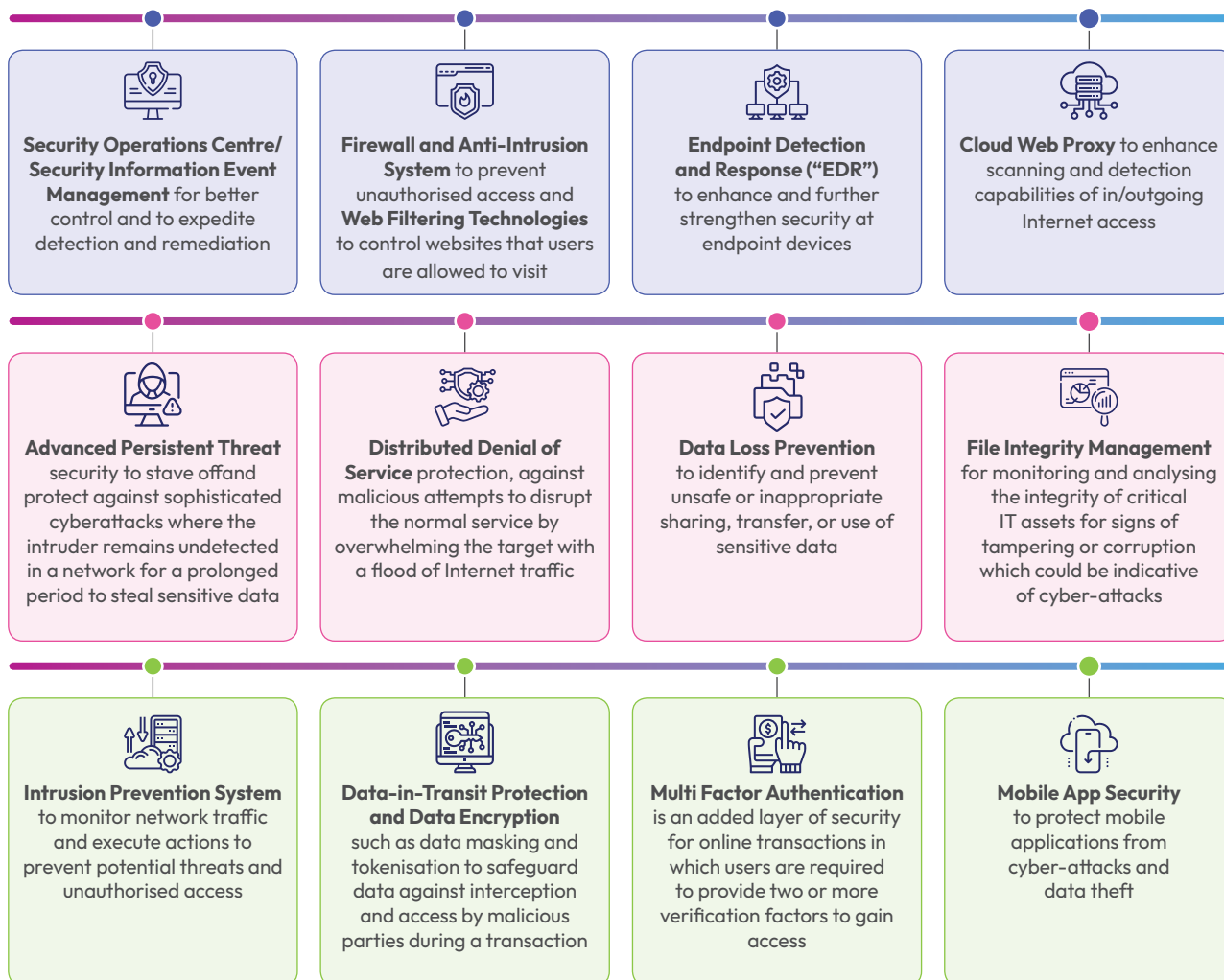
A governance structure through which cyber incidents are escalated has been established. Validated incidents of high severity are ultimately escalated to the Crisis Management team, Head of IT and Chief Information Security Officer, as well, relevant regulatory authorities are also notified. A Cyber Incidents Response Plan ("CIRP") is in place along with the underlying processes, as mandated by BNM, to guide responses to cyber incidents and support the expeditious recovery and resumption of operations from cyber incidents.

In compliance to BNM requirements, we successfully conducted our annual Cyber Drill on 22 November 2024 which provided assurance of the continuing efficacy, adequacy and resilience of our cyber security processes and systems. Weaknesses and areas of improvement arising were rectified and remediated expeditiously to secure the continuing effectiveness of AEON Credit's cyber security stance.

A 3-Year IT Security Plan covering all aspects of IT security, including cyber security has been developed and is under implementation. The Plan outlines expected investments to continuously keep the Group's IT security capabilities current and adequately prepared to counter and respond to malicious attacks. A total of RM7.65 million has been invested on cyber security in FYE2025.



The Group's current range of cyber security tools and systems include:



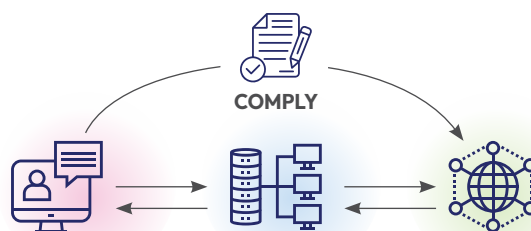
The Group will continue to make cyber security and IT security-related investments as we continue to digitalise our operations and expand on the range of online services we provide to our customers. This is in keeping with our intention to give our customers peace of mind when dealing with the Group and also to protect our assets against the constantly evolving and increasingly sophisticated methods of cyber criminals.

Cyber security e-Learning is conducted for all staff yearly to update their knowledge, reinforce constant diligence and vigilance and also to promote a culture of risk-awareness. New requirements arising from the Personal Data Protection (Amendment) Act 2024 will be incorporated into future training.

AEON Credit believes cyber security is only effective when both the Group and our customers are equally vigilant and diligent in keeping ourselves protected and secure in the virtual world. We believe we have a responsibility, which we take seriously, to also educate our customers to practice self-protection so that they can transact online with peace of mind knowing that they are secure and protected.

To this end, the Group constantly issues communications to our customers on good practices and responsible behaviours to better protect themselves, updated information is provided on new and emerging threats. Aside from minimising and heading off potential losses on the part of our customers, the communications aim to develop a culture of constant diligence and awareness among our customers.

There was no reported incident of cyber-attack in FYE2025 nor were there any customer complaints in relation to data breaches.



Implementing EDR and Web Filtering helps protect data, enhance cybersecurity, ensure compliance, and improve employee productivity

PILLAR 1: CONDUCT AND TRUST

(iii) Customer Data Protection

The proper safeguard and protection of customer data is a statutory responsibility placed on the Group under the PDPA. The Personal Data Protection (Amendment) Act 2024 received royal assent in October 2024 will come into force across the first half of 2025. The Group will implement all necessary compliance actions as needed where our operations are impacted by the amendments. The Group's Personal Data Security Policy is developed to govern and guide processing, handling and management of the Group's personal data.

The Personal Data Security Policy is accessible at:

 <https://myaeoncredit.com.my/privacy-policy/>

or scan the QR code below:



The Policy will be updated to reflect the PDPA (Amendment) Act 2024 once revision concerned receives the Board's approval. In addition, we are also bound by the secrecy provisions under the Financial Services Act (2013) in relation to customer data.

All necessary controls and attendant processes are in place to guide the Group's data management processes including for customer data. The Group is certified in ISO 27001:2022 Information Security Management Systems ("ISMS") which validates the efficacy of the structured processes in place to safeguard information and data security.



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

The Malaysian financial services industry is constantly evolving to address the challenges imposed by margin pressures, intense competition and, increasingly, a change in customer sentiments towards sustainability-inclined and environmentally-friendly products and services. It is therefore, incumbent for the Group to innovate in order to differentiate and build capabilities to effectively compete against industry players that are larger and possess greater depth of resources.

(i) Responsible Marketing

As the Group innovates, we consistently prioritise the AEON Foundational Ideals of placing our customers at the forefront of our efforts. In developing new and innovative products and services to better meet our customers' needs, we strive to ensure that our products are suitable for their intended use and tailored to align with the specific financial capacities of the different customer segments in our target market.

The Group's significant wealth of customer information has provided us with an intimate understanding of our customers' needs as well as their capacities and circumstances. The Group leverages this information to identify and offer products and services appropriate to different customer segments thus ensuring that our marketing campaigns have greater effectiveness and are framed in a responsible manner.

Our marketing materials do not bear any sensitive or misleading information in keeping with regulatory mandates. Business Units in charge check with relevant internal functions, Legal, Risk Management, Compliance and Corporate Communication to ensure adherence to all relevant regulations and industry prudential standards, in particular, care is taken to ensure that relevant terms and conditions associated with the products and services are clearly communicated.

In addition, where circumstances demand, the Business Units will seek the external legal advice on the mechanics underlying products and services to ensure compliance to legal requirements. In marketing to prospective customers, our personnel are required to provide full transparency of the relevant products' and services' terms and conditions and relay full information to facilitate prospects in reaching informed decisions.

Our customers have a right to equitable and fair treatment especially given that they may lack sophistication in their grasp of financial terms, the precise workings of our products and services and the associated implications. The Group has developed a Policy of Fair Treatment of Financial Consumers ("FTFC Policy") and a Treat Customers Fairly Charter ("Charter") which explicitly expresses our commitment to uphold the highest standards in interactions to ensure that every financial consumer receives fair, transparent, and respectful treatment. The FTFC Policy and Charter also embody our compliance to BNM's Policy Document on Fair Treatment of Financial Consumers across all aspects of our operations.

We are committed to uphold the professionalism of the Malaysian financial services industry and profoundly understand that fair treatment of our customers and transparency in dealings is a significant contributor to building and maintaining a high level of professionalism. The Group is taking direct ownership and intends to work alongside our industry peers in raising the bar and create the required impact.

In the year under review there is no reported complaint in relation to marketing nor was there any fine related to marketing information/content.



TRANSPARENCY IN PROCUREMENT PROCESS

The Group exercises strict oversight and governance over procurement processes to ensure transparency and fair treatment for our suppliers and vendors as well as to protect our interests. A variety of controls are in place to ensure integrity in procurement and safeguard against any misconduct. These controls are constantly reviewed for continuous improvement and audited to provide comfort of adequacy and effective operation.

(i) Procurement Governance

Our procurement processes are governed and guided by the Group's Policy of Purchasing which mandates the overarching principles of openness and transparency as well as professionalism and ethical conduct. We manage our procurement in line with best practices keeping the Group's interests centre stage to ensure we extract maximum value from each procurement.

Before being formally accepted by the Group, all suppliers and vendors are pre-qualified through a series of due diligence processes covering:

- 1 Human Resource checks to identify and eliminate any conflict of interest that may arise from the involvement of family members and relatives of members of our workforce;
- 2 Credit Bureau Malaysia and credit rating checks to assess individual/company creditworthiness; and
- 3 Anti-bribery and Malaysian Anti-Corruption Commission ("MACC") checks to ensure that suppliers and vendors are free from bribery/corruption offences and are not listed on MACC's blacklist.

Suppliers and vendors must sign an Integrity Declaration to attest to their adherence to anti-bribery and anti-corruption principles and meet the Group's stringent expectations of integrity and ethical conduct.

The Group adopts a two-tier procurement governance approach. Procurements valued at RM1 million and above are subject to an open tender while those below this threshold require quotations from 3 different vendors/suppliers. This approach facilitates operational efficiency and speed while preserving governance. All tenders must be reviewed and approved by our Tender Committee to ensure transparent and fair tender evaluation. Additionally, all confidential information both internal and external related to the procurement must be strictly protected and only used for the purpose for which it was provided.

All suppliers and vendors are subjected to an annual assessment to evaluate their performance, this serves to keep them on their toes and continuously improve and meet the Group's expectations.

Vendors rated as "poor" in the assessment are subject to blacklisting if the required rectification(s) or remediation(s) is not instituted in a timely manner to the satisfaction of AEON Credit. Continued blacklisting can result in exclusion from future tenders.

In FYE2026, sustainability considerations will be incorporated in the Group's annual supplier and vendor assessments. In this regard, we are currently working on developing our next 3-Year Sustainability Roadmap and supply chain strategy is part of our climate action plan to support decarbonisation efforts.

We will assess our suppliers and vendors according to social and environmental criteria to ensure that vendors align with the Group's sustainability aspirations and ethical business practices which will contribute directly to greater sustainability and resilience across our supply chain and support better informed decisions.

The Purchasing Policy is accessible at:

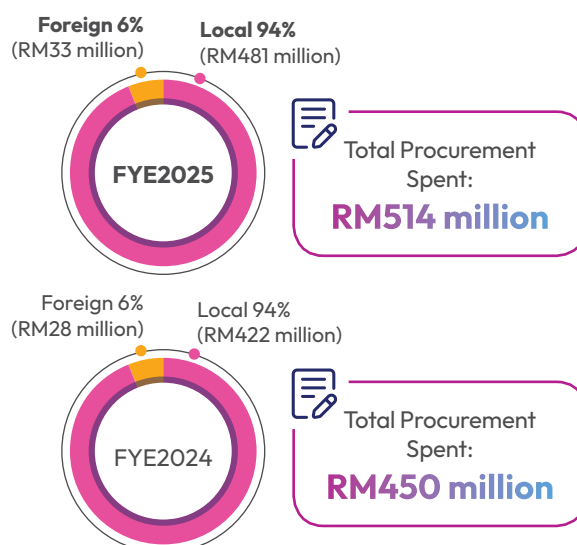
 <https://aeoncredit.com.my/about-us/corporate-governance/procurement-policy/>

or scan the QR code below:



(ii) Proportion of Local Procurement

To deliver on the Group's responsibility to contribute to the sustained growth of the Malaysian economy, the Group has a commitment to prioritise local vendors and suppliers. In FYE2025, and over the past 3 years, procurement spend directed to local suppliers and vendors remained constant at 94% of total procurement. Relevant procurement statistics are presented in the diagram below.



Suppliers and vendors can contribute to reducing our carbon emissions, particularly through reduction of emissions associated with procured goods and services, we will endeavour to exert influence through our procurement relationship with our supply base to encourage emissions reduction.



PILLAR 2: CUSTOMER EXPERIENCE

What this means to us

AEON Credit recognises that customers are fundamental to our long-term value creation. Guided by the AEON Group's "Customer First" philosophy, we embed customer focus across our strategies and operations. We are committed to delivering a positive customer experience that goes beyond expectations, as we believe excellence in customer experience drives loyalty, retention, and sustainable business growth.

Stakeholders



Customers



Shareholders and Investors



Employees



Government and Regulators



Merchants and Business Partners

Key Indicators

- Frequency and effectiveness of customer service programmes
- Sales channel diversity and effectiveness
- Customer Survey scores
- Number of complaints and resolution time by channel
- Sustainable marketing and brand perception

Material Matters



Business Innovation, Responsible Marketing, Product and Service Design



Excellent Customer Experience, Support and Access

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Customer Relationship Management

Performance Summary



Personal Financing Credit Processing Turnaround Time

reduced time from **3 days to 52 minutes**



Launched **3 flagship branches**



Google Review

improved rating from **4.5 stars** in FYE2024 to **4.7 stars** in FYE2025



Launched new **AEON Virtual Credit Card**

reducing the use of plastic card



Launch of Revamped Corporate and New Consumer Websites



Customer Satisfaction Survey

rose by **17.98%** to **96.08%**



Mystery Shopper Programme for Branch Operations

average score increased by **3.23%** to **90.33%**



Net Promoter Score

improved from **+30** in FYE2024 to **+41** in FYE2025



Customer Complaints

improved from **62** in FYE2024 to **50** in FYE2025



Productivity and Conversion Rate

enhanced telemarketing strategy improved productivity resulting in an increase in conversion rate from **34.33%** in FYE2024 to **41.47%** in FYE2025

AEON Credit has a relentless focus on continually enriching our customers' experience and aim to leave pleasant lasting impressions in all our customer interactions across all customer touchpoints so as to build and reinforce customer loyalty. Our customers are the Group's principal source of revenue on which we depend for prosperity, continuing growth and resilience. Accordingly, across all our operations, in all that we do, we bring to life AEON's "Customer First" philosophy.



EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS

The Group predominantly operates in the retail financial services segment where customer churn is prevalent and represents a constant concern. Like all financial services players, the Group places intense focus on retaining our valued customers and attracting new ones. In this regard, excellence in customer experience, support and access are critical differentiating factors to build and reinforce.

(i) Service Convenience and Customer Feedback

The Group has made great strides in enhancing customer convenience over the years. Driven by our Digital Transformation Programme customer channels has widened to include virtual channels, affording greater convenience through 24x7, anytime, anywhere availability and accessibility. Adding to these conveniences, service features in our virtual channels are continuously enhanced in keeping with prevailing trends and customer preferences, for instance the AEON Wallet, in a single app, provides the convenience of cashless payment through linkage with AEON Credit Card and AEON Member Plus Visa Prepaid Card. It also eases the top-up, collection, and redemption of reward points as well as the viewing of transaction history and, repayment amongst other value-add features.

To further enhance customer convenience, members of the entire AEON Group in Malaysia, including household names such as AEON CO. (M) Bhd., AEON BiG (M) Sdn. Bhd., amongst others, are collaborating to bring to the market the AEON Living Zone - an integrated ecosystem offering customers one-stop access to all Group products and services,

in the near future. AEON Living Zone will significantly enhance convenience for customers of AEON Group entities enabling them to buy and pay for goods and services via a single consolidated touchpoint. For respective entities, the Living Zone affords access to a larger pool of captive customers to leverage for revenue growth.

A variety of improvements have also been instituted as the Group continuously enhance processes and systems to bring our customer greater convenience, in FYE2025 these include:

- 1 AEON Wallet upgrade with a refreshed interface that simplifies processes for payments, rewards management and accessing financial products;
- 2 Integration of digital onboarding into AEON Wallet reducing turnaround time to just 52 minutes from 3 days previously accompanying improvements include pre-assessment, e-mandate, e-signature, e-storage, and use of scoring models;
- 3 A new AEON Virtual Credit Card designed with enhanced security for online transactions in which customers are provided with a unique card number distinct from their physical card;
- 4 3 flagship branches were launched in July, August 2024 and December 2024. These new branches have a distinctive contemporary design with features that enhance customer comfort and convenience in addition to supporting the Group's sustainability commitments recyclable material and energy-efficient appliances are used; and
- 5 An enhanced AEON Group-wide loyalty programme featuring a unified membership and points system designed to reward customers for their continued loyalty, while enhancing and delivering a seamless, integrated shopping experience across all participating entities.

In response to the growing prevalence and preference for online and cashless transactions, the Group maintains a strong focus on enhancing online security to provide our customers with peace of mind and the comfort of knowing that their interests are safeguarded. Customer protection and cyber defence fortification measures are constantly implemented and upgraded. A summary of key protection systems and tools deployed is presented in the sub-section Cyber Security - Pillar 1: Conduct And Trust.



PILLAR 2: CUSTOMER EXPERIENCE

We launched the Revamped Corporate and New Consumer Websites in March 2024, designed to facilitate ease of access to and present key corporate information, financial reports, governance details, press releases, and career opportunities. Meanwhile, a new consumer website has also been introduced which optimises user experience, providing a more informative and seamless journey for consumers seeking products, services, and customer support.

The Group has in place a variety of touchpoints, both physical and virtual to facilitate ease of access to products and services. All our physical touchpoints are staffed by experienced customer service representatives appropriately trained to interact with and assist customers. We solicit customer feedback as a matter of course to obtain frank and objective feedback which we use diligently as an integral part of continuous improvement to continually raise the bar on customer service as well as to improve our products and services.

All complaint feedback is acknowledged within 3 days. Case resolution is to be completed within 10 days. Upon identification of the complaints' root cause(s), appropriate corrective actions will be taken to expedite the required remediation and prevent future recurrence.

Where the root cause relates to communication lapses or deficiencies in product information/processes, retraining and briefing will be conducted to avert recurrence. The number of customer complaints received have decreased from 105 in FYE2023 to 62 in FYE2024, and further to 50 in FYE2025 indicative of continuous improvement in customer experience.

We supplement direct customer feedback with the following tools to better understand customer sentiments and identify areas of improvement:



Google Reviews received from customers - the overall star ratings and customer comments on Google provide a quick view of customer satisfaction. Analysing these help identify strengths that can leveraged on and areas for improvement.

In FYE2024, AEON Credit branches generally received positive feedback with the average Google Rating across 60 branches being around 4.5 stars. In FYE2025, the Google Rating for our network of 57 branches saw a slight improvement to 4.7 stars. Feedback remained largely positive, with several improvement opportunities. Our digital transformation has been crucial to garnering greater support from our customers.



Customer Satisfaction Survey serves as a crucial indicator of the quality of our customer service. These surveys help us gauge how well we are meeting our customers' expectations facilitating us in identifying areas for improvement. Overall, there has been a noticeable improvement in customer feedback from FYE2024 to FYE2025.

Total number of customer submissions rose by 17.35%, indicating higher engagement. Most categories saw improved ratings, with the most significant improvement in "Likelihood of Customer Referral" which rose to 96.08% up from FYE2024's 81.44%, indicative of enhanced customer satisfaction leading to a higher likelihood of customers recommending our services.



Mystery Shopper Programme which involves evaluating customer service, efficiency, and staff knowledge at branches. The feedback gathered helps improve service quality, overall customer satisfaction and staff training. The mystery shopper evaluations in FYE2025 showed an overall improvement in service standards across all branches. The average score increased from 87.50% in FYE2024 to 90.33% in FYE2025.

Key rating improvements were in:

- Reception and Staff Service Quality which increased by 4.83%; and
- Counter Officer's Product Skills and Compliance which rose by 6.87%.

Branch presentation remained consistently high, while the closing and follow-up process saw a modest improvement. Overall, the results indicate positive progress in service quality, with notable gains in key areas.

As we celebrate the improved score, we maintain a laser-sharp focus on continuous improvement. The FYE2025 programme, surfaced several gaps in our service delivery. To address these issues, we have conducted comprehensive refresher training sessions for impacted staff to enhance their skills and ensure a consistent, high-quality customer experience.

(ii) Customer Service Focus




The Group is certified in ISO 9001:2015 Quality Management Systems which affirms the robustness of the customer service process in place and that they are in keeping with generally acknowledged best practices. Successful recertification by an independent third party took place in FYE2025, this will remain valid for 3 years with an annual surveillance audit mandated during this period. We successfully concluded a recertification audit in December 2024.

Our customer-facing employees give customers their first impressions of the Group. Hence, we spare no efforts to ensure that our customer service representatives are properly trained, groomed and developed to be good ambassadors for the Group reflecting our core values and bearing high standards of professionalism. Customer service programmes are a crucial part of inducting newly recruited frontliners and continuously developing the incumbents.

In FYE2025, the following initiatives were conducted as part of the Group's continuous efforts to embed and reinforce customer service excellence throughout the organisation;

- 1 Net Promoter Score ("NPS") to measure overall customer satisfaction of our services. The current NPS is +41 compared to +30 as of February 2024 marking a significant improvement in customer satisfaction and implying greater customer loyalty
- 2 #1 in Customer Service - Service Success Journey Programme to emphasise good practices in the behavioural aspects of customer service excellence
- 3 Customer Experience Journey for all staff of Central Region aimed at improving customer service skills, inculcating positive attitude in delivering customer service
- 4 Excellence Award Programme for both Customer and Merchant Ambassadors (WoW Compliment). This Programme, motivates customer service excellence by recognising our AEON Ambassadors who received compliments from customers for services rendered and serves to embed and reinforce a mindset of responsiveness in internal and external customer interactions
- 5 Mandatory customer management, customer service and soft skills training for new recruits in frontline roles.

Recognition for customer service excellence, which has proven effective to motivate customer service personnel, continued in FYE2025. The number of Gold Award winners continues to be on the uptrend in FYE2025 validating the strong customer service capabilities the Group has developed within our customer service representatives. This affirms that we have competent and capable ambassadors on the frontlines to ably represent the Group and leave pleasant lasting impressions.

Customer Service Ambassador Programme		
	FYE2025	FYE2024
 Gold Award Achievers	113	103
 Silver Award Achievers	283	336
 Bronze Award Achievers	387	439

Our relentless focus on customer service excellence mandates a programme of continuous improvement to ensure our front-liners are well-trained and competent to provide the quality service our customers deserve. In FYE2025, initiatives in this direction were:



Customer Service Training

Conducted 40 Customer Service Training sessions for staff nationwide to uplift and enhance product knowledge, systems familiarity and maintain high levels of customer service. The training's objective was to ensure continuous improvement in customer interactions fostering consistency and efficiency and to embed a customer-centric culture where employees deliver exceptional service, leading to higher customer satisfaction.



Knowledge Sharing via Weekly Highlights and Awareness Email

Weekly updates on customer service and operations shared across branches to highlight best practices and address common issues.



Customer Service and Operations E-Learning

Implementation of online assessment to continuously evaluate and improve employees' knowledge and skills in customer service and operations.

PILLAR 2: CUSTOMER EXPERIENCE



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

Innovation is widely accepted as an effective way of differentiating. Innovation played an integral role in many organisations reinforcing market leadership and developing lasting competitive barriers. The Group places an intense focus on innovation throughout our operations to continually develop our competitive strengths and turn them into compelling competitive advantages.

Beyond being a competitive necessity, innovation is a survival imperative for the Group. It has been key to the Group's continued growth, resilience, and ability to record sustained positive results through our many years of operations. The many changes that the Group has instituted to respond successfully to wide-ranging challenges for instance, the Covid-19 pandemic, changing customer demographics and changes in the regulatory environment, attests to the Group's innovative spirit. In FYE2025, innovation was brought to life across our operations in the form of:

- 1 Continued expansion and enhancements to our range of products and services, AEON Living Zone, AEON Wallet and the AEON Virtual Credit Card articulated above being prime examples, notably these new products leverage virtual delivery channels which expedite delivery of feature and functionality enhancements and service and support;
- 2 Enhanced telemarketing strategy which drove improved productivity and a higher conversion rate of 41.47% in FYE2025, compared to 34.33% in FYE2024;
- 3 Operational efficiency measures, for instance our new Loan Origination System deepens automation with enhanced functionalities and integrates with an Optical Character Recognition ("OCR") solution to reduce manual dependency, facilitating seamless loan processing yielding improved turnaround time and better fraud detection;
- 4 Leverage of AI in credit scoring models leading to greater accuracy in credit appraisals and, impressively, also improving turnaround times, resulting in an enhanced customer experience;

- 5 Expansion of digital onboarding including through electronic Know Your Customer ("e-KYC") automating this critical process which is time-consuming when performed manually, has improved turnaround times and customer experience; and

- 6 Expanded application of analytics:

- has allowed greater leverage of our wealth of customer information for multiple purposes, as an example, we continually improve customer segmentation to identify cross-selling opportunities and enhance cross-selling rates
- to facilitate development of credit scoring models, leveraging on latest AI tools to improve default prediction accuracy and enhance the acquisition strategy for target customer segments
- to support risk management, robust and dynamic analytics is key to our risk-based collection approach, which focuses collection efforts based on customers' risk levels

The Group has achieved significant results from innovation and will continue to actively promote and nurture the spirit of innovation to help us continuously develop value creating ideas that will fortify our competitive strengths.

As we innovate in our product and service offerings, responsible features, terms and conditions takes centre stage to protect our customers' interests and ensure that dealings with them are ethical, fair and equitable. The Group recognises that the experience we give to our customers hinges significantly on the integrity with which our products and services are marketed and the care that goes into the design of their features. The Group diligently invests effort to design fit-for-purpose products and services that are aligned with our customers' financial needs and their financial capacity.



PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

What this means to us

AEON Credit acknowledges the role of digital transformation as a catalyst for innovation and competitiveness in the financial services industry. Through our ongoing Digital Transformation programme, we continue to digitalise operations and enhance product and service offerings to meet evolving customer expectations. This initiative has improved operational efficiency, optimised back-office processes, and enabled the delivery of greater value to our customers, reinforcing our position in a rapidly advancing digital landscape.

Stakeholders



Customers



Shareholders and Investors



Merchants and Business Partners



Lenders and Financial Institutions



Government and Regulators



Employees



Rating Agencies

Key Indicators

- Customer base growth
- Number of new products and services and their market acceptance, including for Sustainable Finance
- Number of new channels and new features delivered digitally
- Number of Financial Inclusion initiatives, including the number of beneficiaries
- Number and percentage increase in access points for the underserved segment

Material Matters



Financial Inclusion, Sustainable Finance and Financial Performance



Excellent Customer Experience, Support and Access



Business Innovation, Responsible Marketing, Product and Service Design

UN SDGs



Relevant BURSA Common Sustainability Matter

- Customer Relationship Management

Performance Summary



e-KYC

526,805 applications processed and approved via e-KYC for all products



Credit Assessment Processing

auto judgement rate increased to **41%** from **36%**
processing time shortened to **5 - 10** minutes
from **28** minutes with **99%** accuracy manpower requirements lowered by **10.8%**



AEON Virtual Cards

boosted credit card sales by **20%**,
with **113,000 cards** issued and digital customer acquisition rising to **22%**



Collection Rate

improved to **97.64%** from **97.32%**



AEON Wallet

41% increase in new sign-ups to **599,985**



Financial Literacy Programme

30 primary schools participated in Young Financial Savvy Programme

25 teachers participated in Financial Savvy Programme for teachers



Debt Management System (DMS)

Enhanced operational efficiency resulting in a **22%** productivity improvement



Sustainability-Linked Loans ("SLLs")

RM200 million disbursed, total SLLs amounting to **RM1.2 billion** as at FYE2025

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

The financial services industry is in a state of constant transformation to stay relevant and fortify its competitiveness. These transformations are invariably technology driven which witness greater automation and implementation of enhanced IT applications. AEON Credit instituted our digital transformation some years back which has brought greater customer convenience and enhanced experience in addition to increasing operational efficiency. Our digital transformation is continuing apace through leverage of technologies of greater sophistication such as AI, this also testifies to the greater breadth and depth of IT capabilities that the Group has built which continues to be strengthened on.



EXCELLENT CUSTOMER EXPERIENCE, SUPPORT AND ACCESS

In keeping with AEON Foundational Ideals, our customers were the starting point of our digital transformation. We aim to always enhance our customers' experiences in all their interactions with the Group. This focus continued with equal intensity in year under review during which a multitude of initiatives targeting our customers were implemented as elaborated in Pillar 2 under Customer Experience, Service Convenience and Customer Feedback.

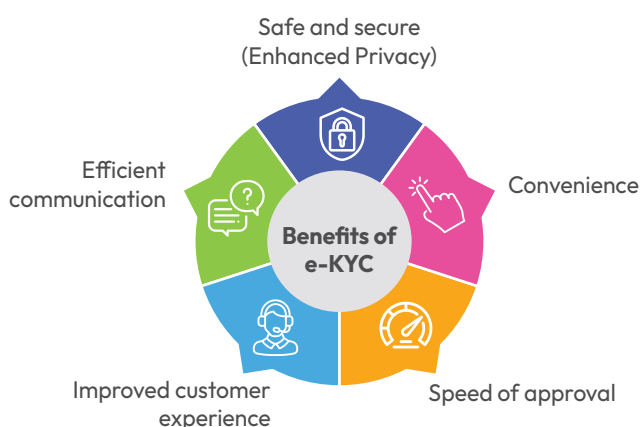
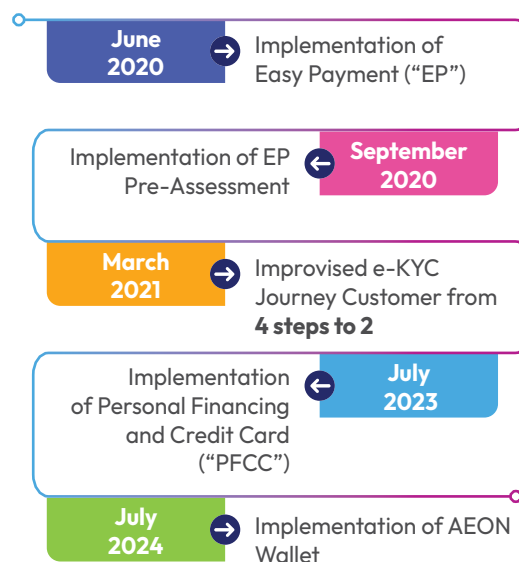
In Q4 2024, AEON Credit began exploring the integration of AI within its operations. The initiative is in its infancy with research and development still being actively conducted, focusing on identifying key areas across business units where AI can drive operational efficiency, improve employee effectiveness, and build customer trust. Additionally, it aims to enhance customer experience by gaining a deeper understanding of customer preferences and needs, enabling the delivery of personalised experiences that promote sustainable products and services.

The Group is developing an AI Policy that prioritises data privacy, cybersecurity, and ethical use of AI. The policy will be aligned with guidelines from the Ministry of Science, Technology, and Innovation, which emphasise fairness, transparency, safety, control, privacy, and accountability in AI implementations.

Incorporating will ensure that AI technologies are utilised in a manner that supports long-term objectives, including environmental sustainability, social responsibility, and continuous ethical considerations. The draft policy will be presented to internal stakeholders for feedback and is targeted for endorsement by the Board of Directors by Q2 FYE2026.

We recognise that operations in both the front and back offices need constant focus and elevation to continuously enhance end-to-end customer experience and service. Accordingly, the Group also had a sharp focus on back office services. As an example in FYE2025, we continued to enhance and expand our e-KYC which was first introduced in 2020 for selected products. e-KYC continued to be improved and expanded since its introduction and in FYE2025 further covered AEON Wallet. In FYE2025, we successfully processed and approved 526,805 e-KYC application for all products.

E-KYC Roadmap

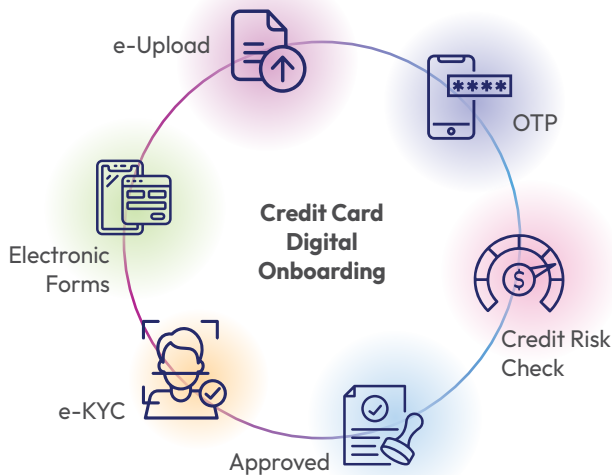


Loan processing also continued to be an area of focus, a new Loan Origination Systems ("LOS") was implemented in FYE2024 that has expedited our loan processing enhanced response time. Capability enhancements continued in FYE2025 through the implementation of Optical Character Recognition ("OCR") and AI-powered data extraction, accurate data entry from documents, eliminating errors related to manual typing. Resulting from the enhanced data accuracy, auto judgment rate - the AI supported credit decisioning - has increased from 36% to 41%.

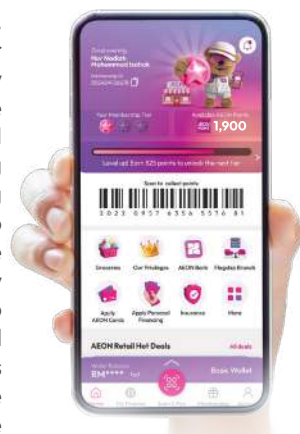
In addition, AI is leveraged to verify credit applicants' income by cross-referencing payroll data instantly and automatically performing credit bureau checks to ensure accurate credit scoring. Prior to this automation, verifying an applicant's income could take 1-2 hours but might still return errors, however after automation, this process is completed in seconds with 99% accuracy. The quantitative results achieved speak for themselves: credit assessment processing time reduced from 28 minutes to 5-10 minutes per application, a time saving of up to 18 minutes. Significantly, manpower requirement has also reduced in tandem by 10.8%.

There has been a noticeable shift in consumer behaviour, with increasing preference for online platforms. Responding to this shift, in August 2024, we introduced our virtual card to drive online spend which contributed to growing credit card sales by 120% compared to the previous year. This growth was driven by the introduction of digital onboarding for new cards, leading to the issuance of 113 thousand virtual cards from August 2024 to February 2025 with 287 thousand active members.

The percentage of new customers acquired through digital channels increased to 122% in FYE2025, up from 118% in FYE2024. The collective increases recorded testifies to the success of our focused efforts to enhancing customer experience through digitalisations, more importantly, they affirm customer acceptance and assimilation.



In our ongoing digitalisation, we also have consolidated our financial services into the new AEON Wallet that includes the instant issuance of an AEON point account upon downloading the Wallet app eliminating the need to separately set-up this account. In July 2024, we updated our Wallet to allow instant AEON membership registration, virtual card issuance, and access to AEON's promotional offers. Our objective is to ultimately elevate the AEON Wallet to be the Group's primary membership app. Total new sign-ups for FYE2025 is 599,985, a 41% increase compared to last year which saw 425,410 sign-ups.



BUSINESS INNOVATION, RESPONSIBLE MARKETING, PRODUCT AND SERVICE DESIGN

It is imperative that the Group continuously innovates to maintain our competitiveness and retain our valued customers. As emphasised earlier, we have a constant focus on innovation to develop better and more comprehensive value propositions for our customers. The AEON Living Zone, a digital platform which is a collaborative effort of AEON entities in Malaysia, targets to strengthen the AEON Group's competitive advantage by combining all AEON Group offerings within 1 ecosystem that is accessible through a single channel.

Significantly, this collaboration has the potential to create competitive barriers that are difficult for our competitors to match, especially with the presence of household names like AEON CO. (M) Bhd. and AEON BiG (M) Sdn. Bhd., instantly recognisable and names in the consumer products space. All entities, including AEON Credit already have our own respective loyal customer base, which in many cases intersect, hence the AEON Living Zone has a ready-made base of customers which can only grow as more customers sign up attracted by the convenience and customer rewards which are constantly improved.

The Group is enhancing its leverage of IT to automate processes across the customer lifecycle. This contributes significantly to improving the experience we give our customers, most importantly, it translates into speed and efficiency that are visible and felt by customers, these invariably leaves a lasting positive impression and reinforces customer loyalty.

Sales



Measures to increase high-scoring balances

Application



Verification through e-KYC & biometric

Screening



Improvement of credit accuracy through AI scoring

Collection



Optimal resource allocation according to credit risk

It is significant to note that underlying the automation and foundational to making it work effectively, lies the wealth of customer data accumulated over multiple interactions and transactions. This data is invaluable for effective functioning of IT applications across the customer lifecycle, such as credit scoring models and collection.

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION

Our leverage of customer data brings to mind the adage: *information is power* – we endeavour to achieve competitive advantage through innovative application of customer data. Equally important in bringing to bear the value of our customer data is the deep expertise and vast experience of our personnel for only through the infusion of their experience can the customer data be practically leveraged, as an example with their wealth of knowledge which is uniquely AEON Credit-specific is being applied to continually improving customer segmentation, creating more granular slices of information which allow for better targeting efforts and more effective campaigns.

In FYE2025, we implemented a new Collection System, the Debt Management System (“DMS”) to further enhance our collection capabilities. The system brings enhanced functionalities to support improved productivity in collections and operational efficiency through reduced processing time. The system provides enriched information through an all-in-one screen along with real-time status and report updates which supports quicker decision-making and expedites collection. The system also supports flexible workflows and includes monitoring and alerts on response time to customers. All the foregoing have been instrumental to a 22% productivity improvement.

Alongside technology support, we continued to adopt the risk-based collection approach that focuses on high-risk customers. Since its introduction in March 2023, this approach has enhanced collection performance. In FYE2024, we achieved a collection rate of 97.32% on current loans which further improved in FYE2025, reaching a rate of 97.64%.

As always, in developing and designing new and enhanced products and services, the requisite due diligence is exercised to ensure that they embed and reflect the Group’s commitment to excellent ethics, fair dealings and sustainability both on the part of the Group and our customers.



FINANCIAL INCLUSION, SUSTAINABLE FINANCE AND FINANCIAL PERFORMANCE

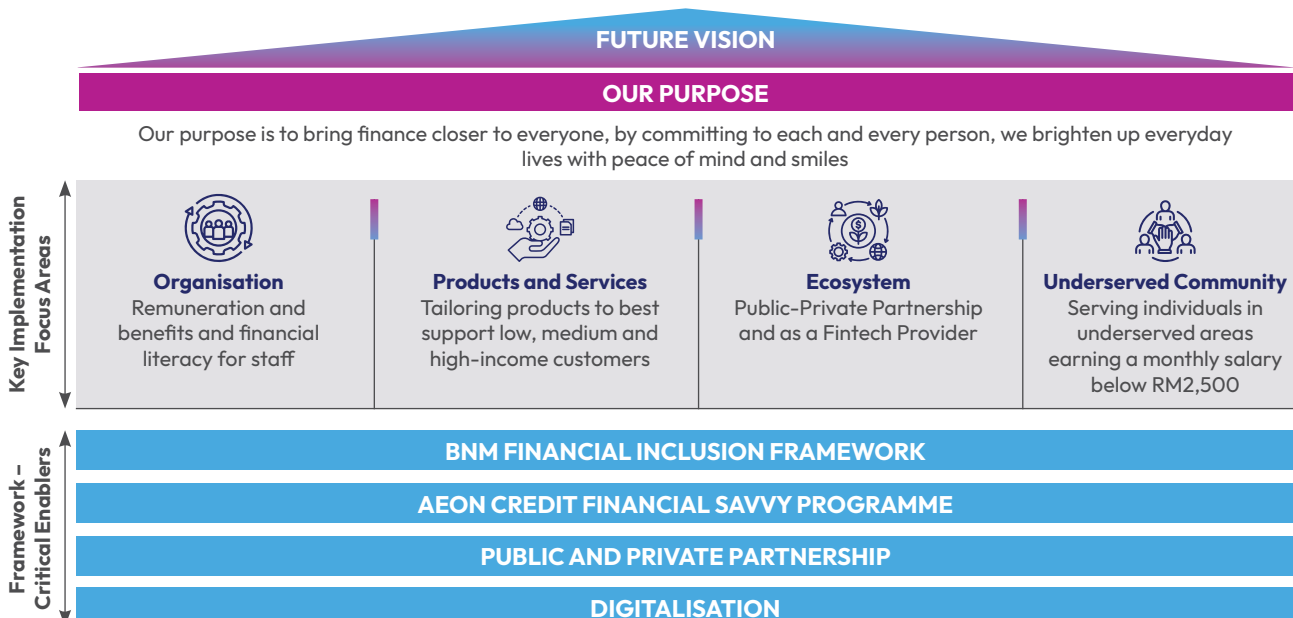
In light of our focus on retail financial services and recognising the need to make meaningful contributions, through our business, to societal and national development, the Group has intensified our efforts at supporting financial inclusion in FYE2025 while we continue to further our refined lending direction towards sustainable finance to address changing customer sentiments and realise our commitment to contribute to addressing global warming.

(i) Financial Inclusion

Financial Inclusion has an integral place in our 3-Year Sustainability Roadmap. The Group has formalised the definition of the underserved segment to guide the formulation of our financial inclusion strategy. This definition adopts the characteristics of the underserved segments contained in BNM’s Financial Inclusion Framework Strategy Paper 2023-2026.

The Group has mapped out our strategic intent and key initiatives to realise this intent. The initiatives are broad-based across key societal segments in which financial inclusion will create the most impact. For instance, inculcating financial literacy programmes to students and youths at their young age will embed early a better understanding of financial wellness and instil confidence in managing finances that will last into adulthood while extending affordable financing products to local businesses will help nurture them to make effective contributions to national economic development and societal upliftment through opportunities for employment and personal growth.

Financial Inclusion Framework



It is also notable that, to deliver effectively on the strategy the Group, is starting with institutional strengthening through internal capability building supplemented by appropriate refinements in its compensation scheme to motivate and infuse passion within the workforce.

In terms of practical action, loyalty programme development is being refined to make them accessible to all customer groups including low-income groups to enhance appeal to the targeted underserved segment. As well, we are addressing customer segmentation by income groups to improve personalisation and product and services targeting, including to the underserved segment.

Our Financial Inclusion Strategy is designed to ensure equitable access to financial services for underserved communities by fostering financial literacy, enhancing accessibility, and ensuring affordability. The underlying Financial Inclusion Framework and 3-Year Implementation Roadmap targets the integration of marginalised groups into the formal financial system, eliminating barriers, and empowering individuals economically.

By establishing the Financial Inclusion Framework, the Group supports BNM's objectives, of improving access to financial services for underserved populations, reducing poverty, and encouraging broader economic participation. Our Financial Inclusion Framework is aligned with national goals, promotes financial literacy, and supports both financial stability and innovation within the sector.

In FYE2025, we conducted the following financial literacy programmes as we implement our financial inclusion strategies:

1 AEON Credit Young Financial Literacy for Teachers targeting school children aged between 13 to 17 years old was piloted at Felda Lurah Bilut, Pahang in March 2024. This involved the participation of 30 primary school students from SK Lurah Bilut to create awareness on basic financial literacy. The value of money, sharing values and also understanding needs and wants were impressed upon the students during the event.

2 The AEON Credit Financial Savvy Programme was initiated with 25 teachers from the MAF AEON Smart Classroom Project in July 2024. This initiative aimed to enhance financial, digital, and insurance literacy, as well as raise awareness about scams and fraud. The 2-hour session provided the teachers with a deeper understanding of digital financial services, digital literacy, and insurance.

Future initiatives will target youths aged between 18 to 24 years old through collaborations with local universities as part of the Group's strategy to create financial confidence for new-to-credit segment through physical engagement programmes and online podcast sessions.

To tap into the collective wisdom and experience of financial inclusion-inclined organisations and contribute to wider financial inclusion through collaboration, we plan to apply for membership in the Financial Education Network ("FEN") in FYE2026. FEN is an inter-agency platform comprising of institutions and agencies committed to improving the financial literacy of Malaysians and count amongst its members, BNM, Securities Commission Malaysia, both the Education and Higher Education Ministries as well as notable names in financial services and capital markets.

The Group's financial inclusion efforts in FYE2025 also included:



Widening accessibility to our products and services

Our AEON Member Plus Visa ("AMP") prepaid card offers the a convenience payment solution for all customer segments. Notably, customers aged 15 to 17 are eligible for a maximum purse size of RM1,500, which increases to RM10,000, for customers aged 18 and above. The growing popularity of AMP is reflected in a 113% increase in active customers and a 22% rise in sales transactions in FYE2025 compared to the previous year.



Support for small businesses

We continued to support hawkers and petty traders through the Privilege Card for Hawkers and Petty Traders ("Kad Penjaja"), a prepaid card designed specifically for street vendors and small businesses which enables them to accept cashless payments furthering financial inclusion.



Promoting financing affordability

Our Objective Financing facility promotes financing affordability through the FlexiPay feature which extends the repayment period to up to 48 months, reducing the quantum of monthly instalment and increasing affordability. This facility offers higher financing which also increases affordability. Obviously, like all credit facilities, application for Objective Financing are subject to diligent and thorough appraisals.

PILLAR 3: DIGITAL PRODUCT AND SERVICE TRANSFORMATION



Accessible financing options

Electric bikes financing has an integral role in the electric vehicle-based initiatives in our 3-Year Sustainability Roadmap. We offer customised financing solutions with special profit rates ranging from 0.65% to 0.833% per month to make EV bikes more accessible to a broader customer base. This initiative fosters the growth of the green mobility market and aligns with the Group's sustainability commitments as well as our net-zero goal. Our efforts also contribute to national efforts to expand environmentally friendly transportation options, supporting the achievement of Malaysia's Paris Agreement commitment.



Judiciously lowering financing qualification requirements

We revised the income documentation requirements for moped financing applications in the Eastern Regional Office ("ERO") and East Malaysia Regional Office ("EMRO") to better serve the low-income segment who may not have proof-of-income documentation and allowed a minimum down payment of 30%. Following this revision, 7,683 applications were received, of which with 5,177 was approved. This reflects a broader strategic direction to innovate and adapt in ways that mutually benefit the Group and the communities we serve, reinforcing AEON Credit's reputation as a responsible and customer-focused financial institution.



Leveraging merchants' access to underserved markets

Merchants play a pivotal role as the primary point of sale for a variety of financial products. Collaborating with local merchants allows us to reach underserved and unbanked populations, further promoting financial inclusion. In appreciation of their significant contributions, we organised our first merchant incentive trip in FYE2025 during which we recognised approximately 30 merchants.

(ii) Sustainable Finance

We made a distinct realignment in our lending direction in FYE2024, driven by 2 significant factors, the first, securing our inaugural Sustainability-Linked Loans ("SLLs") which came attached with sustainability-based performance targets and the second, an increasingly discernible change in customer sentiments in support of environmental-friendly products and services.

The underlying intent of environmental preservation and societal upliftment embedded in our 3-Year Sustainability Roadmap also drove the realignment of our lending direction.

Our portfolio of products and services has since expanded to cover sustainable financing for green, environmentally friendly appliances and systems as well as social financing to support uplifting the stature of the general society. The Sustainability Performance Targets ("SPT") attached to our SLLs binds us to offer and secure customers for our sustainable finance products. The achievement of the SPTs is incentivised by alignment of SLLs interest rates with our performance. The SPTs are detailed below:

1 SPT1 – This category covers green and social financing for loans related to the purchase of energy-efficient appliances such as washing machines, air conditioners, televisions, and refrigerators with 4-star or 5-star energy efficiency labels certified by the Energy Commission (Suruhanjaya Tenaga). It also includes bicycles, and electric bikes. The total financing mandated under SPT1 for these categories is shown below.

Sustainable Performance Targets ("SPT")		Total (RM)
SPT1	Green financing for purchase of energy efficiency appliances (washing machines, air-conditioners, televisions, refrigerators, e-scooters and bicycles)	7,059,829* ✓
	Green financing for electric bikes	721,481 ✓
	Social financing for underserved customers [1] [2] [3]	30,533,300 ✓

* Inclusion of extended warranty

- Underserved customers refer to "individuals who reside in underserved and unserved areas" as defined by Bank Negara Malaysia, with limited geographical accessibility, specifically, rural/remote/hard-to-reach areas and areas where Financial Access Points are located more than 10km travelling distance away (Source: 2nd Financial Inclusion Framework 2023-2026);
- To determine the underserved and unserved areas, AEON Credit refers to the list of underserved and unserved areas issued by Bank Negara Malaysia (Source: Policy Document on Agent Banking issued on 16 June 2022); and
- Customers from targeted for low-income group, specifically, individuals with monthly income of RM2,500 and below.

✓ This data was assured by KPMG PLT.

- 2 **SPT2** – for meeting carbon reduction targets to support the Group's 2030 carbon neutrality goal. Please refer to GHG emissions on pages 122 to 123 to see our performance against the SPT emission target.

Given that the retail segment is our dominant focus, our portfolio of sustainable finance products is significantly inclined towards environmental-friendly consumer products, such as solar energy generation mechanisms, energy efficient appliances and electric vehicles. Uptake has been encouraging in tandem with the changing customer sentiments, it is also worth noting that local financial services providers have also strongly embraced the sustainable lending direction with those active in the retail segment also largely offering similar products.

We actively seek opportunities to expand our involvement in sustainable financing to help our customers realise their environmental care and protection aspirations. To this end, we are exploring collaborations with solar panel vendors to enhance our offerings and as an additional channel to secure customers.

A total of RM200 million has been disbursed for FYE2025, bringing the cumulative disbursement funded by our SLLs to RM1.2 billion. Additionally, we are actively exploring new borrowing opportunities with our banking partners for sustainability-linked loans, social bonds, and social loans.

The market has demonstrated strong support for green financing, highlighting an increasing commitment to sustainable financial practices. We remain focused on achieving the SPTs as we strive to realise our financial objectives while making a meaningful contributions to both environmental and social sustainability.

(iii) Financial Performance

Continuous positive financial performance is important to the Group to fund growth and expansion and to reinforce our capacity and capabilities to generate stakeholder value. We have a relentless focus on sustained positive financial results, in the year under review, we continue to implement measures aimed at:

- 1 Increasing our revenues and fortifying the quality and longevity of our sources of revenue
- 2 Expanding our and strengthening the resilience of our revenue streams

while at the same time also:

- 1 Optimising cost through implementation of cost effectiveness and operational efficiency initiatives
- 2 Diligent and active risk management to avert and minimise loan impairments

The economic values generated, retained and distributed for FYE2025 are depicted below.

	FYE2024	FYE2025
Economic Value Generated ^(a)	RM2.11 billion	RM2.46 billion
Economic Value Distributed ^(b)	RM1.54 billion	RM1.94 billion
Economic Value Retained ^(c)	RM565.17 million	RM513.51 million

Notes:

- (a) Refers to revenues and other operating income generated by the Group
- (b) Refers to impairment losses, personnel expenses, interest expenses, other operating expenses and share of results in an associate
- (c) Refers to Economic Value Generated minus Economic Value Distributed

As a good corporate citizen, the Group commits to discharge our responsibilities to pay taxes as assessed completely and in a timely manner. In keeping with this commitment, the Group adheres strictly to all taxation legislation including all related administrative aspects, including timely, transparent and accurate filing of returns and provision of all information and documentation as requested by the relevant authorities. In direct relation to maximising economic returns, we actively manage our tax position and exposure through diligent tax planning. The following table indicates the Group's tax-related metrics.

No	Metric	(RM'000)
1	Earning before tax	513,507
2	Reported taxes	142,896
3	Effective tax rate	27.83%
4	Cash tax paid	133,087



PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

What this means to us

AEON Credit remains committed to safeguarding the health, safety, and well-being of our employees, ensuring a secure and supportive work environment that enables them to perform and thrive. We recognise that a skilled and resilient workforce is central to business sustainability and long-term success. In appreciation of our employees' contributions, we provide competitive remuneration, support continuous development, and uphold diversity, equity, and inclusion in all Human Resources practices, reflecting our corporate philosophy of "Respecting Humanity."

Stakeholders



Employees



Customers



Government and Regulators

Key Indicators

- Retention and attrition rates
- Internal hiring rate, including internal promotions to senior management positions
- Employee engagement score
- Number of occupation-related incident
- Lost time through injury
- Workforce gender distribution
- Average training hours

Material Matters



Employee Benefits, Employee Engagement Programmes



Employee Health, Safety and Well-being

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Health and Safety
- Diversity, Labour Practices and Standards

Performance Summary



Employee Satisfaction Score

Improved by **3%** from **15%** in FYE2024 to **18%** in FYE2025



Retention Rate

Improved to **83%** in FYE2025 from **82%** in FYE2024



Employee Excellence Award

25 employees awarded with Employee Excellence Award to Bangkok



Employees trained on health and safety

standards increase to **1,128** FYE2025 from **572** in FYE2024



Senior Management Gender Distribution

Female ratio improved from **39%** in FYE2024 to **46%** in FYE2025



Employee Training

Recorded a significant increase of **46,204 hours (65%)**, reaching a total of **116,904 hours**, with total training investment for FYE2025 amounting to **RM2,114,587**



Similar to previous year, **zero work-related fatalities** was recorded in FYE2025



Safe work environment reinforced through consistently low **Lost Time Incident Rate ("LTIR")** which in FYE2025 was 0.06

Employees are our most valuable asset critical to continued success, resilience and growth. We acknowledge our responsibility to reciprocate our employees' efforts and contributions through maintaining a supportive work environment where employees are constantly engaged and fairly compensated.

In addition, we are committed to safeguarding their health, safety and well-being to provide the peace of mind to constantly strive for high performance. The Group is also committed to nurturing our workforce to fully realise their potential by providing opportunities for professional and personal development.



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

A keen focus on our workforce's health, safety and well-being is essential to ensure continuous, uninterrupted conduct of business to sustained value creation for all our stakeholders. The Group acknowledges our responsibility to provide a secure and safe working environment for our workforce, one which safeguards them from harm and keeps them protected at all times. This, in turn, facilitates our employees in performing their duties well and with confidence so as to meaningfully contribute to achievement of the Group's goals and objectives.

(i) Occupational Safety and Health

Occupational Safety and Health is a legislative responsibility that is mandated on the Group, hence, it is incumbent that the Group complies with all relevant governing laws. To provide governance and guidance, the Group has in place an Occupational Safety and Health ("OSH") Policy that affirms our commitment to provide a safe and conducive working environment for all employees and safeguard customers and visitors from potential hazards that may arise from the Group's business activities. The OSH Policy is regularly reviewed and updated to reflect operational changes, regulatory amendments and to incorporate improvements, the last review was conducted in December 2023.

In addition, guidelines are also issued to guide and inform the implementation of the OSH Policy through articulating the relevant processes to be followed. The guidelines are being expanded to include incident management, emergency response, workplace inspection, overall workplace safety and health, and OSH trainings with expected completion by Q1 FYE2026.

The new guidelines were, in part, in response to improvement opportunities identified through internal and external assessment on OSH, this testifies to the Group's continuous improvement orientation.

The Group's OSH Committee, chaired by the Head of Human Resources and Administration Group, conducts quarterly workplace inspections to obtain comfort of the adequacy and currency of OSH measures in place as well as compliance to the Occupational Safety and Health Act 1994 ("OSHA"). Findings arising from workplace inspections are shared during quarterly OSH Committee meetings which also include regional offices' participation to ensure full geographical coverage of our operations.

To ensure statutory compliance trained OSH Coordinators are appointed in every regional office to support the OSH Committee through conducting quarterly Safety Walkabouts. To enhance diligence, OSH assessments are also conducted based on the Risk Management Department's Risk and Control Self-Assessment with the latest assessment being conducted in December 2024. In addition, the OSH Manager from Headquarters regularly visits regional offices and CSU nationwide. The Group recorded zero work-related fatalities and a low Lost Time Incident Rate ("LTIR") of 0.06, emphasizing a strong commitment to maintaining a safe working environment.

The Hazard Identification and Risk Assessment Methodology has been properly established to support the implementation of workplace safety. Hazard identification and risk assessments are conducted on a yearly basis and also when an incident occurs as part of investigations to determine root cause(s), corrective actions and improvements needed.

Office Emergency and Safety briefings are mandatory for new joiners, these are run concurrently with their induction programme. Certified First Aiders and trained Fire Marshalls are deployed across our operational footprint nationwide. Evacuation drills are conducted periodically to assess the state of preparedness of our operations at key locations, those conducted in FYE2025 affirms familiarity with our evacuation plan. Refresher training for emergency response and firefighting is scheduled to be implemented in FYE2026.

In FYE2025, all employees and contractors and vendors were covered under the Group's Occupational Safety and Health ("OSH") Management System, similar to FYE2024.


Mental health has gained increasing recognition as being a critical component of holistic well-being. The Group gives credence to the importance mental health by instituting the Employee Assistance Programme ("EAP") for our workforce to assist them in addressing personal or work-related issues through confidential counselling, mental health support, financial guidance, and other resources to help employees manage challenges and maintain their well-being. This Programme is realised through a collaboration with Naluri, a digital health company.

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING




 Before renovation: A look at the office space on one of the floors prior to the renovation work that commenced in February 2024




 After renovation: The revitalised office space, now featuring added greenery and enhanced ambience, creating a more conducive work environment



 After renovation: The workers' lounge area after its transformation



 After renovation: The newly renovated headquarters, completed in September 2024, showcases a refreshed workers' lounge with the inclusion of plants and improved natural lighting

Leveraging Naluri's digital EAP, the Group aims to provide employees with accessible and effective support, enhancing their overall productivity and well-being. Notably, the digital nature of Naluri's EAP allows employees to access support at their convenience, without the need for appointments or commuting.

We noted a slight increase in our FYE2025 employee engagement score when we focus on employee well-being-related areas indicating our workforce's sensitivity and receptiveness to concern over their well-being. The EAP was implemented to explicitly emphasise that we "hear and heed" our workforces' calls for support.

(ii) Human Capital Management

We successfully completed the renovation of our Headquarters in September 2024 and the Sunway Velocity 2 Credit Operation Centre in November 2024, creating a more dynamic, efficient, and employee-focused work environment. The renovations contributed to heightened employee satisfaction by creating a healthier, more comfortable, and motivating work environment. Upgrades such as improved lighting, better air quality, ergonomic furniture, and relaxation spaces can enhance employees' physical and mental well-being, leading to increased morale, productivity, and employees' job satisfaction. Additionally, the physical working conditions at office locations (e.g., workspace, office layout, amenities/facilities) were considered satisfactory, as evidence, the satisfaction score in this area improved to 18%. All the above played a contributory role in raising our employee retention rate from 82% in FYE2024 to 83% in FYE2025.



EMPLOYEE BENEFITS, EMPLOYEE ENGAGEMENT PROGRAMMES

The Group holds a strong conviction that creating a mutually beneficial symbiotic relationship with our workforce is foundational to economic success and prosperity. We recognise the importance of a contented, passionate, and engaged workforce to continuously drive the Group forward and sustain our good standing within Malaysia's financial services industry.

To create a high-performing workforce that is focused on excellence, the Group is committed to rewarding our employees fairly to recognise their contributions and dedication. Beyond monetary considerations, the Group also give equal and close attention to meeting non-monetary factors that exert significance on our workforce performance – respect, dignity, equality and inclusiveness.

(i) Respect for Human Rights

The Group subscribes to the provisions of internationally recognised human rights treaties and conventions. This is documented in our Human Rights Policy which aligns to the International Labour Organisation's standards and the UN Universal Declaration of Human Rights. We stay true to our sustainability principles on how we conduct business and endeavour to uphold human rights in all aspects of our business operations, including across our value chain.

The key human rights principles contained in our Human Rights Policy are:

- 1 Equal opportunity;
- 2 Diversity, equality and inclusion, including gender equality and fair employment conditions;
- 3 Non-discrimination which translates into prohibition of discrimination in any form;
- 4 Establishing and maintaining a safe and healthy workplace;
- 5 Safeguarding the workforce's health and safety;
- 6 Protect data confidentiality and privacy, specifically safeguarding confidentiality of employee data;
- 7 Protecting the rights of children through prohibition of all forms of exploitation of children, forced labour, slavery and human trafficking; and
- 8 Respect for community rights including refugees, persons with different abilities and indigenous people.

All across our organisation, our workforce is mandated to uphold the above principles in the conduct of operations. Our Human Resources and Administration Group has responsibility for enforcing the Policy of Human Rights through human capital management guidelines, practices, and processes.

Of note, in July 2024, for the first time the Group participated in the Communication on Progress session of the United Nations Global Compact Network ("CoP") showing solidarity and aligning with the Network's principles on human rights, labour, environment and anti-corruption.

(ii) Workforce Diversity and Inclusion

As always, the Group remains committed to workforce diversity. We leverage our workforces' diversity in our business, for instance we apply the multiculturalism within our workforce to develop product and service offerings that appeal to our diverse customers and ensure we are aligned to the diversity inherent in Malaysia.

Our support for diversity is anchored through our equal opportunity approach to employment, remuneration, career development and job progression. We have a zero tolerance towards discrimination, no discrimination is tolerated regardless of race, creed, class or any other form of differentiation. In this regard, we have commenced exploratory discussions with the Malaysian Association for the Blind in early 2025 to discuss possible employment opportunities for this differently-abled group of individuals.

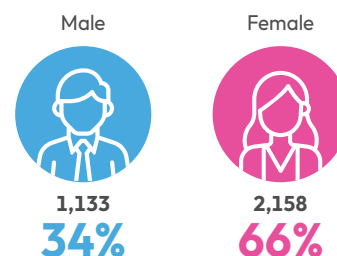
In line with the AEON Foundational Ideals, we respect the rights of every individual and foster a harmonious, dynamic and strong workforce that is collaborative and infused with a strong sense of mutual respect.

We appreciate that diversity offer a fertile platform for unique and varied opinions and ideas from which significant innovations might emerge that can be capitalised to create compelling competitive advantage. Diversity, equality and inclusivity in the workplace builds and reinforces a strong sense of belonging within our workforce driving greater commitment and a passion to make sustained meaningful contributions.

To explicitly uphold our commitment to diversity, we have incorporated the following as part of our recruitment strategies:

- 1 Broadened recruitment channels by attending campus/job fairs focused on underrepresented groups;
- 2 Our Employee Referral Programmes encourage current employees to refer candidates from diverse backgrounds in furtherance of an inclusive culture;
- 3 We offer internship and Management Trainee Programmes to provide opportunities for early career entrants; and
- 4 Flexible working arrangement, with a flexible start time between 8am to 9:30am, is implemented in our efforts to appeal to and attract individuals with different needs or responsibilities.

Gender composition of the Group's workforce has also remained relatively stable year-on-year. At the end of FYE2025, the gender ratio was 34% male : 66% female which is similar to that of the previous year.

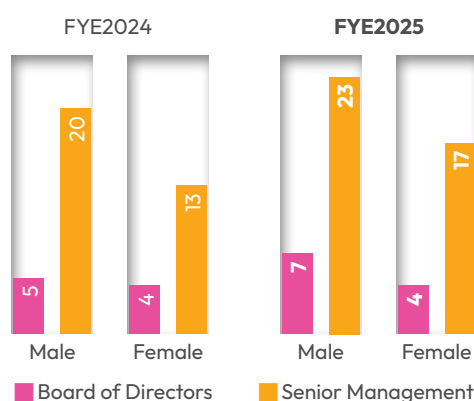


Total : 3,291 employees

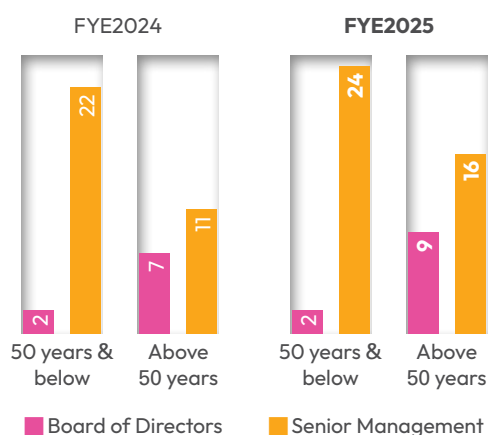
PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Gender composition at the senior management level has improve in FYE2025 to 54% male : 46% female compared against the 61% male : 39% female ratio in the previous year. This testifies to our efforts at balancing the gender distribution within our senior management ranks and further reinforces our respect for capabilities of members of the fairer sex to make effective contributions.

Gender Composition of Board of Directors and Senior Management



Age Composition of Board of Directors and Senior Management



Staff Composition by Nationality

The Group's workforce pre-dominantly comprise of local employees with a small foreign representation in strategic and key operational roles to facilitate skills and knowledge transfer from more developed markets to the local workforce. This approach has served the Group well in elevating the competencies and capabilities of the local workforce to strengthen our competitive abilities.

FYE2024

Total Number of Employees	3,106	Number of Local Employees	3,095	Japanese	9
		Number of Foreign Employees	11	Fillipino	1
				Bangladeshi	1

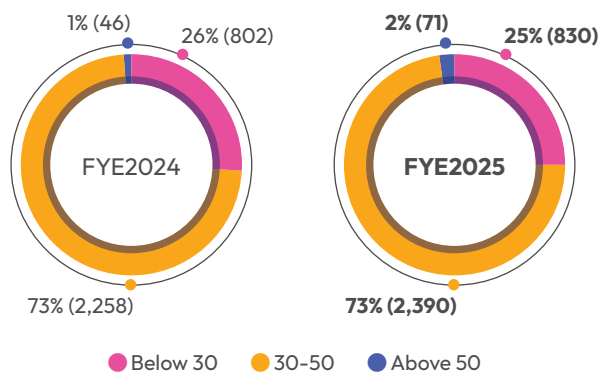
FYE2025

Total Number of Employees	3,291	Number of Local Employees	3,277	Japanese	12
		Number of Foreign Employees	14	Fillipino	1
				Bangladeshi	1

Staff Composition by Designation

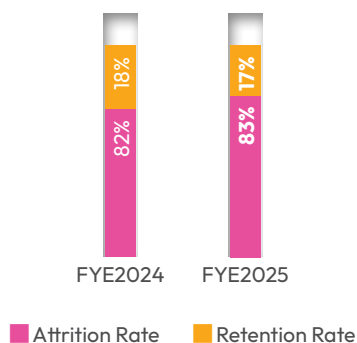
	FYE2024	FYE2025
Senior Management		
Managing Director		
Executive Director		
Executive Officer		
Senior General Manager		
General Manager		
Assistant General Manager		
	35 (1.1%)	42 (1.3%)
Middle Management		
Senior Manager		
Manager		
Assisstant Manager		
	348 (11.2%)	401 (12.2%)
Executive		
Senior Executive		
Executive		
Junior Executive		
	2,705 (87.1%)	2,831 (86.0%)
Non-Executive		
Clerk		
Non-Clerk		
	18 (0.6%)	17 (0.5%)
Total Staff	3,106	3,291

Staff Composition by Age Group



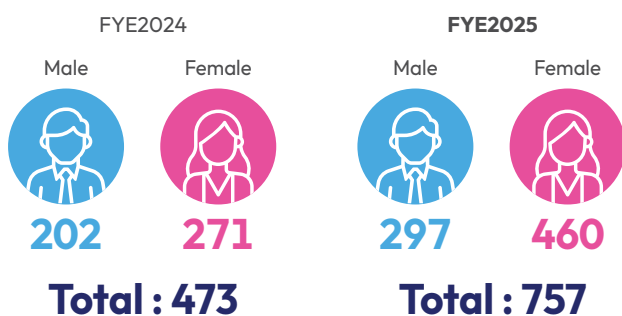
In FYE2025, our employee retention rate improved to 83% against the previous year's level 82%, consequently attrition rate fell to 17% against the previous year's 18%.

Attrition Rate

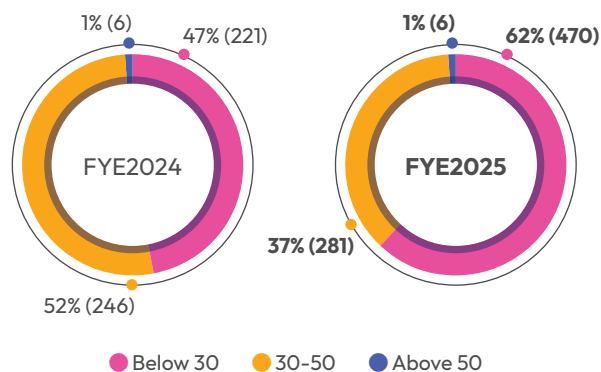


We constantly recruit new hires to bring fresh perspectives and vitality to the Group and complement existing competencies and skill sets. In addition, we also have a focus on recruiting talents with capabilities that we expect will be critical in strengthening the Group's competitiveness, in emerging technologies like AI which is actively embraced across the financial services industry.

New Hires by Gender



New Hires by Age Group



In addition to hiring externally, the Group also provides opportunities to qualified members of our workforce to fulfil vacancies arising, this supports internal mobility, widens career enrichment and most importantly, enables us to retain top talents. By offering internal opportunities, we provide career growth pathways, enhancing employee satisfaction and loyalty. This leads to lower turnover rates and reduces the costs associated with recruiting and training new staff.

Aside from fulfilling manpower needs, the Group's recruitment efforts also have a societal development inclination. Our Management Trainee Programme and internship placements are employment initiatives aimed at supporting youth employment, providing them with a career filled with learning and development opportunities and a vast body of experienced professionals from which to receive guidance.

(iii) Remuneration and Employee Benefits

The Group's HR practices and employment conditions are guided by and comply with the provisions of the Employment Act 1955. We comply with the minimum wage of RM1,700 prescribed under the Minimum Wages Order 2024.

We recognise and appreciate the support, dedication and contributions of our workforce towards the Group's continuing prosperity and success. To explicitly reflect our gratitude, we are committed providing a competitive remuneration and comprehensive benefits package to our employees. This package is benchmarked periodically against prevailing market practices in both the financial and non-financial services industry sectors to ensure that it remains competitive.

An extensive range of benefits is provided to our employees, these include:

- 1 Flexible working arrangement
- 2 Flexible benefit scheme which allows employees to tailor their benefits package to suit their requirements

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

- 3 Employees' Provident Fund ("EPF") contribution, starting at the statutory prescribed rate, the employer contribution rate increases beyond this for employees with over 8 years of continuous service
- 4 General healthcare coverage
- 5 Hospitalisation and surgical insurance including dental and optical
- 6 Group Term Life covering permanent disability, invalidity or death
- 7 Performance-based bonus
- 8 Parental and birthday leave
- 9 Contribution for:
 - birth of child
 - death of immediate family
 - tragedy/calamity
 - marriage

The Group continuously enhance the benefits we provide to our workforce, in FYE2025, the enhancements made were:

- 1 E-Bike Financing Scheme at preferential rates to finance environmental-friendly mode of mobility
- 2 Increased outpatient healthcare limits for managers and below
- 3 Increased optical care sub-limits for general managers and below
- 4 Expanded healthcare coverage to include traditional and complementary medicine
- 5 Introduction of flexible working hours for non-shift employees based in Headquarters and Credit Operation Centre
- 6 25 employees were recognised for employee excellence through the Employee Excellence Award. Winners were rewarded with a company-sponsored study tour to Bangkok

In relation to parental leave, 60 male and 143 female employees took parental leave in FYE2025. In FYE2024, the numbers were 75 male and 163 female employees.

The Group puts great focus into nurturing and maintaining a high-performing workforce, a key facilitating mechanism for this is our performance management system in which the Group's goals and objectives are translated into desired actions and cascaded to employees through the annual target and KPI setting exercise between every employee and their respective superior. This ensures collective action and goal congruence across the entire organisation.

The annual target and KPI setting exercise allow employees to also express their development needs in support of their on-going development and add greater value to the Group in carrying out their responsibilities. This exercise facilitates a common understanding and agreement between the Group and all our employees on our respective expectations for the year ahead.

The performance management cycle culminates each year with a performance appraisal to stocktake achievements and identify areas of improvement. Performance appraisals bring to life our commitment to transparency in aligning rewards to performance. In FYE2025, in common with all previous years, 100% of our employees received a performance appraisal.

(iv) Employee Training

Training is a constant in the Group to keep our workforce's skills and competencies relevant to the constantly changing business environment. We hold the conviction that continuous learning and development is fundamental to sustained economic success and competitiveness. The Group has a formal training agenda for employees to maintain currency in their skills and to supplement practical on-the-job learning. Our training agenda is varied, comprising both hard and soft skills subjects to provide our workforce with the requisite knowledge to perform optimally and to continuously enhance their proficiency and ability to deliver excellence. Training courses conducted for employees across FYE2025 are listed below. The training is targeted at functionally relevant employees as part of their continuing professional education and to enhance their competencies:



- | | |
|---|--|
| 1 AMLATFPUAA, FSA, PDPA & compliance | 8 Cybersecurity |
| 2 ISO 37001: 2016 Anti-Bribery Management Systems | 9 HR induction |
| 3 Policy of Social Media Conduct | 10 Managing misconduct |
| 4 Controlled document | 11 Diversity, equity and inclusion |
| 5 Integrated Management System | 12 Application document/fraud detection |
| 6 PCI DSS & IT security | 13 Risk management |
| 7 Sustainability | 14 Occupational safety, health and wellness |
| | 15 Legal |
| | 16 Training on specific topical issues and areas of interest |



Employee Training

Other training includes both soft skills and specialist training, covering areas such as time management, presentation skills, and strategic communication, as well as technical topics like Microsoft Excel, ITIL4, and e-invoicing. In FYE2025, total training hours accumulated across employees of all levels amounted to 116,904 hours a significant increase of 46,204 hours or 65% over the FYE2024 level of 70,700 hours. The increased training hours testifies to the Group strong belief and dedication to workforce development through continuous professional education.

Average Training Hours		
	FYE2024	FYE2025
Female	20.9	29.1
Male	22.0	29.7
Total	21.3	29.3

The Group has in place a range of talent development programmes designed to enhance and upgrade the competencies and skills of employees promoted to higher job grades, these programmes target employees of all ranks with topics specifically selected to suit the respective rank's job scope and responsibilities. In addition, we also have in place a mentoring programme for middle management to enable our middle managers to enhance their capabilities, learn from and receive guidance from their more experienced senior colleagues.

Training and development also has a critical place in the Group's succession planning. All across the succession process articulated below identified talents are trained and groomed to develop and nurture all the requisite traits and subject matter knowledge expected of our leaders. The succession planning process encompasses the following:

- 1 Identify talent who have potential to succeed into mission critical and key positions;
- 2 Leverage external and internal assessments to establish holistic evaluation of high potentials, incorporating 360-degree feedback, technical skills evaluations, and knowledge assessments;
- 3 Develop customised individual development plan based on identified development gaps and monitoring of performance and progress against the plan;
- 4 Provide opportunities to participate in cross-functional projects or job rotations, as well as career development conversations and support such as coaching and mentoring; and
- 5 Review talents' on-going development and performance to determine readiness to transition to identified prospective role.

(v) Employee Engagement

The Group appreciates the critical role employee engagement plays in driving high-performance, passion and excellence in delivery. We have a constant and sharp focus on engaging our workforce, this is especially important given the significant size of our workforce and their geographical dispersion. Employee engagement is extremely important to enriching our employees' experience and indispensable in complementing their remuneration and benefits. Employee engagements provide the human touch that establishes a bond with our employees and reinforces their sense of belonging.



Employee Engagement

PILLAR 4: EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Integral to our employee engagements is constant, open two-way communications to ensure that we give voice to our employees and they too, have the opportunity to hear us out. These efforts foster mutual understanding and support, contributing to strong industrial relations. In FYE2025, a range of formal engagement mechanisms and communication channels were implemented to facilitate regular interaction with our workforce, including critical on-the-ground engagements. Key initiatives include:

1 In-person engagements channels

- **New initiative - Morning Assembly with Senior Leadership:** A quarterly engagement platform introduced in September 2024, where senior leaders share business updates directly with employees and present recognition awards to honour outstanding contributions;
- **New initiative - Workplace Environment Development Committee ("WEDC") Meetings:** Introduced in late 2024, these quarterly sessions serve as a structured platform for employee representatives to raise concerns, suggest improvements, and engage in open dialogue with management on matters related to workplace culture;
- **Employee Excellence Awards Ceremony:** an annual recognition event that celebrates high-performing employees, fostering a culture of motivation and continuous excellence; and
- **Annual Dinner:** organised to strengthen team camaraderie and encourage informal networking in a relaxed, festive setting.

2 Digital engagement channels

- **Microsoft Teams and Workplace Chat, introduced in FYE2025:** enhances ease and effectiveness of communication and collaboration across the workforce, particularly for regional teams and remote locations, enabling real-time access to information and seamless interaction;
- **Annual Employee Engagement Survey:** conducted to gather employee feedback on engagement levels, workplace satisfaction, and leadership effectiveness;
- **Company Intranet and HR Mobile App:** central communication platforms for HR-related policies, updates, and employee engagement initiatives; and
- **E-learning Platform:** provides access to online courses and learning materials to support continuous upskilling and career development.

In addition, the Group also conducts regular programmes on various subjects of interest for our workforce, in FYE2025 these include:

- 1 Financial Literacy Programme conducted in collaboration with LHDN, EPF, SOCSO, and insurance partners.
- 2 Health webinars featuring invited guests and speakers.

The Employee Engagement Survey for FYE2025 again saw robust participation, attracting 2,289 respondents, or 84% of the workforce. The engagement score for FYE2025 was 79, moving upwards from FYE2024's score of 77, this augurs well for the Group as it is indicative of a greater sense of engagement among our employees. The positive trend will spur the Group to heighten efforts to cultivate a positive and engaging workplace.

We have conducted a comprehensive analysis of the survey findings and results to identify improvement areas, these were subsequently presented to and considered by senior management and department heads to facilitate focus on execution of improvement initiatives which included:

- 1 Improving management transparency through enhanced communications from leadership in Quarterly Morning Assembly and MD's update messages;
- 2 Strengthening the WEDC platform for employees to raise concerns and suggestions regularly;
- 3 Enhancing fair pay and recognition by leveraging salary benchmarking results to assess and adjust compensation where necessary; and
- 4 Expand wellness programmes, for instance to encompass mental health support, financial literacy sessions, fitness activities, amongst other. Notably in response to feedback on mental health we launched the EAP in November 2024 to support mental wellness.

The management will diligently monitor progress in implementing the initiatives through updates from department heads tasked to oversee the implementation.



PILLAR 5: ENVIRONMENTAL STEWARDSHIP

What this means to us

As a responsible corporate citizen, AEON Credit is committed to caring for and protecting the environment. We recognise that environmental degradation poses risks not only to society but also to the broader business ecosystem including our workforce, suppliers, and customers. The sustainability of our operations and long-term value creation is closely tied to the health of our planet, making it imperative that we remain steadfast in our environmental stewardship efforts.

Stakeholders



Shareholders and Investors



Employees



Government and Regulators

Key Indicators

- Progress towards net-zero goal
- Energy consumption
- GHG Scope1, 2 and 3 emissions
- Sustainability Performance Target achievement
- Carbon removal

Material Matters



Environmental Management



Climate Action

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Energy/Emissions/Waste Management/Water
- TCFD-aligned disclosures

Performance Summary



Electricity Consumption

Achieved saving of electricity amounting to **207,198 kWh**



Virtual Cards

Contributed to lowering carbon footprint by approximately **4.42 metric tonnes CO₂e**



Climate Action

Developed **Climate Action Framework**



Credit Application Process Digitalisation

Achieved annual savings of **RM288,000** in paper costs



E-waste Management

Collected and recycled/properly disposed of **4.79 MT** of e-waste vs **6.25 MT** in FYE2024



Sustainability Advocacy

Appointed 60 sustainability champions to strengthen internal engagement on our sustainability journey

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

The first Global Stocktake to measure progress towards meeting the goals of the Paris Climate Change Agreement took place in conjunction with COP28 in Dubai. The results were concerning, indicating that the world is not on track to limiting global warming to 1.5°C and warned that current climate plans remain insufficient to avert catastrophic economic and societal consequences.

Heeding the call for greater urgency, commitment and focus in implementing measures to limit global warming, the Group has instituted various measures to protect the environment and preserve its integrity. This is also in line with our 3-Year Sustainability Roadmap and commitments mandated under the Sustainability Performance Targets attached to our Sustainability-linked Loans.

The Group is committed to making impactful contributions to mitigating climate change and help Malaysia achieve net-zero emissions by 2050, including supporting the country to deliver on its Nationally Determined Contribution under the Paris Agreement. We believe that working alongside the global community we can together make a significant long-lasting difference in staving off the existential environmental crisis of climate change.



ENVIRONMENTAL MANAGEMENT

The Group's business has minimal direct impact on the environment, this is common in the financial services industry. However, we can exert a profound and lasting impact by influencing our customers to adopt environmental friendly practices through our lending direction which has been refined to support financing for modes and mechanisms that are more environmental friendly. In addition, given our on the retail sector, our lending direction a societal support focus. The foregoing is explained in further detail above under Financial Inclusion, Sustainable Finance and Financial Performance on pages 102 to 105.

In areas with sustainability impacts where we have control over, we have altered our consumption patterns in support of greater sustainability and we have also embraced circularity across all our operations so as to minimise the environmental impact of our operations, an added benefit is that this also reduces and optimises cost. In addition, our 3-Year Sustainability Roadmap also prescribes environmental care as an integral part of the Group's aspiration of becoming a carbon-neutral business.

(i) Environmental Conservation

Reforestation Activities

The Group invests in and contributes resources for environmental protection to sustain its integrity for future generations and to ensure that biodiversity and ecosystems can continue to thrive.

The Group has always had a focus in environmental conservation in May 2024, a major public private initiative was launched to rehabilitate the biodiversity at Kinta Nature Park in Perak, a degraded agriculture area and former tin-tailing site.

The AEON Credit Biodiversity Afforestation Project, spearheaded by the Group in collaboration with the Perak State Park Corporation and FRIM Incorporated Sdn. Bhd. (the Forest Research Institute Malaysia's commercial subsidiary) as the project technical partner will replant 10,000 local indigenous and fruit tree species, including *Hopea odorata* (Merawan Siput Jantan) and *Shorea roxburghii* (Meranti Temak Nipis) which are under the International Union for Conservation of Nature (IUCN) Red List of Threatened Species. In addition to improving the park's biodiversity, this project also aims to provide a nature-based carbon sequestration mechanism by which to offset the Group's carbon emissions.



 Biodiversity Afforestation Programme at Kinta Nature Park, Perak

The event launched by the Menteri Besar of Perak, saw the participation of 600 volunteers from Ministry of Natural Resources and Environmental Sustainability, Perak State Government agencies, local universities and personnel from AEON Group of Companies Malaysia working together to symbolically plant the initial first batch of 2,000 trees at the conservatory area within the park with a size of 20 hectares. The park, famed as a habitat for 150 bird species was gazetted as a State Park by Perak Government on 15 February 2018 and is now identified as a migratory bird sanctuary.

A progress monitoring visit was conducted in November 2024, and we are pleased to inform that over 99% of the trees plants have survived and are now undergoing a maintenance process that will continue for the next 36 months. Future initiatives planned include verification of the amount of potential carbon offset by an appointed independent verification and validation body and also an environmental awareness programme at the project site in FYE2026.

In addition, we also carry out initiatives aimed at promoting consciousness on environmental protection and conservation, these programmes serve to explicitly emphasise our commitment through actions and investments. Initiatives of this nature that were conducted in FYE2025 are detailed under Pillar 6: Contributing to Communities on pages 124 to 133.

(ii) Environmental Management System

The Group is certified under ISO 14001:2015 Environmental Management Systems (“EMS”) attesting to the robust processes in place in relation to environmental management that are aligned to best practices.

The Group promotes environmentally conscious and conscientious behaviour as part of realising our commitment to minimise the environmental impact of our operations. Communications are conducted regularly to reinforce our commitment to environmental protection and to encourage our workforce to adopt environmentally responsible behaviours in their daily professional and personal lives. Awareness posters placed strategically across the Group, plays a key role in messaging and impact creation.



As part of our ISO recertification efforts, we conducted training and awareness programmes, including poster displays for employees, focused on ISO 14001.

(iii) Responsible Consumption

Responsible consumption is “business as usual” across the Group in all aspects of operations as is the practice of circularity. All members of our workforce understand the negative impacts of unfettered, irresponsible consumption on the environment and exercise diligence to avoid any environmental harm.

Energy Management

The usage of fuel by company-owned vehicles contributed to our Scope 1 emissions. The table below shows fuel usage over the past 2 years and is based on reimbursements for claims in respect of petrol purchased.

FYE2024	FYE2025
83,151 litres	24,278 litres

Scope 2 emissions results from our electricity consumption. Our electricity consumption over the past 2 years are indicated below:

FYE2024	FYE2025
4,043,505 kWh	3,836,307 kWh

Energy management data covers AEON Credit and AEON Insurance.

Initiatives are constantly implemented to optimise our electricity consumption so as to reduce our Scope 2 emissions, in FYE2025, these include:

- 1 Energy Efficiency Management**
We upgraded the split unit air conditioners at the Headquarters to R32 units which are more environmental friendly. During renovations to our Headquarters, we replaced fluorescent lighting with energy-efficient T5 models and installed motion sensors to optimise lighting use. Regular maintenance of Heating, Ventilation and Air-Conditioning systems is ensures efficient operation to avoid unnecessary energy waste;
- 2 Employee Awareness and Engagement**
Our employees are constantly educated on responsible energy consumption practices, such as turning off lights and electronics when not in use, to embed energy-saving behaviours; and
- 3 Renewable Energy Integration**
We are exploring options to purchase Renewable Energy Credits (“RECs”) from clean energy providers as part of our commitment to sustainability. This year, we purchased RECs equivalent to 1,700 MWh.

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

Water Management

Our water consumption over the last 2 years is depicted below:



Water management data covers AEON Credit and AEON Insurance.

Waste Management

The Group does not generate a significant amount of waste, nevertheless, we endeavour to reduce waste from our operations through active practice of circular economy principles based on the 3Rs of Reduce, Reuse and Recycle. As an example, in FYE2025, a total of 11 paper disposal exercises were conducted, with waste sent to an authorised vendor for recycling.

Paper usage has significantly reduced as a direct benefit from our Digital Transformation. The Group increased application of IT platforms eliminating the need to use paper. Automation of our credit assessment is a compelling example. Each application requires 6-12 pages of documentation on the average. An estimated of 14.4 million pages per annum were processed manually in the past. This has been eliminated through digitalising and automating the entire credit application process, resulting in an annual paper cost saving of RM288,000.

An additional benefit from digitalisation and automation has been a reduction in travel, and the consequential Scope 3 emissions from business travel, as IT platforms afford effective online collaboration, communications and learning. In reducing the need to travel we also reap cost savings.

The table below presents data on paper consumption for the past 2 years:

Paper consumption	FYE2024	FYE2025
Number of sheets printed	~*	3,948,324
Entirely recycled, no disposal through landfill	7.7 tonnes	33.7 tonnes

Data on paper consumption is for AEON Credit only.

* The Company, AEON Credit, started capturing paper consumption in FYE2025.

In FYE2025, the Group collected and recycled 4.79MT (FYE2024: 6.25 MT) of e-waste. This diverted e-waste from landfill in support of our commitment for environmental care.



Data on e-waste generation for AEON Credit only.

We presently do not compile detailed information on the quantity of e-waste we designate for disposal against those we reuse and recycle. Our e-waste is sent to a vendor for assessment and items that are repairable will be restored and reused, to eliminate environmental impact. Items deemed beyond repair will be responsibly recycled and/or disposed of, ensuring safe handling of harmful materials and the recovery of valuable resources.

Consumer behaviour has shifted to a preference for online transactions. In FYE2025, we launched online applications through web and app and introduced our virtual credit card. As of February 2025, we issued 113 thousand virtual credit cards which has reduced the need for producing, transporting, and disposing of physical cards -contributing to lowering our carbon footprint by approximately 4.42 metric tonnes CO₂e.



CLIMATE ACTION

As mentioned above, the Group is committed to acting together with the global fraternity in efforts to avert the existential crisis of climate change in support of which we have an expressed commitment to achieve carbon neutrality, by 2030. This commitment also supports Malaysia's aspiration of attaining net-zero Greenhouse Gas ("GHG") emissions by 2050.

(i) Aligning Climate Action with TCFD Guidelines

The Group adopted TCFD reporting requirements, heeding amendments to the Main Market Listed Requirements ("MMLR") in respect of enhanced sustainability disclosure requirements which mandates climate change-related disclosures to be TCFD-aligned by FYE2025.

In the current year, we continue expand and deepened on our reporting of basic requirements around the 4 core areas of TCFD. Our efforts in this are also guided by the Joint Committee on Climate Change's ("JC3") TCFD Application Guide for Malaysian Financial Institutions. We hold the conviction that adoption of the TCFD reporting regime will add transparency to our sustainability reporting which will further assist investors and stakeholders in making informed, data-based decisions.

To provide structure as we commence adoption of TCFD reporting we conducted a comprehensive assessment of potential risks and opportunities to our business and operations from climate change including a scenario analysis based on scenarios from the Network for Greening the Financial System ("NGFS"), a network of central banks and supervisors formed with the primary aim of helping to strengthen the global response to meet the goals of the Paris Agreement.

Detailed scenario planning and flood risk assessments were also conducted to identify vulnerable operations, critical infrastructure and assets that may be affected. Following this, a TCFD implementation roadmap was developed which incorporated climate change disclosures into our sustainability reporting framework. This Roadmap was presented to the Board in Q1 FYE2025 along with the scenario analysis.

The following are our disclosures in each core TCFD area.

Governance

A robust sustainability governance structure is already in place to exercise oversight over sustainability matters, including those that are climate-related, for which the Board has ultimate responsibility. The Board Risk Committee ("BRC") and the management team provide active support to the Board in the oversight of sustainability. Sustainability considerations, including climate change are tightly woven into Group's operations. Signalling their significance, these considerations are an integral part of Board deliberations and decision making.

The Board Charter has been revised to formally incorporate climate risk oversight by the Board to ensure that climate-related risks and opportunities are effectively monitored and addressed at the highest level of governance. The BRC's Terms of Reference have been enhanced to include coverage of climate-related matters as part of risk management. This makes for a more comprehensive approach to risk management, including a stronger focus on climate risks, governance, and alignment with the Group's strategic objectives.

We have formalised the processes and frequency by which the Board and BRC are informed on climate-related issues. Since Q3 FYE2025, we have started to report updates to the Board which also discusses and reviews climate-related disclosures as part of our broader governance framework. Regular knowledge sharing of best practices and timely updates of material information to the Board takes place to strengthen effectiveness of governance through making available relevant data on a timely basis to support decision making.

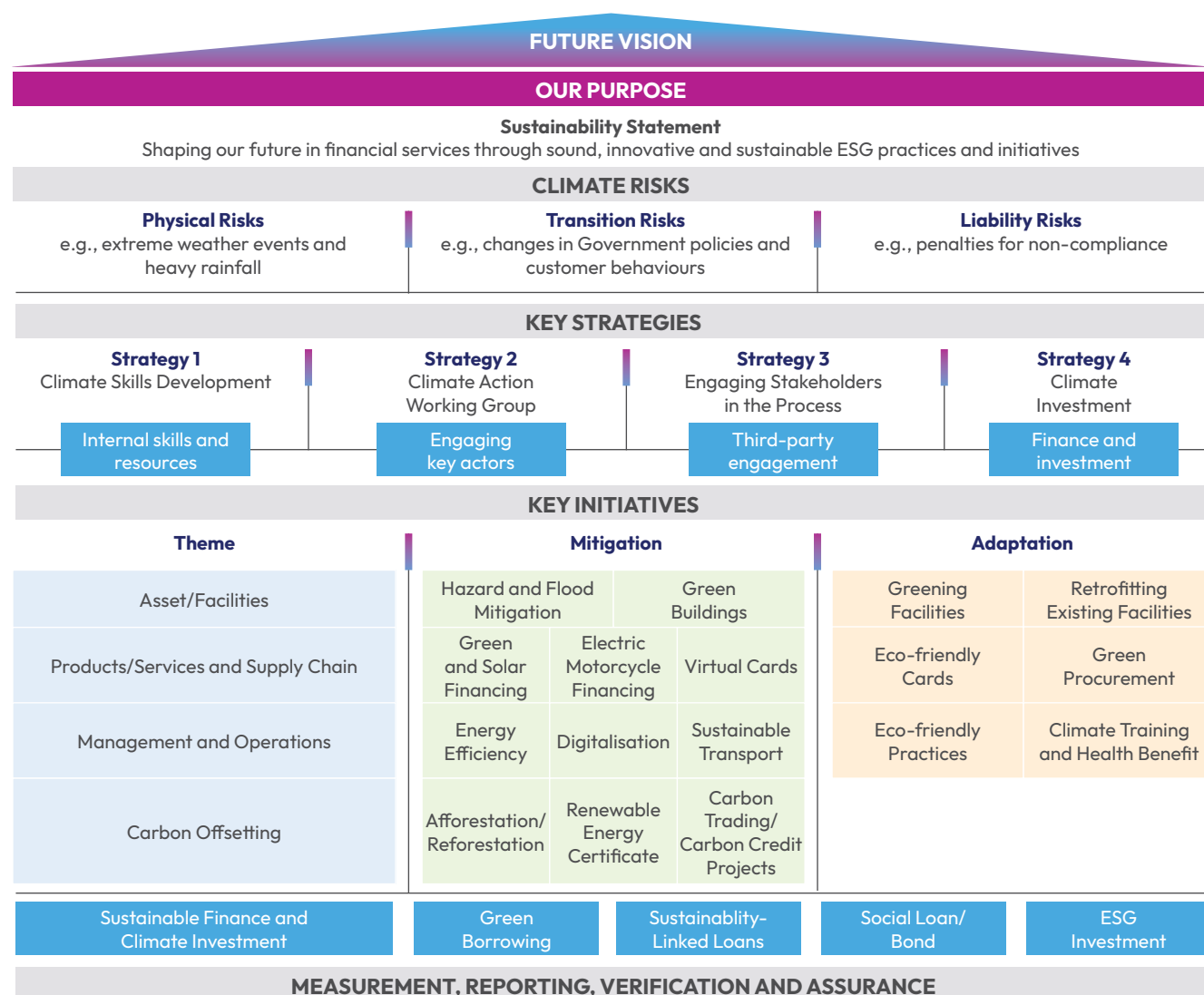
Learning and development for the Board on climate-related matters continued apace in FYE2025 to deepen their knowledge and enhance their appreciation of this subject so as to support astute decision making and arm them with the requisite capabilities to support the Group in mitigating climate-related risks and effectively leveraging climate-related opportunities.

Strategy

We have developed our Climate Action Framework, depicted below, to provide a structured approach for the Group in addressing climate change through measurable and actionable strategies. The Framework aims to establish clear reduction targets and outline the necessary steps, including adaptation and mitigation strategies, to reduce our GHG emissions, adapt to climate impacts, and promote sustainability. This includes engaging stakeholders and allocating investments that support environmental benefits. The ultimate goal of our Climate Action Framework is to mitigate the effects of climate change, contribute to national climate goals, and build a more resilient, sustainable future.

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

Climate Action Framework



The Group's climate-risks management strategies have gained greater sophistication in the year under review. In Q1 FYE2025, we conducted a flood risk profiling exercise based on customer types, products, and locations through which we obtained a deeper understanding of flood risk associated with different customer segments based on their location and product types. This information supported formulation of targeted risk mitigation strategies and identified customers segments that are vulnerable to flooding, allowing us to develop contingency plans for continued service delivery in the event of floods.

In line with the TCFD framework, we have identified the physical and transition risks in relation to climate change that impact our operations. We plan to form a Climate Action Working Group that will be charged with evaluating the potential effects of these climate change risks on our financial performance, business model, and long-term strategic goals. This Working Group will also develop a structured approach for addressing climate-related risks and opportunities, guiding our sustainability efforts, and

ensuring alignment with regulatory requirements and long-term business objectives. It will also support us in reducing our carbon footprint and contribute to achieving the Group's climate goals.

Driven by our 3-Year Sustainability Roadmap, we have also executed a major initiative with a broader environmental conservation focus aimed at contributing to global efforts at mitigating climate change and support our goal of attaining carbon neutrality by 2030. The AEON Credit Biodiversity Afforestation Project mentioned under Environmental Conservation above, also contributes to sustaining the integrity of our natural heritage for the benefit of future generations.

The current 3-Year Sustainability Roadmap will conclude in Q3 FYE2026, after which we plan to develop a follow-up roadmap to build on and progress from the platform developed to move the Group further up the sustainability continuum, certainly this will include climate-related aspects underscoring the Group's greater maturity and capabilities in managing climate-related risks and opportunities.

We have also appointed about 60 Sustainability Champions to strengthen internal engagement on our sustainability journey including climate change management. Moving forward, we aim to conduct training sessions on emerging trends and topics related to sustainability and climate change to enhance their understanding of these topics and strengthen our capability to respond to and manage emerging sustainability and climate-related issues. As a start we have offered the opportunity for the Sustainability Champions to attend online sessions conducted by the United Nations Global Compact Academy.

Risk Management

Our climate-related risk management has also gained greater sophistication, the conduct of the flood risk profiling articulated above is testimony of this. In addition, in FYE2025, the Group also conducted a climate risk assessment to identify the climate-related risks that could potentially impact our operations and financial positions. The risk management implications arising are contained in the table below.

Climate Risk Driver	Implication	Mitigation
i. Extreme weather events (e.g. flood)	These risks arise from the physical impacts of climate change. They can be Acute – event driven or Chronic-associated with longer-term shifts in climate patterns.	Short term measures: <ul style="list-style-type: none"> • issue timely customer communications on branch closures and alternatives channels • regular monitoring and testing including simulations to enhance state of preparedness and continuously improve responses • business continuity planning including backup call arrangements across all regional offices • offer financing package that is supportive in nature or institute flood relief programmes to impacted customers • redeploy staff to resume operations at recovery site or institute work-from-home arrangements until the situation subsides • communicate with business partners and monitor their performance and service quality • taking out relevant insurance policies to cover expected losses Long-term measures: <ul style="list-style-type: none"> • conduct annual climate risk assessment to identify any emerging risks, thereby enhancing diligence • periodically monitor the impact of changes in climate patterns on the Group's customers • explore new financing products and services to meet potential future demands associated with/surfaced as a results of climate change, e.g. climate adaptation and mitigation and sustainable investment opportunities • assess location and other potential factors (e.g. history of natural disasters) when identifying new branches/relocating branches
ii. Changes in climate patterns (e.g. rising temperatures)	The main implication is credit deterioration due to the inability of borrowers impacted by flood and sea level rise to repay loans. The impact to our assets is low since properties and fixed assets are not a material part of our Balance Sheet. Experience from past flood-related incidents indicates only a minor proportion of our borrowers were impacted with credit losses arising within defined risk tolerance.	
iii. Non-compliance to environmental legislation and regulatory requirements	These risks are transitions risks arising from a shift to a low-carbon economy, including policy/regulatory changes, market responses, technology disruptions, and reputational impact. The resultant implications impact 2 distinct areas, i.e. policy and legal and market.	
iv. Investment in low-carbon technologies	On the policy and legal front, implications surface from compliance to the regulatory requirements which will potentially involve:	
v. Litigation, fines and non-compliance	<ul style="list-style-type: none"> • investment in low-carbon technologies • changing operations and processes • personnel changes and training to operate the low-carbon technologies and processes 	
vi. Changing customer behaviour		
vii. Negative investor and public perception	From the market perspective, implications are changes in the sentiments of our customers, financiers and investors towards a greater sustainability inclination with the attendant expectations of greater adoption and integration of sustainable practices.	

PILLAR 5: ENVIRONMENTAL STEWARDSHIP

The Group has identified the following implications that may arise from the introduction of a carbon tax. Once there is full clarity on its operational implementation, the Group will formulate appropriate strategic responses:

- 1 Automobile financing, a key revenue stream for the Group, is also a significant contributor to financed emissions. As such, we expect to be significantly impacted when the Government extends carbon tax to financial services. In anticipation, we have already begun promoting low-emission options, such as financing for electric motor vehicles and motorcycles to customers to mitigate our financed emissions. As a start, to encourage uptake, the Group is offering financing for low-emission vehicles at preferential low profit rates of between 0.65% to 0.833% per month;
- 2 Climate risk also introduce transition risks, potentially affecting our borrowers' ability to repay loans. This could lead to higher non-performing loans and an increase in overall credit risk for lenders.



Electric motorcycle financing forms part of the Group's strategy to reduce financed emissions

Metrics and Targets

The Group has made good progress in developing climate-related metrics and targets to measure and disclose our climate-related impacts. This includes setting the baseline for our GHG emissions and setting clear targets toward achieving our carbon neutrality goal. We are also working to enhance our disclosure of climate-related metrics, including the integration of Scope 3 emissions.

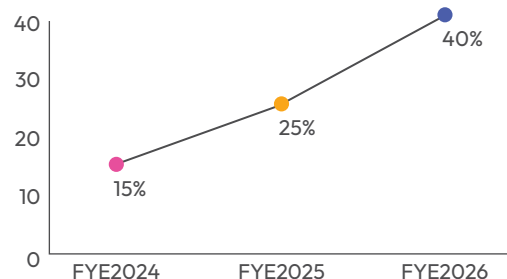
We introduced a new platform to automate data collection in respect of GHG emissions which streamlined tracking, managing, and reporting for Scope 1, Scope 2, and Scope 3 emissions, directly from various sources across the Group. The Group intends to apply the emissions factors to estimate financed emissions.

Moving forward, we will also start to disclose climate-related information in line with the IFRS S2 standard and in compliance to the National Sustainability Reporting Framework, including reporting the financial implications of climate-related risks and opportunities. This will provide stakeholders with increased transparency on how climate change is managed across our operations.

(i) GHG Emissions Target

Specific Sustainability Performance Targets under SPT2 attached to our SLLs are designed to achieve carbon reduction goals that support the Group's 2030 carbon neutrality target. Our GHG emissions (Scope 1 and Scope 2) reduction targets are depicted below with FYE2022 emissions serving as the baseline.

Targeted % Reduction



(ii) GHG Emissions Data

Data in respect of Scope 1 and 2 emissions are for AEON Credit and AEON Insurance only.

In FYE2023, the Group began disclosing our Scope 1 and 2 emissions, focusing on emissions within our operational boundaries, including the Headquarters, Regional Offices, and our branch offices located in AEON malls and other shopping centres. This step reflects our heightened commitment to climate action and our responsibility to contribute to global efforts in addressing the impacts of climate change.

As articulated above, as part of our strategy to reduce GHG emissions, we utilise electricity sourced from renewable resources in the form of RECs, which in FYE2025, has helped offset our GHG emissions by 561 tonnes CO₂e.

Scope 1 and Scope 2 Emissions	FYE2023	FYE2024	FYE2025
	(tonnes CO ₂ e)		
A. Direct (Scope 1*) GHG Emissions			
Total	172	200	57
Company-owned vehicle	61	64	57 ✓
Fuel card for employees	111	136	Nil
B. Indirect (Scope 2**) GHG Emissions from purchased electricity			
Total	2,295	2,317	2,162 ✓
C. Gross GHG Emissions (A + B)			
Total	2,467	2,517	2,219
D. Renewable Sources (including RECs)			
Total	Nil	878	561
E. Net GHG Emissions (C - D)			
Total	2,467	1,639	1,658

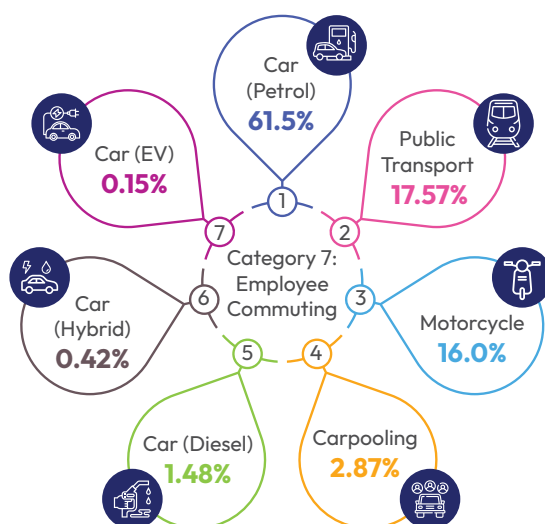
* Represents emission from consumption of petrol in operation. Total Scope 1 GHG emissions include Carbon Dioxide (CO₂e), Nitrous Oxide (N₂O) and Methane (CH₄) from FYE2023 and FYE2024 vehicle fuel combustion

** Total Scope 2 GHG emissions represents emission from consumption of purchased electricity.

In FYE2022, we conducted a base year GHG emissions calculation for both Scope 1 and Scope 2. Our emission factor for Scope 1 is based on 2006 IPCC Guidelines for National Greenhouse Inventories (Volume 3: Energy), and AR5 for Global Warming Potential (GWP) while that for Scope 2 is based on the Institute for Global Environmental Strategies ("IGES") List of Grid Emission Factors August 2022 (Version 10.12), National Greenhouse Accounts Factors July 2019. Our emission factor sources for Scope 1 and Scope 2 have remained unchanged.

✓ This data was assured by KPMG PLT.

83% of our employees responded to the Category 7: Employee Commuting survey. In common with all Malaysian corporate entities, petrol-powered cars form the pre-dominant mode of transport, followed by public transportation at 17.57% and motorcycle at 16%.



The emission impact of business travel and employee commuting is shown below.

Scope 3 Emissions	FYE2025
	(tonnes CO ₂ e)
Category 6: Business Travel	350.72
Category 7: Employee Commuting	3,252.34
Total	3,603.06

Note: Scope 3 emissions result from business activities but emanate from sources not owned or directly controlled by the AEON Credit. These emissions occur along the value chain, both upstream and downstream.

(iii) Carbon Intensity Metrics

As scope 3 emissions are disclosed for the first time in the current year, it is incorporated into our carbon intensity computation. This underscores our commitment to obtaining greater clarity of the environmental impact of the Group's economic activities to facilitate more targeted and effective emissions management efforts.

Our carbon intensity for the past 3 years is indicated below.

FYE2023	FYE2024	FYE2025
(tonnes CO ₂ e per RM million of revenue)		
1.45	1.19	2.37*

* FYE2025 includes Scope 3 emissions

We are currently developing an ESG dashboard that will enable the Group to benchmark its emissions management performance against industry standards and peers. This platform will provide valuable insights to drive continuous improvement by identifying best practices, areas for optimisation, and potential opportunities for further emissions reductions. This project which is targeted for completion in Q3 FYE2026 will provide a centralised, real-time platform for tracking, monitoring, and analysing the Group's GHG emissions and our emissions management performance.



PILLAR 6: CONTRIBUTING TO COMMUNITIES

What this means to us

While pursuing our economic objectives, AEON Credit remains deeply committed to giving back to society in appreciation for the support that has contributed to our success. We prioritise uplifting vulnerable communities, supporting the underprivileged in achieving their aspirations, and fostering social inclusion. In line with our commitment to unity and cultural appreciation, we also celebrate major festivals together, strengthening our bonds with the diverse communities we serve.

Stakeholders



Local Communities/
NGOs



Employees

Key Indicators

- Number of community support initiatives
- Number of beneficiaries
- Number of employee volunteers
- Number of external volunteers (as a measure of support and societal impact of initiatives)
- Number of employee volunteer hours

Material Matters



Strategic Community Investment

UN SDGs



Relevant BURSA Common Sustainability Matter(s)

- Community and Society

Performance Summary



CSR Investment
Increased by RM1.25 million
to **RM2.43 million**



Employee Volunteering
1,141 employees
volunteers on top of
participants from
local communities and
collaboration partners



Volunteer Hours
A total of **3,652 volunteer hours** were dedicated to CSR activities in FYE2024, increasing to **4,564 volunteer hours** in FYE2025

The Group holds the conviction that as a responsible corporate citizen we have an obligation to care for and support society in general as a way of sharing the fruits of our success. Giving back to society has always been practiced by the Group to reinforce the bonds built with local communities. More importantly, societal support brings to the life our human side to explicitly show that the Group also has a focus on facilitating growth and development for society at large, and improve their economic statute. Beyond traditional philanthropy, the Group also place priority on levelling the playing field for the less privileged to afford them access to opportunities and support the achievement of their aspirations.

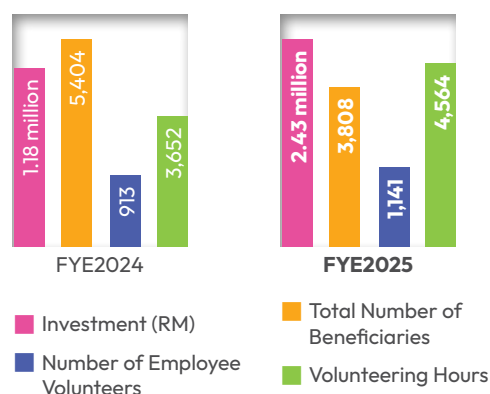


STRATEGIC COMMUNITY INVESTMENT

The first AEON Foundation Ideal reads: *Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.* Accordingly, care for community well-being, and supporting them in their times of need is tightly woven into the Group's corporate fabric. Every year we set aside funds for community investment which goes to causes that the Group supports.

The Group has 2 strategic community investments channels, namely through the Malaysian AEON Foundation ("MAF") and our own Corporate Social Responsibility ("CSR") initiatives both of which are further detailed in the sub-sections that follow.

The charts below present statistics pertinent to our Strategic Community Investment efforts.



The Group's CSR investment increased by RM1.25 million in FYE2025 compared to the previous year, notably the quantum of increase is, by itself, higher than the total amount invested in FYE2024. This underscores the Group's continuing commitment to giving back in support of societal and environmental well-being and to explicitly bring forth the Group's humanity.

It is significant to note the substantial number of employee volunteers, consistently maintained year-on-year. This underscores the success effort of the Group in infusing a passion for sustainability and societal care within our workforce.

(i) Malaysian AEON Foundation ("MAF")

MAF is the joint philanthropic arm of AEON CO. (M) BHD., AEON Credit Service (M) Berhad, AEON BiG (M) Sdn. Bhd., AEON Delight (Malaysia) Sdn. Bhd. and AEON Fantasy (Malaysia) Sdn. Bhd. Since establishment in 2004, MAF has assisted communities during festivities and natural calamities and also supported vulnerable individuals with a focus on education, shelter and medical support.

An amount of over RM23 million has been contributed nationwide since 2004. AEON Credit contributes an annual amount of RM1.0 million together with AEON CO. (M) BHD. to support the MAF's community impact activities.

In common with previous years, community investments made by MAF in FYE2025 focused on community well-being through donations and extension of financial support to vulnerable members of the community, assistance to tide through difficulties due to natural calamities, festivity contributions and community enrichment programmes. FYE2025 community investments initiatives are listed in table below.

Initiative	Objectives	Conducted	Beneficiaries
Disaster Relief Efforts			
MAF AEON Bantu at Kelantan	The AEON Bantu initiative provides immediate assistance during the northeast monsoon affecting several states in Malaysia, particularly Kelantan	December 2024	500 families including 26 AEON Group employees
MAF AEON Bantu at Johor	The AEON Bantu initiative provides immediate assistance during the uncertain monsoon season affecting several states in Malaysia, particularly Johor, this initiative mobilised flood relief aid to Kluang, Johor	January 2025	161 families

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Festive Season Donations			
MAF AEON Mesra Ramadan	Donation for Aidilfitri celebrations for children from low-income families. This is an annual MAF event	March 2024	345 children and 40 families from low-income families and charity organisation at 10 locations nationwide
MAF AEON Mesra Deepavali	Donation for Deepavali celebrations for children from low-income families. This is an annual MAF event	October 2024	308 children and 30 families from low-income families and charity organisation at 6 locations nationwide
MAF AEON Mesra Christmas	Donation for Christmas celebrations for children from low-income families. This is an annual MAF event	December 2024	281 children from low-income families and charity organisation at 8 locations nationwide
MAF AEON Mesra Chinese New Year and School Holiday Outing	Donation for Chinese New Year celebrations for children from low-income families. This is an annual MAF event	February 2025	80 children from 2 charity organisations



 AEON Mesra Chinese New Year and School Holiday Outing by the Malaysian AEON Foundation




 AEON Mesra Christmas by the Malaysian AEON Foundation



 AEON Mesra Ramadan by the Malaysian AEON Foundation – Distribution of 'bubur lambuk' during the Ramadan month



 AEON Mesra Deepavali by the Malaysian AEON Foundation

Initiative	Objectives	Conducted	Beneficiaries
Charity Events and Fundraisers			
MAF AEON Charity Run 2024	Support for MAF AEON Charity Run, with proceeds benefiting 10 government hospitals nationwide. Funds will assist low-income patients with medical expenses and medical care equipment under the AEON Kasih programme	July 2024	10 government hospitals nationwide



Malaysian AEON Foundation's charity fundraising event under AEON Kasih

Initiative	Objectives	Conducted	Beneficiaries
Education Contributions			
MAF Digital Green Student Challenge Programme	This initiative empowers participants by enhancing their problem-solving mindset, digital literacy and leadership skills	December 2024	58 students from schools under MAF Smart Classroom Project



Malaysian AEON Foundation's Digital Student Green Challenge Programme

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Economic Empowerment Programme			
MAF AEON Bersamamu KAMI Phase 2 (Graduation Day)	This initiative empowers participants with business knowledge, financial management skills and hands-on training in sewing, bread-making and hairdressing as part of AEON Credit Financial Inclusion (Economic Empowerment) Programme to uplift the livelihood of the community	January 2025	31 participants from 5 public housing projects in Klang Valley

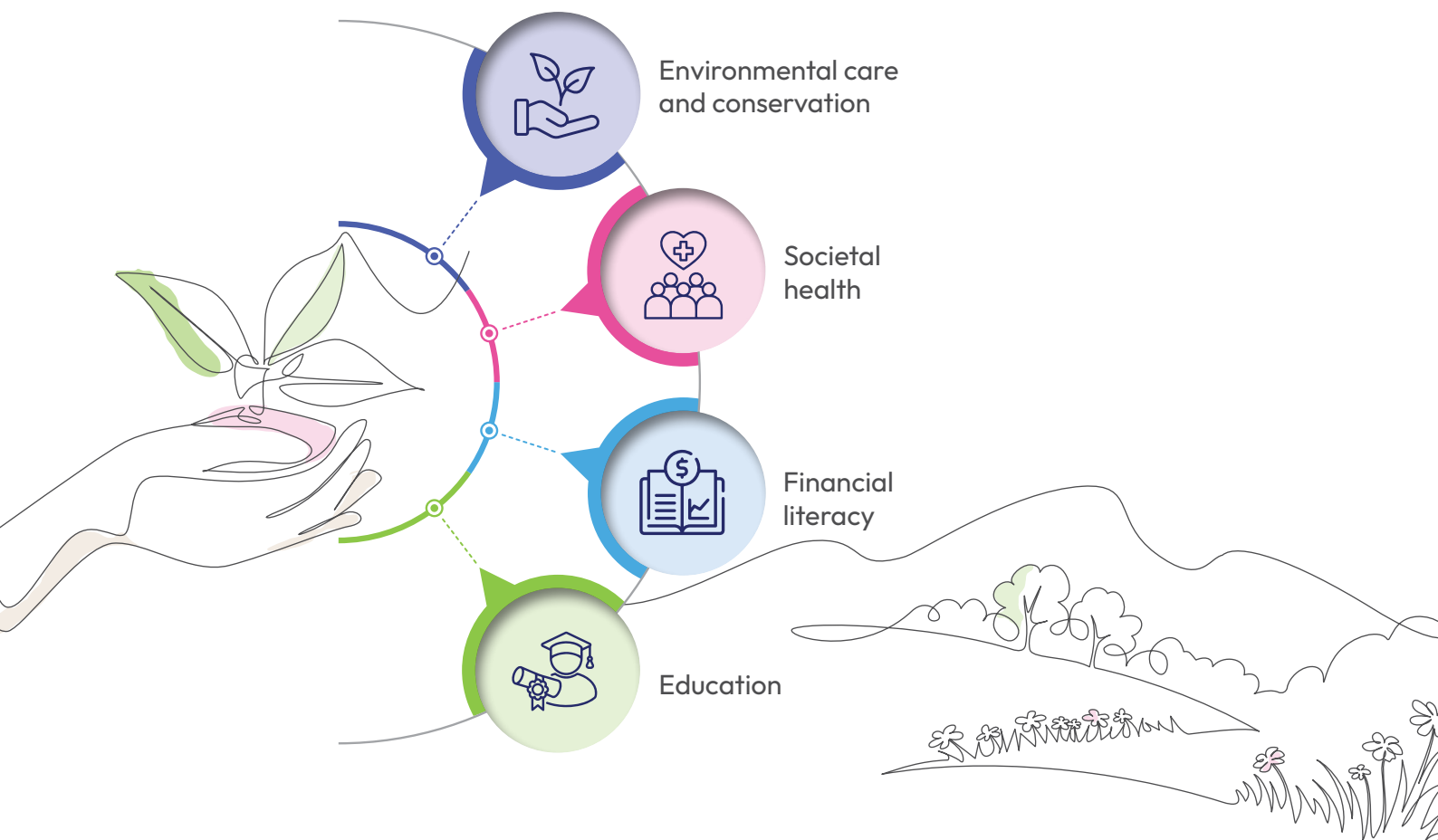
* The Group's share of investment in respect of the initiatives comes out of our RM1.0 million annual contribution contribution to MAF.

A total of 189 dedicated volunteers from across the Group took part in the above initiatives, reflecting the strong collaboration between our Group entities and their active partnership in MAF activities.

As part of our digital volunteering efforts, our AEON Wallet has a built-in capability to facilitate e-donations. This functionality has been used to contribute donations amounting to RM7,249 since introduction in January 2023 as part of our continuous efforts to enhance customer convenience by allowing them to donate in support of the Group's CSR activities and MAF's community-based CSR activities.

(ii) Corporate Social Responsibility ("CSR")

Each year the Group conducts CSR activities which also include those falling under the umbrella MAF. CSR activities specific to the Group are targeted at our chosen areas of focus, which principally comprise:



Group-specific CSR initiatives conducted in FYE2025 are listed in the table below and are categorised into five distinct themes.

Initiative	Objectives	Conducted	Beneficiaries
Environmental Care and Conservation			
ERO Community Recycling Programme	Promote awareness in the public and employees on the importance of sustainable waste management through reuse, reduce and recycle and safely disposing of e-waste that contains harmful materials	May 2024	588.7 kg of recyclable waste and 284.6 kg e-waste collected
AEON Group Spogomi 2024	Recyclable waste collection to promote a cleaner environment which will be beneficial for the surrounding community	November 2024	Supported environmental care and enhanced community awareness
AEON Credit Biodiversity Afforestation Programme	Rehabilitation of biodiversity at Kinta Nature Park, Perak, a degraded agriculture area and former tin-tailing site by planting 30 indigenous tree species and provide habitat for 150 species of birds	May 2024	10,000 trees from 30 local species
AEON Credit Annual Nationwide Coastal Clean-up Programme	Engage with local communities surrounding regional offices and credit operation centers for coastal clean-up as part of the Group initiative to educate the community on the environmental benefits of keeping the coastal areas clean	September and October 2024	2.4 tonnes, comprising 0.5 tonnes of plastic waste and 1.9 tonnes of non-recyclable waste
AEON Credit Mangrove Tree Planting Programme	Engage with local communities surrounding our Eastern Region and Northern Region operations for mangrove tree planting at Setiu Wetland, Terengganu and Byram Forest Reserve, Pulau Pinang	February 2025	2,000 mangrove trees planted




 Community Recycling Programme by the Eastern Regional Office



 AEON Credit Mangrove Tree Planting at Setiu Wetland, Terengganu

PILLAR 6: CONTRIBUTING TO COMMUNITIES

Initiative	Objectives	Conducted	Beneficiaries
Society Health 			
Blood Donation Drive	Support local blood bank and raise awareness among Group employees on the life-saving impact of blood donation ERO Partner: Raja Perempuan Zainab II Hospital EMRO Partner: Sarawak General Hospital ERO Partner: Tengku Ampuan Afzan Hospital SRO Partner: Sultan Ismail Hospital NRO Partner: Penang General Hospital	May 2024 May 2024 September 2024 October 2024 November 2024	280 pints of blood
Pre-Ramadan Blood Donation Drive across Regional Offices and Headquarters	Support local blood bank and raise awareness among Group employees on the life-saving impact of blood donation 3 events held before Ramadan to secure greater participation as Muslims are normally reluctant to donate blood during the fasting month Partner: Sarawak General Hospital, Penang General Hospital and University Malaya Medical Centre	January and February 2025	160 pints of blood



 Blood Donation Drive at Head Office and Regional Offices



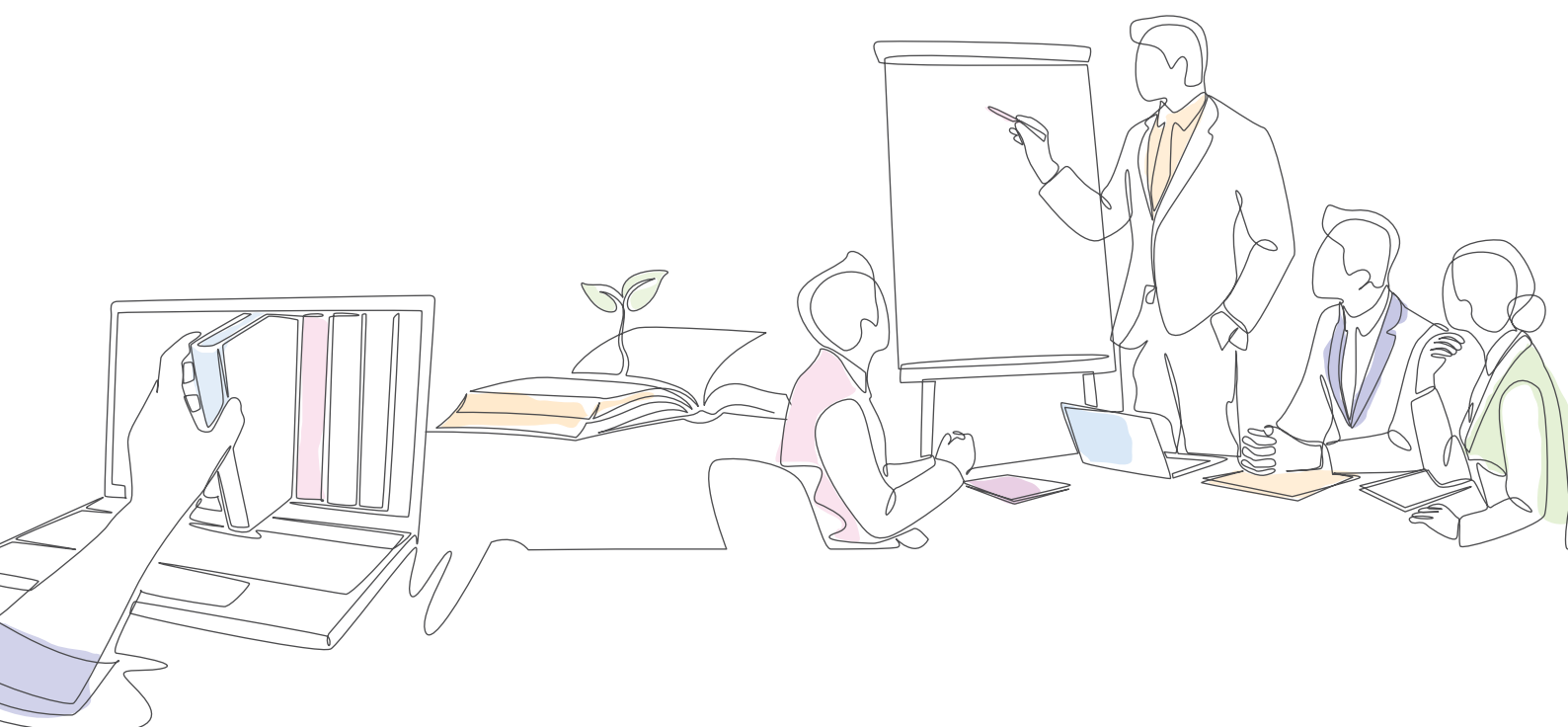
Initiative	Objectives	Conducted	Beneficiaries
Financial Literacy			
AEON Credit Young Financial Savvy Programme at Felda Lurah Bilut, Pahang	Create awareness of basic financial literacy for children in Felda Lurah Bilut, Pahang	Mar 2024	30 primary school students from SK Lurah Bilut
AEON Credit Financial Literacy for Teachers under MAF Smart Classroom Project	Enhance financial, digital, and insurance literacy for the teachers, to protect against scams and fraud. This programme supports the Group's financial inclusion initiative	July 2024	25 teachers from 12 schools



AEON Credit's Financial Savvy Programme for Teachers during MAF Smart Classroom Project - Teacher's Workshop



AEON Credit Young Financial Savvy Programme at Felda Lurah Bilut, Pahang



PILLAR 6: CONTRIBUTING TO COMMUNITIES

Of note, the Biodiversity Afforestation Programme at Kinta Nature Park, Perak included 405 volunteers from our collaboration partners, on top of the 241 from the Group, making a total 646 volunteers underscoring the scale of this initiative.

Supplementing our volunteering-oriented CSR initiatives, the Group's CSR endeavours also include financial donations to worthy causes, in FYE2025 the following donations were extended.

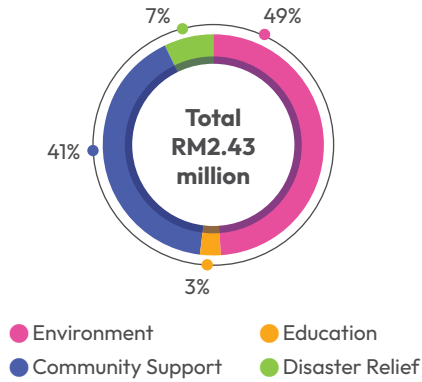
Initiative	Objectives	Conducted	Beneficiaries
Donation to Japanese Embassy for earthquake relief in Noto Peninsula of Ishikawa Prefecture, Japan	Aid for victims of the 7.6-magnitude earthquake that struck Suzu on the Noto Peninsula of Ishikawa Prefecture, Japan on 1 January 2024	March 2024	Earthquake victims
Donation in support of the Japan Club of Kuala Lumpur's 48th Bon-Odori Festival 2024	Support continued strengthening of ties between Malaysia and Japan and reinforce cultural understanding	July 2024	Contribution of Japanese cultural souvenirs were distributed to Festival attendees which added to the charm of the event
Donation to Japan Club of Kuala Lumpur's in support of its 52nd Charity Bazaar 2024	Support raising of funds for donation to Japan Club, Kuala Lumpur's selected charity organisations	November 2024	Selected charitable bodies
Contribution to Ministry of Natural Resources and Environmental Sustainability's National Conservation Trust Fund for Natural Resources ("NCTF") Biodiversity Showcase 1.0	Support for conservation projects to preserve the country's natural resources	December 2024	Environmental conservation

A CSR and MAF Activities Survey, conducted from November 11 November to 28 November 2024, garnered a 59% employee participation. 50% of the respondents indicated a willingness to participate in such activities with community support as their main driver, while 68% expressed interest in participation, especially those focused on education and community outreach. Amongst the respondents, the most popular activities were environmental sustainability programmes and blood donation drives. Scheduling conflicts was indicated as the main obstacle to participation.

The survey results suggested a strong interest in CSR activities among our employees which we intend to leverage to increase employee volunteerism in CSR initiatives, and, more significantly, to further embed an inclination towards social concern and care within our workforce.







The Group's CSR achievements are illustrated below:

Direction of CSR Investments



CSR Beneficiaries (pax)



 <p>10,000 Indigenous Forest Trees Planted</p>	 <p>2,000 Mangrove Trees Planted ↑ 1,000 trees against FYE2024 (100%)</p>	 <p>2.41 tonnes Plastic and Debris Removed from 4 Coastal Areas ↓ 4.00 tonnes against FYE2024 (40%)</p>	 <p>440 Blood Pints Donated ↑ 162 pints against FYE2024 (171%)</p>	 <p>95% Volunteering Satisfaction Rate</p>	 <p>55 Participants for AEON Credit Financial Savvy Programme</p>
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The Group's CSR investment intensity, which expresses our CSR investment as a percentage of our revenue, has increased by 67% in FYE2025 as we continue to uphold and deliver on our responsibility to give back to society.



PERFORMANCE DATA TABLE FROM BURSA ESG REPORTING PLATFORM

The performance data table below has been prepared and audited in accordance with the requirements of the Bursa Main Market Listing Requirements, and in line with the enhanced Sustainability Reporting Guide, 3rd edition. It summarises the key indicators that are pertinent to the Group's material sustainability matters which are disclosed from pages 74 to 75.

Performance Data Table - Bursa Malaysia Mandatory Indicator	Measurement Unit	FYE2023	FYE2024	FYE2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	22%	22%	22%
Non-Management	Percentage	78%	78%	78%
	Total Percentage	100%	100%	100%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt-hour	2,620.00	4,043.51	3,835.31
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	6.269	19.457	23.831
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	N/A	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	N/A	0	0.06
Bursa C5(c) Number of employees trained on health and safety standards	Number	N/A	572	1,128
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.49%	0.64%	1.09%
Management Between 30-50	Percentage	9.48%	10.75%	10.94%
Management Above 50	Percentage	0.95%	0.93%	1.43%
Executive Under 30	Percentage	27.56%	25.08%	24.07%
Executive Between 30-50	Percentage	60.22%	61.53%	61.05%
Executive Above 50	Percentage	0.62%	0.48%	0.91%
Non-Executive Under 30	Percentage	0.26%	0.1%	0.09%
Non-Executive Between 30-50	Percentage	0.39%	0.42%	0.36%
Non-Executive Above 50	Percentage	0.03%	0.07%	0.06%
Gender Group by Employee Category				
Management Male	Percentage	4.61%	5.15%	5.65%
Management Female	Percentage	6.31%	7.18%	7.81%
Executive Male	Percentage	28.80%	28.59%	28.41%
Executive Female	Percentage	59.59%	58.5%	57.61%
Non-Executive Male	Percentage	0.52%	0.45%	0.40%
Non-Executive Female	Percentage	0.16%	0.13%	0.12%

Performance Data Table - Bursa Malaysia Mandatory Indicator	Measurement Unit	FYE2023	FYE2024	FYE2025
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	60%	56%	64%
Female	Percentage	40%	44%	36%
Below 30	Percentage	0	0	0
Between 30-50	Percentage	20%	22%	18%
Above 50	Percentage	80%	78%	82%
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	27,892	53,874	14,746
Executive	Hours		16,744	91,051
Non-Executive	Hours		172	11,106
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.9%	14.00%	13.90%
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	74	52	58
Non-Management	Number	369	309	255
Non-Executive	Number	6	5	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,280,000	1,000,000	2,430,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6,519	5,404	3,808
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93%	94%	94%
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by AEON Credit Service (M) Berhad (hereafter referred to as AEON Credit) to perform an independent verification and provide assurance of AEON Credit Sustainability Statement 2025. The main objective of the verification process is to provide assurance to AEON Credit and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to sustainable performance information (subject matter) within the assurance scope which is included in AEON Credit Sustainability Statement 2025.

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

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of AEON Credit Sustainability Statement and its overall presentation against respective frameworks such as UNSDGs, GRI Standards requirement, and other relevant frameworks. The assurance process entails the verification of material matters disclosed in the Sustainability Statement, which are structured under the Sustainability Pillars, Conduct and Trust, Customer Experience, Digital Product and Service Transformation, Employee Health, Safety and Well-being, Contributing to Communities and Environmental Stewardship. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1, Appendix 2 and the Report to Management, with further details provided therein.

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

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

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in AEON Credit's Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.
- As part of this assurance engagement, the verification team visited AEON Credit's corporate office at UOA Corporate Tower, Bangsar South City. However, the verification process did not include physical inspections of any of AEON Credit's offices.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of AEON Credit relating to the accuracy of some of the information contained in the report. In response to the findings, the Sustainability Statement was subsequently reviewed and revised by AEON Credit. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that AEON Credit has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in AEON Credit Sustainability Statement 2025 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Statement offers a reasonable and balanced presentation of AEON Credit's sustainability performance.

List of Assessors.


1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriammoorthy	:	Team Member
3)	Ms. Farhanah Ahmad Shah	:	Team Member
4)	Ms. Hazwani Yob	:	Team Member
5)	Ms. Evelyn Liew	:	Team Member

Statement Prepared by:

Statement Approved by:


AERNIDA BINTI ABDUL KADIR
 Team Leader
 Management System Certification Department
 SIRIM QAS International Sdn. Bhd.

Date: 28 April 2025


AMINUDIN BIN ABD AZIZ
 Acting Senior General Manager
 Management System Certification Department
 SIRIM QAS International Sdn. Bhd.

Date: 2 May 2025

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (28 April 2025).

BURSA'S SUSTAINABILITY PERFORMANCE REPORT

Appendix 1 Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	FYE2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	22
Non-Management	Percentage	78
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt-hour	3,835.31
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	23.831
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.06
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,128.00
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	1.09%
Management Between 30-50	Percentage	10.94%
Management Above 50	Percentage	1.43%
Executive Under 30	Percentage	24.07%
Executive Between 30-50	Percentage	61.05%
Executive Above 50	Percentage	0.91%
Non-Executive Under 30	Percentage	0.09%
Non-Executive Between 30-50	Percentage	0.36%
Non-Executive Above 50	Percentage	0.06%
Gender Group by Employee Category		
Management Male	Percentage	5.65%
Management Female	Percentage	7.81%
Executive Male	Percentage	28.41%
Executive Female	Percentage	57.61%
Non-Executive Male	Percentage	0.40%
Non-Executive Female	Percentage	0.12%
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	64
Female	Percentage	36
Below 30	Percentage	0
Between 30-50	Percentage	18
Above 50	Percentage	82
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	14,746.10
Executive	Hours	91,051.93
Non-Executive	Hours	11,106.55
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	12.90%
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	58
Non-Management	Number	255
Non-Executive	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Appendix 1 Performance Data Table - BURSA Malaysia Indicator	Measurement Unit	FYE2025
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,430,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,808
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	94
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Appendix 2 The material matters covered in this assessment are tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
Conduct and Trust				
Excellent Ethics, Governance, Risk Management & Compliance				
Business Innovation, Responsible Marketing, Product & Service Design				
Data Security, IT Infrastructure & Digital Transformation				
Transparency in Procurement Process				
Customer Experience				
Business Innovation, Responsible Marketing, Product & Service Design				
Excellent Customer Experience, Support & Access				
Digital Product and Service Transformation				
Financial Inclusion, Sustainable Finance & Financial Performance	Excluded – third party review			
Business Innovation, Responsible Marketing, Product & Service Design				
Excellent Customer Experience, Support & Access				
Employee Health, Safety and Wellbeing				
Employee Health, Safety & Wellbeing				
Employee Benefits, Employee Engagement Programmes				
Environmental Stewardship				
Environmental Management				
Climate Action				
↳ Scope 1 & 2	Excluded – third party review			
↳ Scope 3				
Contributing to Communities				
Strategic Community Investment				
↳ Malaysian AEON Foundation				

Note 1:

This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (28 April 2025).

Note 2:

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

Note 3:

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

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

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

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

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



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The Board of Directors
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 Level 18, UOA Corporate Tower,
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 Bangsa South City,
 No. 8, Jalan Kerinchi,
 59200, Kuala Lumpur

Independent Practitioners' Limited Assurance Report on AEON Credit Service (M) Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 28 February 2025 ("FYE 2025") presented in its Integrated Annual Report 2025

Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the financial year ended 28 February 2025 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in the Company's Integrated Annual Report 2025 and/or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria"):

1. Green financing - Financing for purchase of energy efficient appliances (*washing machines, air conditioners, television, refrigerators, e-scooters, and bicycles*) (RM);
2. Green financing - Financing for electric bikes (RM);
3. Scope 1 Greenhouse Gas ("GHG") Emissions - Company vehicles/ fleet (tCO₂e);
4. Scope 2 Greenhouse Gas ("GHG") Emissions - Purchased electricity (tCO₂e); and
5. Social financing - Financing for underserved customers (RM).

The boundary of the limited assurance engagement on the Selected Sustainability Indicators represents AEON Credit Service (M) Berhad and its subsidiary.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 28 February 2025 presented in the Company's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with the Applicable Criteria.



Basis for conclusion

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

Our Quality Management and Independence

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

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

Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of the Company (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Integrated Annual Report 2025, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Sustainability Indicators

The management of the Company (the "Management") is responsible for:

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



Responsibilities for the Selected Sustainability Indicators (continued)

- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's Integrated Annual Report 2025 may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Company's Integrated Annual Report 2025, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our responsibilities

We are responsible for:

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

Summary of the work we performed as the basis for our conclusion

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

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Integrated Annual Report 2025;
- (c) Compared the Selected Sustainability Indicators presented in the Company's Integrated Annual Report 2025 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in the Company's Integrated Annual Report 2025 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of AEON Credit Service (M) Berhad.

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



Other matter

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the financial year ended 28 February 2025. We previously expressed a conclusion over the Company's Selected Sustainability Indicator 1,2,3 and 4 for the year ended 29 February 2024, and our report thereto dated 15 May 2024 included an unmodified conclusion.

Notwithstanding the above, we have not performed any procedures with respect to any other earlier periods or any other elements included in the Company's Integrated Annual Report 2025 and therefore, we do not express any conclusion thereon.

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

Petaling Jaya

Date: 21 May 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (“CGOS”), made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) and in accordance with the Malaysian Code on Corporate Governance (“MCCG”), articulates the Group’s Corporate Governance practices during the year under review (“FYE2025”) to provide an overview on the application of the three (3) MCCG Key Principles:

- i) Principle A: Board Leadership and Effectiveness;
- ii) Principle B: Effective Audit and Risk Management; and
- iii) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CGOS should be read together with the Corporate Governance Report (“CG Report”) which expresses in greater detail AEON Credit’s application of MCCG’s prescribed practices. This is available on:

 <https://aeoncredit.com.my/investor-relations/integrated-annual-report/>

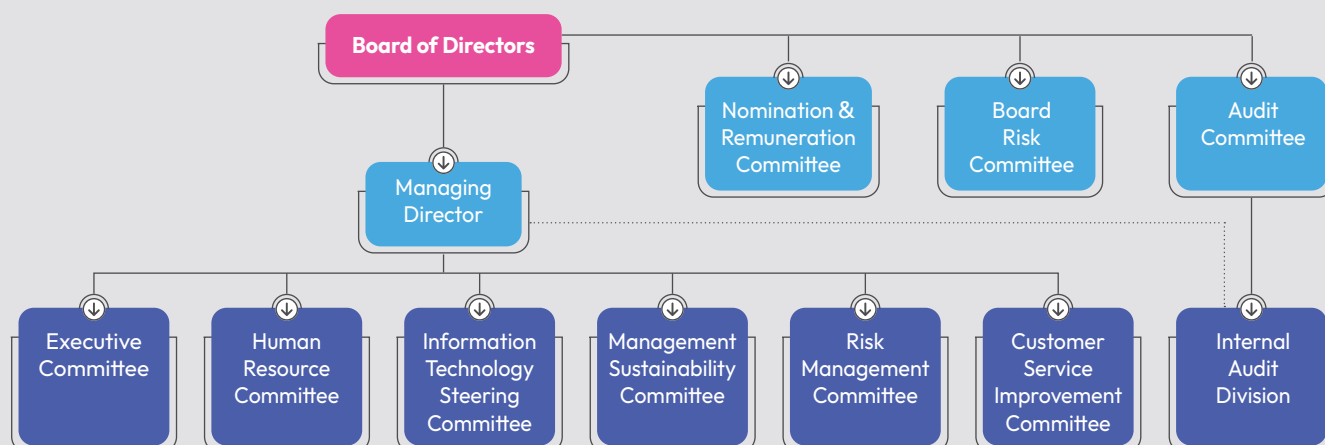
or scan the QR Code below:



The Board of AEON Credit firmly believes that strong corporate governance (“CG”) is critical and indispensable to AEON Credit to safeguard our assets while ensuring our ability to generate sustainable and uncompromised value. Effective CG practices are fundamental to garnering the trust of our customers, lenders and, most importantly the general public which remains the cornerstone of our business operations. From a regulatory standpoint, AEON Credit operates under a stringent framework where CG is of paramount importance and exerts significant influence on our mandate to conduct business.

The Board of AEON Credit has, from the outset, diligently promoted strong CG across the Group, fostering a culture of accountability, ethical business practices, and prudent risk management. The Board’s efforts have contributed to the sustained generation of a stream of long-term value for our shareholders and stakeholders. CG is now firmly embedded in every aspect of our operations, under the oversight and guidance of functional specialists who continuously incorporate improvements to reflect changing circumstances, for instance the integration of sustainability initiatives and leveraging digital innovation.

The Board has established a comprehensive CG Framework which incorporates functional expertise and oversight of corporate governance and regulatory compliance processes.



The CG framework is premised on the relevant statutes, authoritative guidelines, and industry best practices, including:

- Companies Act 2016;
- Malaysian Anti-Corruption Commission (“MACC”) Act 2009;
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”);
- Policy Document on Corporate Governance issued by Bank Negara Malaysia (“BNM”);
- Corporate Governance Guide (4th Edition) published by Bursa Malaysia (“Bursa CG Guide”); and
- Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”).

The Board is supported by dedicated Board Committees in discharging its duties. Specifically in the context of CG, the Audit Committee (“AC”) provides oversight concerning internal controls, while the Board Risk Committee (“BRC”) focuses on risk management and sustainability. The BRC is further supported by the Management Sustainability Committee and the Risk Management Committee, which review, discuss, and monitor the implementation of activities related to sustainability and risk management respectively. Both Board Committees regularly review CG policies and processes for adequacy, relevance, effectiveness and currency. They also solicit input from functional specialists to continually strengthen CG so as to ensure that material changes impacting CG are given due consideration and appropriately addressed.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES AND SENIOR LEADERSHIP OVERSIGHT

The Board exercises oversight of the orderly conduct of the Group's business, with the aim of delivering sustainable, long-term shareholder value. As part of this responsibility, the Board provides strategic direction by overseeing the Group's strategies and supervises the Management in their implementation to achieve the desired results. In the process, the Board prioritizes the integration of good CG policies and practices and ensures full compliance with all legislation and guidelines governing the Group. The Board believes that strict and cohesive CG practices drives successful implementation of the business strategies and enhances the likelihood of achieving desired results.

In discharging its duties, the Board demonstrates a strong sense of responsibility, acting in good faith, with diligence and care, and in the best interests of the Group and its shareholders. The principal roles and responsibilities of the Board, broadly, are:

- i) Approving business strategies, risk appetite/tolerance, and other corporate initiatives that have a material impact on the Group's risk profile and profitability;
- ii) Overseeing the implementation of the Group's CG framework, systems of risk management and internal control, with periodic reviews to ensure continuing relevance, sufficiency and effectiveness, in light of the Group's evolving business complexity, operations and technologies;
- iii) Collaborating with Management to foster a sound corporate culture which reinforces integrity, ethical conduct and professionalism;
- iv) Embedding sustainability into the Group's strategy and operations, emphasizing environmental, social and governance ("ESG") principles;
- v) Approving business continuity programs and overseeing recovery and resolution actions to enhance the Group's resilience, and ensure uninterrupted delivery of critical operations and services under all circumstances;
- vi) Driving the achievement of sustainability performance targets ("SPTs"), including those tied to sustainability-linked loans and the Group's net-zero target;
- vii) Facilitating clear and timely communications between the Group, shareholders and regulators on issues that impact or could impact the Group's stability and soundness;
- viii) Monitoring Digital Transformation initiatives and the associated technology investments to ensure targeted capabilities and benefits are realised; and
- ix) Providing oversight on the performance and financial health of the Group's major investee companies.

A Board Charter is in place to guide the Board in discharging its duties. The Board Charter documents the Board's roles, responsibilities, powers and matters that the Board may delegate to Board Committees and the Management. The Board Charter and Board Committees' Terms of Reference ("TOR") are periodically reviewed and updated to incorporate changes in policies, statutory provisions, MCCG requirements and to align with best practices.

The Board Charter is accessible on the Company's website under Board Charter section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/board-charter-2/>

or scan the QR Code below:



Matters specifically reserved for the Board's deliberation and approval include:

- i) Business strategies and annual business plan/budget;
- ii) Enterprise Risk Management Framework ("ERMF") and risk strategies;
- iii) Raising or restructuring of equity or debt capital and bank borrowings;
- iv) New investments, divestments, establishment of subsidiaries or joint ventures, and any other corporate exercise which requires approval of shareholders;
- v) Acquisition or disposal of significant assets outside the ordinary course of business;
- vi) Acquisition of equipment or assets exceeding management approval threshold;
- vii) Resolution of any conflict of interest related to a substantial shareholder or a Director;
- viii) Approval of related party transactions, subject to approval of shareholders where necessary;
- ix) Unaudited quarterly financial results and audited annual financial statements;
- x) Appointment of new Directors and their appointment as members of Board Committees, including setting the terms of service and remuneration, subject to approval of shareholders where necessary;
- xi) Ensuring regulatory compliance; and
- xii) Declaration of dividends, subject to approval of shareholders where necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board delegates responsibility for the management of day-to-day business operations to the Managing Director (“MD”) who is assisted by a Senior Management team of competent functional specialists (collectively “the Management”) to ensure that the Group operates within a framework of prudent and effective controls guided by the requisite functional skills.

The Management, in turn, exercises oversight and governance over execution at the operational level and provides the Board and respective Board Committees with pertinent information and specialist advice, as needed, to support the Board to discharge its duties and responsibilities effectively and yield the desired results.

Separation of Roles of Non-Executive Chairman and Managing Director

The roles and responsibilities of the Chairman and MD are distinct and clearly segregated. This segregation strengthens oversight and instils a balance of authority and accountability, thereby avoiding unfettered powers in decision-making. The Chairman, who is not a member of any of the Board Committees, has the responsibility for the orderly and effective conduct of Board meetings, ensuring efficacy of the Board and managing the interface between the Board and the Management.

Roles of Chairman, Managing Director and Non-Executive Directors

The Chairman has responsibility for ensuring the adequacy and effectiveness of the Board’s governance processes and leads the Board in overseeing the proper conduct and management of the Group’s affairs. Based on the outcome of the Board Effectiveness Evaluation (“BEE”) exercise conducted internally for financial year ended 2025, the Chairman executed an effective leadership process is regarded as an excellent and open facilitator to boardroom discussions.

The MD ensures effective implementation of the Group’s strategic plans, policies and decisions which have been duly approved by the Board. The MD is also responsible for leading and managing the Group’s operations and making business decisions with support from the Management within mandates and limits of authorities delegated by the Board. Specific authorities are further delegated to the Management based on the Group’s Authority Matrix, which is subject to periodic reviews to align to changes in business circumstances and requirements to facilitate efficient and effective decision making.

The Non-Executive Directors’ fundamental responsibility is to review the performance of the Management in meeting key performance targets and monitor the transparent reporting of the Group’s performance. They constructively challenge the Management and provide relevant functional expertise and insights to continually enhance the Group’s performance and resilience. They have free and open contact with the Management at all levels.

Independent Non-Executive Directors bring an essential element of independence to the Board’s stewardship of the Group. This aligns with CG best practices and provides assurance to key stakeholders, particularly investors and regulatory authorities, that independent and objective views are given due recognition in Board deliberations. This ensures that the Board’s decision making remains balanced and unbiased.

BOARD MEETINGS AND ACCESS TO INFORMATION

Board meetings are pre-scheduled to take place on a monthly basis to enable the Board to stay current on emerging areas of interest or concern, facilitate close and regular follow-up of on-going matters and enables timely decision making. Board and Board Committee meetings are formal platforms for deliberation over matters of strategic and operational significance. Ahead of any such meetings, a formal agenda and related information are provided to all Directors at least five (5) calendar days in advance to allow time for review and obtain further clarification if needed on matters to be deliberated. Special Board or Board Committees meetings may be convened at short notice when critical decisions are required on an urgent basis.

Attendance of Management member(s) will be called for, where necessary, to articulate more detailed information and provide specialist perspectives to facilitate and support the Board or Board Committees in making informed decisions. Where deeper technical expertise is needed to supplement internal functional input to arrive at data-based decisions, the Board may seek the counsel of independent subject matter expert(s), at the Group’s expense in accordance with procedures established in the Board Charter.

Board members have unrestricted access to the advice and services of the appointed Company Secretary who is a qualified member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). The Company Secretary is equipped with the skills and expertise to provide effective support to the Board to ensure compliance with procedures, regulatory requirements and guidelines, including those in relation to CG.

In addition to making arrangements for Board, Board Committees and general meetings and drawing up the meeting agenda, the Company Secretary also has an advisory capacity in monitoring and advising on developments in the CG domain. The Company Secretary also assist the Board in applying best practices to meet the Board’s needs and stakeholders’ expectations. In addition, the Board is also alerted to and advised by the Management of any material change(s) in regulatory and compliance requirements, including their associated implications and impact on the Board and the Group. As part of the regular reporting regime, the Management also provides on-going regulatory compliance updates to the Board.

During FYE2025, the Board met fourteen (14) times. Matters reviewed and deliberated at each Board meeting were:

- i) The Group's business and financial performance, including business plan and budget;
- ii) Governance, risk management, and compliance with regulatory requirements;
- iii) Quarterly updates on sustainability initiatives and their progress;
- iv) Major investments, borrowings, and related matters; and
- v) The introduction of new products, including their associated risks and compliance requirements.

All proceedings of Board meetings are minuted and the minutes circulated to Board members ahead of the next Board meeting together with updates on follow-up action items. Where necessary, in between scheduled Board meetings, Board decisions may also be effected by way of circular resolutions.

During Board meetings, the Chairman of each Board Committee will brief the Board on the deliberations of their respective Board Committee. This includes salient facts of matters and issues discussed, recommendations, conclusions and decisions taken which require the Board's attention, approval or direction. Details of Directors' attendance at the Board meetings are set out below:

Name of Director	Designation	Attendance
Ng Eng Kiat	Chairman/ Non-Independent Non-Executive Director	14/14
Daisuke Maeda	Managing Director/ Executive Director	14/14
S Sunthara Moorthy A/L S Subramaniam	Independent Non-Executive Director	14/14
Datuk Adinan bin Maning	Senior Independent Non-Executive Director	14/14
Datin Yasmin Ahmad Merican¹	Independent Non-Executive Director	12/14
Chin Pik Yuen	Independent Non-Executive Director	14/14
Farah Suhanah binti Ahmad Sarji (Appointed on 21 June 2024)	Independent Non-Executive Director	9/9
Wan Chee Keong (Appointed on 1 December 2024)	Independent Non-Executive Director	3/3

Name of Director	Designation	Attendance
Naoya Okada (Appointed on 21 June 2024)	Non-Independent Non-Executive Director	9/9
Tsutomu Omodera² (Appointed on 21 June 2024)	Non-Independent Non-Executive Director	8/9
Lee Tyan Jen	Executive Director	14/14
Rashidah binti Abu Bakar (Retired on 20 June 2024)	Independent Non-Executive Director	4/4
Mitsugu Tamai³ (Retired on 20 June 2024)	Non-Independent Non-Executive Director	3/4

¹ Unable to attend 2 meetings due to medical reasons

^{2&3} Unable to attend 1 meeting due to overseas engagement

Board Size and Composition

The Board is committed to ensuring that members collectively possess the diversity of skills, knowledge and experience pivotal to putting the Group on a steady course forward. This commitment also extends to embracing diversity within the Board. The Board holds the conviction that varied perspectives enrich deliberations and contribute to balanced decision-making, drawing upon the members' collective wealth of expertise and experience.

The Board considers diversity from a number of different aspects, including skills, background, knowledge, international and industry experience, culture, independence, age, ethnicity, gender and other relevant factors which the Board thinks fit. Sourcing the right Board members is a continuing priority and is always conducted in accordance with the objectives of ensuring that the required capabilities and competencies are in place to ably guide the Group forward.

FYE2025 saw the retirement of two (2) members of the Board on 20 June 2024, specifically Rashidah binti Abu Bakar, an Independent Non-Executive Director ("INED"), and Mitsugu Tamai, a Non-Independent Non-Executive Director ("NINED"). In their place, the Board, on 21 June 2024 appointed the following to AEON Credit's Board of Directors:

- i) Farah Suhanah binti Ahmad Sarji, as an INED;
- ii) Naoya Okada, as a NINED; and
- iii) Tsutomu Omodera, also as a NINED.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, on 1 December 2024 also appointed Wan Chee Keong as an additional INED to further deepen and strengthen the collective capabilities and competencies of the Board.

All new Board appointments were made after the conduct of a stringent due-diligence process which includes:

- i) A review of the Board composition by the Nomination and Remuneration Committee (“NRC”);
- ii) A thorough assessment and due diligence of qualified candidates across all criteria in the Board Charter, BNM guidelines and the MMLR in relation to Board appointments, including the Fit and Proper criteria; and
- iii) Consideration by NRC and subsequent recommendations to the Board.

The Board approved the recommended appointments after having reviewed the proposed candidates’ character, integrity, experience, competence, time commitment, independence as well as the additional depth of expertise and experience they bring to the Board. The new appointments further reinforce the strong representation of INEDs on the Board.

Re-election to the Board

The NRC reviewed the re-election of Directors to the Board, in line with the provisions of the Company’s Constitution, which stipulates that all Directors are subject to retirement at the Annual General Meeting (“AGM”) every year, and be subject to re-election.

Board Balance and Diversity

The Board comprises eleven (11) members, including the Chairman who serves as a NINED, six (6) INEDs, two (2) NINEDs and two (2) Executive Directors, one of whom is the MD. Strongly reinforcing a commitment to independence, 55% of the Board members are INEDs. This proportion of INEDs on the Board surpasses the requirements outlined in BNM’s Guidelines on Corporate Governance for Licensed Institutions, which mandate a minimum of one-third independent directors, as well as the MMLR requirement of at least two (2) directors or one-third of the Board, whichever is higher. Additionally, it also exceeds the MCCG guideline recommending that at least half of the Board consist of independent directors. While in terms of gender diversity, 36% of the Board members are female, exceeding the MCCG’s guideline target of 30% female representation on the Board.

Category	Composition	Percentage
INED	6	55%
NINED	3 (including Chairman of the Board)	45%
ED	2 (including MD)	
	11	100%

Category	Composition	Percentage
Male	7	64%
Female	4	36%

The present size and composition of the Board is considered to be optimum and well balanced. Board members bring a diverse blend of in-depth experience across disciplines relevant to the Group’s business and operations testifying their ability to effectively contribute to the Group’s continued growth and long-term value creation.

Furthermore, the diversity inherent within the Board supports the Group in facing the challenges of an intensely competitive industry environment, its constantly evolving risk profile and the emergence of IT as an indispensable part of the Group’s business and its criticality in maintaining a competitive position. Board deliberations are open and frank and dissenting views are encouraged and recognised. No individual Director or group of Directors dominate the deliberations and the decision-making process. A summary of the Board composition and competencies as at the date of this CG Overview Statement is set out below:

Age Group			
41-50 years	51-60 years	>60 years	
2	3	6	

Ethnicity			
Malay	Chinese	Indian	Japanese
3	4	1	3

The diversity of the Board members’ experience is summarised in the table below:

- 1

Financial Services
- 2

Strategic Planning
- 3

Business Transformation
- 4

Customer Management
- 5

Risk Management
- 6

Human Capital Management

7

Corporate Governance

8

Accounting and Finance

9

Taxation

10

Technology

11

Legal and Compliance

12

Branding and Image

POLICY FOR DIRECTORS

The NRC considers the following in assessing the fitness and propriety of a person identified for potential appointment or for re-election as a Director:

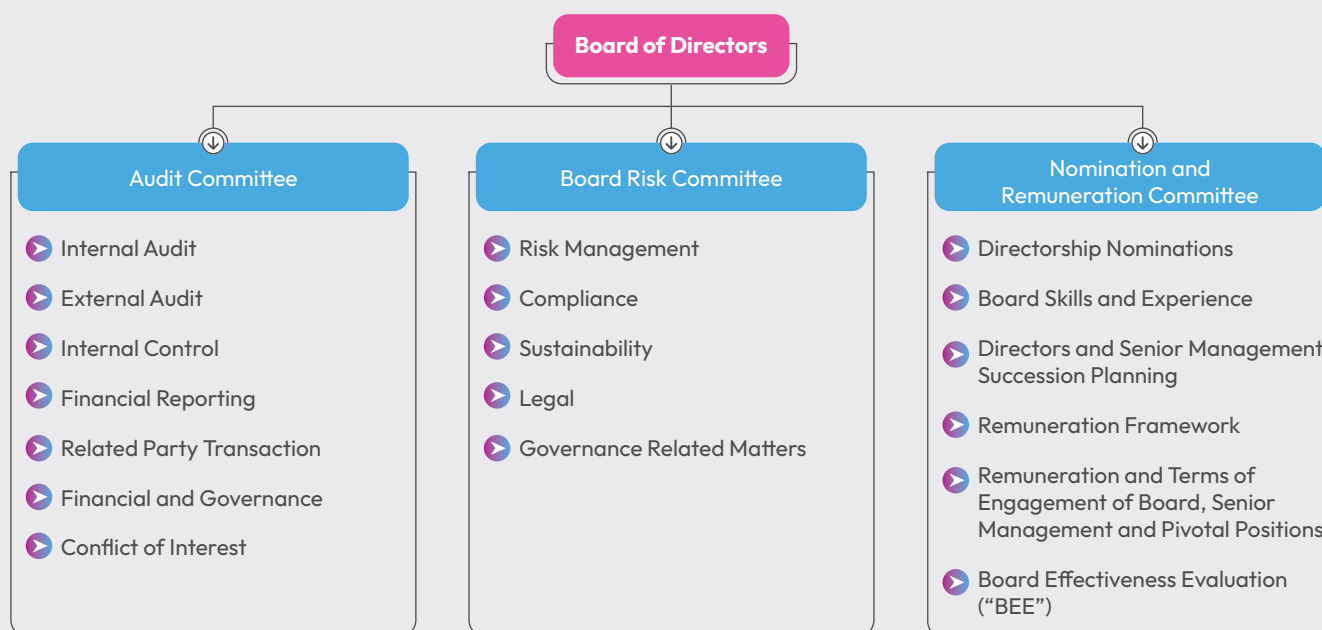
- i) The candidate's capability to enhance the collective skill set of the Board and contribute diverse perspectives to its deliberations; and
- ii) His/Her suitability for appointment/re-election based on the criteria outlined in the Group's Fit and Proper Policy.

This Group's Fit and Proper Policy sets out the process of appointing and removing Key Responsible Persons ("KRPs") and specifies the stringent assessment that the candidates are subject to, which criteria, amongst others, cover:

- Probity, personal integrity, honesty and ethical behaviour;
- Experience, competencies and capabilities;
- Financial soundness and solvency;
- Commitment and ability to devote the requisite time to serve; and
- Character.

BOARD COMMITTEES

The Board is assisted by dedicated Board Committees, formed under their respective TORs, in accordance with the MMLR and best practices prescribed by MCCG to assist the Board in discharging their responsibilities. The Board Committees as at the end of the year under review are depicted below along with a brief description of their respective core oversight areas:



The functions and TORs of the Board Committees and their delegated authorities have been approved by the Board and are reviewed periodically to ensure that they are relevant and up to date.

The TORs of all Board Committees were reviewed in FYE2025, following which, the updated TOR for AC, NRC and BRC took effect on 12 June 2024, 1 July 2024 and 28 November 2024 respectively. The Board Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision making lies with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Board recognises that a competitive, comprehensive and equitable remuneration package is essential for attracting and retaining talented, high performing Directors and Management. A Policy of Remuneration for Directors and Senior Management is in place to guide compensation structuring to ensure competitiveness and appropriateness.

The NRC is responsible for formulating and reviewing remuneration policies and packages to ensure that they are competitive, appropriate and commensurate with the individual's experience, skills and level of responsibilities, and are aligned to industry benchmarks. The aggregate remuneration paid or payable to all Directors of the Company for FYE2025 is listed on a named basis along with a detailed breakdown in the CG Report under Practice 8.1.

All members of the NRC are independent directors who play a pivotal role in supporting and advising the Board on the implementation of the Remuneration Policy and other related matters. The NRC is chaired by Datuk Adinan bin Maning, the Senior Independent Non-Executive Director.

The NRC's TOR is available in the Corporate website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



During the year under review, the Board, via the NRC, performed the annual assessment on the composition, TOR and performance of the NRC collectively and each of its members individually. After considering the results of the assessment, the Board was satisfied that the NRC collectively and each of its members have discharged their responsibilities and duties, and contributed effectively in accordance with the NRC's TOR. Details of NRC meetings in the year under review, are set out below:

Name of Director	Designation	Attendance
Datuk Adinan bin Maning	Chairman/ Senior Independent Non-Executive Director	6/6
S Sunthara Moorthy A/L S Subramaniam	Member/Independent Non-Executive Director	6/6
Datin Yasmin Ahmad Merican	Member/Independent Non-Executive Director	6/6

Key activities undertaken by the NRC during FYE2025, include:

- i) Reviewed the BEE Report and made appropriate recommendations on matters arising from the Report for the Board's consideration;
- ii) Reviewed and recommended suitable orientation programmes for new Directors and training for Directors' continuous learning and development;
- iii) Conducted assessment and due diligence on qualified candidates for Board positions and, subsequently made recommendations to the Board for appointment of the new members;
- iv) Reviewed and recommended for the Board's approval the proposed structure for the Board, Board Committees, Executive Directors, and Executive Officers ("EOs") of the Group:
 - reviewed and recommended for the Board's approval the Company's organisation chart and its effective date; and
 - reviewed and updated the Board on the progress of the Company's Management succession planning.
- v) Evaluated and recommended to the Board for approval, the re-election of Directors who will be retiring at the upcoming AGM of the Company;
- vi) Discussed and proposed to the Board for approval, the Directors' Remuneration for Non-Executive Directors of the Group; and
- vii) Discussed and proposed to the Board for approval, Executive Directors' and EOs' remuneration and annual performance bonus.

BOARD EFFECTIVENESS EVALUATION

The effectiveness of the Board is critical to delivering impactful leadership and driving value-focused stewardship for the Group. As an integral part of the Board's commitment to accountability and to sustain a high performing Board, a rigorous BEE is conducted annually to assess the performance of the Board, Board Committees and each individual Board member.

The BEE evaluates the performance and contributions of individual Directors, across the period covered by the BEE, in discharging their duties and meeting the expectations of their roles on the Board. Notably the BEE also has a principal focus on the Directors' continuing learning and development to sustain high performance and alignment to the constantly changing external environment.

Once every three (3) years, an independent firm of consultants will be appointed to infuse independence and enhance the objectivity of the BEE process, the last such exercise was in FYE2023.

In the current year, the BEE was conducted internally and involved evaluating the Board's performance against peer boards and best practices. Details of the latest BEE are set out in the CG Report that is available on the Corporate website and accessible via:

 <https://aeoncredit.com.my/investor-relations/integrated-annual-report/>

or scan the QR Code below:



DIRECTORS' TRAINING

The Board recognises the importance of continuous learning and development and acknowledges that training is critical to ensure that Directors are constantly kept relevant and abreast of the latest corporate and regulatory requirements, and also emerging matters impacting our business and operations. Training also equips the Directors with the necessary skills and knowledge to guide the Group in addressing the challenges of a constantly changing environment.

The Board has delegated the role of reviewing the training and development needs of Directors to the NRC. A comprehensive induction programme is provided to ease new Directors into their role and assist them in understanding the Group's business, challenges, issues and strategies. All new Directors are also provided with information packs containing the Board Charter, Code of Ethics and Conduct ("the Code"), TOR of Board Committees, the previous year's Integrated Annual Report and relevant Board materials to facilitate an understanding of the expectations of their roles.

As part of their continuous learning and development, Directors attended training on a range of topics relevant to their roles and responsibilities during the year under review. The list of training programmes attended by members of the Board in FYE2025 is set out below:

<p>1</p> <p>Director Ng Eng Kiat</p> <p>Training Attended</p> <ul style="list-style-type: none"> • Phase 1 E-Invoicing • Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship • Directors & Officers ("D&O") Liability Insurance • Board of Director Leadership - Effective Climate Governance • AEON Credit Leadership Offsite 2024: Shaping Our Future • Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest • AEON 55th Top Seminar • Cloud Security Awareness • Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing • Enhanced Conflict of Interest Framework • Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS") • 2025 Budget Announcement & Finance Act 2024 • Basics of Malaysian Private Entities Reporting Standard • Basics of Malaysian Financial Reporting Standards • Growing Concerns from New Technology, Stakeholders' interest and Conflict of Interest 	<p>2</p> <p>Director Daisuke Maeda</p> <p>Training Attended</p> <ul style="list-style-type: none"> • Phase 1 E-Invoicing • Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship • AEON Bank - Fraud Rules • Directors & Officers ("D&O") Liability Insurance • Board of Director Leadership - Effective Climate Governance • AEON Credit Leadership Offsite 2024: Shaping Our Future • AEON 55th Top Seminar • Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing • Enhanced Conflict of Interest Framework • Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS") • 2025 Budget Announcement & Finance Act 2024
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

3

Director

S Sunthara Moorthy A/L S Subramaniam

Training Attended

- 10th National Procurement Conference
- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

6

Director

Chin Pik Yuen

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- 10th National Procurement Conference
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

4

Director

Datuk Adinan bin Maning

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- Enhanced Conflict of Interest Framework
- Mandatory Accreditation Programme Part II: Leading for Impact

7

Director

Farah Suhanah binti Ahmad Sarji

Training Attended

- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees
- Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- Mandatory Accreditation Programme Part II: Leading for Impact
- Directors' Duties & ESG - The Latest Case Law & Developments
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Audit Oversight Board Conversation with Audit Committees
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

5

Director

Datin Yasmin Ahmad Merican

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership - Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- Enhanced Conflict of Interest Framework
- 2025 Budget Announcement & Finance Act 2024

8

Director

Wan Chee Keong

Training Attended

- Mandatory Accreditation Programme Part I
- 2025 Budget Announcement & Finance Act 2024

9

Director

Naoya Okada

Training Attended

- Navigating Anti-Corruption Practices in Retail
- Directors & Officers ("D&O") Liability Insurance
- AEON 55th Top Seminar
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Mandatory Accreditation Programme Part II: Leading for Impact
- Enhanced Conflict of Interest Framework
- Malaysia Economic Forum 2025
- 2025 Budget Announcement & Finance Act 2024

10

Director

Tsutomu Omodera

Training Attended

- Directors & Officers ("D&O") Liability Insurance
- Mandatory Accreditation Programme Part I
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti-Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- 2025 Budget Announcement & Finance Act 2024
- Mandatory Accreditation Programme Part II: Leading for Impact

11

Director

Lee Tyan Jen

Training Attended

- Phase 1 E-Invoicing
- Islamic Financial Services Act ("IFSA"): Governing Parent-Child Relationship
- Directors & Officers ("D&O") Liability Insurance
- Board of Director Leadership – Effective Climate Governance
- AEON Credit Leadership Offsite 2024: Shaping Our Future
- AEON 55th Top Seminar
- Cloud Security Awareness
- Climate Change Awareness, Climate Risk Management, Carbon Literacy and Climate Data Reporting & Auditing
- Enhanced Conflict of Interest Framework
- Latest Trends and Emerging Risks on Anti Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions ("AML/CFT/CPF/TFS")
- Enhanced Conflict of Interest Framework

STRENGTHENING CORPORATE GOVERNANCE CULTURE

The Group is committed to conducting its activities with responsibility, ethical standards, and integrity. To reinforce a strong corporate governance culture, we have established the following key policies:

i) Board Succession Planning

The Group has implemented a Policy of Board Succession Planning to uphold governance continuity through a transparent and structured process for the selection, assessment, and appointment of Board members. This policy is designed to align with the Group's strategic objectives and regulatory requirements and is applicable to the Group's Independent Non-Executive Directors as well as its Board Committees.

The Policy outlines a comprehensive framework to assist the NRC and the Board in managing both short-term and long-term succession planning. It addresses contingencies for unexpected Board member departures and emphasizes proactive planning for Board refreshment, ensuring the required skill sets and an optimal Board composition are maintained to meet current and future needs. Additionally, the Policy incorporates a clear communication strategy for stakeholders, detailing any interim measures taken by the Group, where necessary.

ii) AEON Foundational Ideals and Code of Ethics and Conduct

Guided by the AEON Foundational Ideals, AEON Credit's Code of Ethics and Conduct is established to serve as a guiding framework for ethical conduct to ensure the Group operates its business with integrity, transparency and accountability, by taking into consideration the interests of the Group's valued customers, trusted business partners, dedicated employees, regulatory bodies and local community.

Serving as a moral compass, the Code guides our decisions and actions in accordance with the AEON Group Future Vision – to build a lifestyle that bring smiles to everyone. It plays a vital role in fulfilling Our Purpose: fostering trust and confidence in our products and services. By upholding the highest ethical standards, we ensure that the needs of our customers and communities are prioritised, enriching lives with peace of mind and smiles.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, Management and employees of the Group are guided by the AEON Foundational Ideals, AEON Group Future Vision and the Code of Ethics and Conduct. These basic principles take into consideration the interests of the Group's customers, shareholders, employees, business partners and the broader community to ensure the Group operates its business with integrity, transparency and accountability. All employees are briefed on these principles and attend refresher training on an annual basis. Directors, Management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners and regulators.

The AEON Foundational Ideals and AEON Group Future Vision are accessible at the Company's website:

 <https://aeoncredit.com.my/about-us/our-purpose/>

or scan the QR Code below:



iii) Whistle-Blowing Policy and Procedure

The Group's Policy of Whistle-Blowing and Procedure of Whistle-Blowing provide a transparent mechanism and an avenue for all stakeholders to report or raise genuine concerns anonymously and confidentially on any misconduct without fear of retaliation and be afforded the requisite protection.

The Procedure of Whistle-Blowing sets a clear guide for stakeholders to raise concerns and to ensure that issues are directed to the appropriate authority and definitive action can be taken accordingly where the ensuing investigations find the concerns raised to be valid. All whistle-blowing reports have to be made in good faith with a reasonable belief that the information and allegation is true and not made frivolously and maliciously. Issues raised are subject to thorough reviews, impartial investigations and resolutions with strict confidentiality.

The Policy of Whistle-Blowing is accessible via the Company's corporate website at <https://aeoncredit.com.my/about-us/corporate-governance/>. All disclosures are further managed by authorised personnel with strictest confidentiality.

A Board Member, who also serves as the Chairman of the Board Risk Committee, has been appointed to oversee and ensure the effective implementation of this Policy. The whistle-blowing channels provided by the Group are as follows:

	Whistle-Blowing Channel	Designated Recipient	Direct Report
1	Email to: eSID@aeoncredit.com.my <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	i. Senior Independent Director ii. Audit Committee Chairman iii. Chief Risk Officer ("CRO")	Board of Directors
2	Send letter to: Chief Risk Officer AEON Credit Service (M) Berhad Level 18, UOA Corporate Tower Avenue 10, The Vertical Bangsar South City No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia STRICTLY PRIVATE & CONFIDENTIAL <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	Chief Risk Officer	
3	Report to Malaysian Anti-Corruption Commission via: https://www.sprm.gov.my/ <i>Note: For bribery, false claim, or abuse of power/position issue only.</i>	Malaysian Anti-Corruption Commission	-

iv) Anti-Bribery and Anti-Corruption Policy

The Group's Policy of Anti-Bribery and Corruption Management System ("ABCMS") puts into action the Group's commitment to conduct business responsibly, ethically with integrity and sincerity. Anti-bribery and anti-corruption programmes placing emphasis on critical requirements and providing clear guidance to safeguard the Group against bribery and corruption risk are essential for ensuring adherence to strong anti-bribery and anti-corruption culture. In upholding the commitment to anti-bribery and anti-corruption, the Group:

- 1) Adopts zero tolerance for all forms of bribery and corruption;
- 2) Complies with and adheres to the provisions of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and other applicable laws and regulations, rules, policies and procedures;
- 3) Promotes and inculcates an anti-bribery and anti-corruption culture which is continuously reinforced, improved and monitored;
- 4) Upholds the values of transparency and provide whistle-blowing channels along with the mandated whistle-blower protection to encourage reporting of any bribery and corruption practices in good faith; and
- 5) Establishes an independent compliance function to oversee the implementation of anti-bribery and anti-corruption programmes.

The Group strictly does not tolerate any act of bribery and corruption and requires all our business associates (including its employees, directors, agents, representatives and sub-contractors) to be aware of, and adhere to the Group's policies in relation to anti-bribery and anti-corruption. Any instances or suspicions of corruption, bribery, conflicts of interest or other unethical behaviour must be reported via the designated whistle-blowing channels, reinforcing the Group's commitment to eliminate bribery and corruption of all forms in the Group's operations.

v) ISO37001:2016 Anti-Bribery Management System ("ABMS")

The Group's ISO37001: 2016 Anti-Bribery Management Systems certification underscores the robustness of the governance and underlying processes in place to prevent, detect and address bribery. First certified in 2020, the Group successfully achieved recertification in March 2023 for an additional three (3) years. The Group strives to ensure all employees conduct themselves professionally and ethically, upholding the AEON Foundational Ideals in all business dealings. Likewise, the Group requires our suppliers and agents to adhere to the highest standards of integrity in their dealings with the Group.

The Group initiates regular anti-bribery and anti-corruption awareness activities for all directors, employees and business associates to reinforce the importance of integrity and good conduct. On a regular basis our employees are required to undergo training and assessments to test their level of understanding of the Group's anti-bribery and anti-corruption requirements, in particular Section 17A of the Malaysian Anti-Corruption Commission Act 2009. On an annual basis, all employees, business associates and suppliers are required to commit to an Anti-Bribery and Corruption Pledge by signing-off on an Integrity Declaration to explicitly demonstrate their commitment towards creating a transparent and fair business environment that is free from bribery and corruption.

vi) Gift and Entertainment Policy

The Group continuously upholds and reinforces exemplary business ethics, with a strong emphasis on adherence to the Group's Policy of Gift and Entertainment. This Policy requires all employees to demonstrate the highest standards of ethics and comply with AEON Foundational Ideals when dealing with potential and existing business partners and stakeholders. All employees must practice fair treatment, unbiased professionalism and non-discriminatory behavior. The following actions are strictly prohibited:

- 1) Acceptance of any form of entertainment from business partners;
- 2) Acceptance/offer of any kind of cash from/to business partners;
- 3) Acceptance/offering of any kind of gift from/to business partners. In the event where the receipt of gift from business partners is unavoidable, it must be reported to the immediate supervisor along with submission of the Declaration of Acceptance Form;
- 4) Personally receiving product samples from business partners; and
- 5) Receiving hospitality, which include transportation and accommodation arrangements from business partners.

Employees are strictly prohibited from taking gifts home under any circumstances. All employees are required to professionally communicate to business partners, stakeholders and other relevant parties of the Group's Policy of Gift and Entertainment and requesting their adherence to this Policy by not offering gifts to our employees, at any time or for any reason.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

In keeping with the practice of good corporate governance, which are intrinsic and critical to our business as a financial services provider and in compliance with requirements of our regulators, AEON Credit has instituted a strong and comprehensive system of internal controls. This control ensures that risks inherent in our business and other emerging risks are appropriately managed and mitigated to support the achievement of the Group's goals and objectives within defined risk appetites.

The Board acknowledges the criticality of managing and mitigating risks arising in our business given its dynamic nature, the intensely competitive and evolving landscape, and the risk profiles that are extremely sensitive to economic fluctuations, to ensure continued resilience.

The Board also takes cognisance of its overall responsibility to establish a sound risk management and internal control system, review their adequacy and effectiveness from time to time, and to institute remediation measures where needed. The BRC plays a key role in supporting the Board's risk governance, management, and oversight responsibilities, ensuring the Group's overall risk exposure is effectively managed to drive sustainable value creation.

The AC regularly evaluates the adequacy and effectiveness of the Group's system of internal controls, including matters related to conflict of interest, through diligent oversight and reviews of internal and external audit reports. The AC also have regular interactions with both the internal auditor and external auditor to understand their assessment and independent and objective views with regards to the strengths and weaknesses and efficacy of the systems of risk management and internal controls. All major audit findings are given due consideration and the associated management responses are independently and critically assessed and monitored to ensure desired outcomes are achieved.

The Board is of the view that the systems of internal control and risk management in place during the financial year under review, in addition to being sound, are functioning effectively as intended to safeguard the Group's assets, shareholders' investments and the interests of stakeholders.

AUDIT COMMITTEE

The AC is established to assist the Board in fulfilling its statutory and fiduciary responsibilities of overseeing, monitoring and assessing the reliability of the Group's financial management, accounting processes, financial reporting practices and system of internal controls. Additionally, the AC is responsible for assessing the independence and effectiveness of both the external and internal audit functions as well as providing direction, governance and oversight over these functions on behalf of the Board.

The AC comprises three (3) members all of whom are Independent Non-Executive Directors, which meets the requirements of Paragraphs 15.09 and 15.10 of the MMLR and the requirement set out in Practice 9.4 (Step Up) under Principle B of the MCCG. The Chairman of the AC, S Sunthara Moorthy A/L S Subramaniam is a Fellow Member of the Association of Chartered Certified Accountants ("ACCA") and a member of the Malaysian Institute of Accountants ("MIA"). Chin Pik Yuen is also a member of the MIA and Malaysian Institute of Certified Public Accountants ("MICPA"). All AC members are financially literate and collectively possess the relevant skills, knowledge and experience to support the effective discharge of their duties.

The AC Chairman is appointed by the Board and is not the Chairman of the Board. This separation of roles strengthens independence and objectivity, enabling objective review by the Board of the AC's findings and recommendations. During the year under review, the Board, via the NRC, performed the annual assessment of the performance and contributions of the AC and each of its members pursuant to Paragraph 15.20 of the MMLR. The Board was satisfied with the overall effectiveness of the AC in that the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the AC's TOR.

The composition, authority as well as the duties and responsibilities of the AC are set out under its TOR which has been approved by the Board. This TOR is available on the Company's website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



Seven (7) AC meetings were held during FYE2025. Details of the AC members' meeting attendance are set out below:

Name of Director	Designation	Attendance
S Sunthara Moorthy A/L S Subramaniam	Chairman/ Independent Non-Executive Director	7/7
Chin Pik Yuen	Member/ Independent Non-Executive Director	7/7
Farah Suhanah binti Ahmad Sarji <i>(Appointed on 21 June 2024)</i>	Member/ Independent Non-Executive Director	5/5
Rashidah binti Abu Bakar <i>(Retired on 20 June 2024)</i>	Member/ Independent Non-Executive Director	2/2

The Company Secretary, as the Secretary of the AC, the Chief Financial Officer ("CFO") and Head of Internal Audit Division, were in attendance at all AC meetings held during the financial year. Upon invitation, the MD, Executive Director, Executive Officers, related management personnel and representatives of the External Auditors also attended specific meetings for matters that require their input.

The AC Chairman reports to the Board on matters deliberated during AC meetings and submits the AC's recommendations for the Board's consideration and approval. Minutes of each AC meeting are recorded and circulated to all members of the Board and tabled at Board Meetings for notation.

The details of AC activities in FYE2025 are set out in the Audit Committee Report on pages 160 to 164 of this Integrated Annual Report.

BOARD RISK COMMITTEE

The BRC is established to support the Board in discharging its governance and oversight responsibilities pertaining to risk management. The BRC's primary responsibility include reviewing the adequacy and effectiveness of risk management strategies, risk tolerance levels, risk appetites, as well as the risk management framework, processes and practices. Additionally, the BRC oversees key sustainability-related matters, including the Sustainability Framework, material sustainability risks and opportunities, material sustainability matters, sustainability performance metrics and reporting.

The BRC comprises three (3) Independent Non-Executive Directors and is chaired by Datuk Adinan bin Maning, Senior Independent Non-Executive Director. The composition, authority, duties and responsibilities of the BRC are defined in its TOR which has been duly approved by the Board. This TOR is available on the Company's website under Terms of Reference section at:

 <https://aeoncredit.com.my/about-us/corporate-governance/>

or scan the QR Code below:



The BRC is empowered by the Board with the following authorities:

- To investigate any matters within its Terms of Reference;
- To obtain necessary information from employees, who are obligated to cooperate with requests made by the BRC;
- To have unrestricted access to any information pertaining to the Group;
- To engage with the internal and external auditors, through the AC, as well as the Management of the Group;
- To secure adequate resources required to fulfil its duties and responsibilities including legal or other independent professional advice as it considers necessary, at the expense of the Group; and
- To report to Bursa Securities any matter that has not been satisfactorily resolved resulting in a breach of the MMLR, after the matter has been reported to the Board.

The BRC Chairman maintains regular engagement with the Chairman of the Board and Management including the MD and CRO in order to be kept informed on matters affecting the Group. On an annual basis, a private session will be held between the BRC and CRO, without the presence of any Management members including the MD or any executive member of the Board, to discuss and resolve any sensitive issues independently, transparently and objectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Reviews of the BRC composition and performance are conducted annually and subject to approval by the Board. During the year under review, the Board, via the NRC, performed the annual assessment of the performance and contributions of the BRC and each of its members. The Board was satisfied that the BRC and each of its members have discharged their responsibilities and duties in accordance with the BRC's TOR.

The BRC is mandated under its TOR to meet at least four (4) times a year and additional meetings may be called by the BRC Chairman if necessary. Five (5) BRC meetings were held in FYE2025 which include a Special BRC meeting. Details of the BRC members' meeting attendance during FYE2025 are set out below:

Name of Director	Designation	Attendance
Datuk Adinan Bin Maning	Chairman/ Senior Independent Non-Executive Director	5/5
Datin Yasmin Ahmad Merican	Member/ Independent Non-Executive Director	5/5
Wan Chee Keong (Appointed on 1 December 2024)	Member/ Independent Non-Executive Director	1/1
Rashidah binti Abu Bakar (Retired on 20 June 2024)	Member/ Independent Non-Executive Director	2/2

The details of BRC activities in FYE2025 are set out in the Board Risk Committee Report on pages 165 to 167 of this Integrated Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

AEON Credit is committed to ensure that its communications with shareholders and various stakeholders, both internal and external are effective, clear, transparent, timely, regular and with quality information. The Group continuously discloses and disseminates comprehensive and relevant material information to the public through various channels to keep the relevant parties informed of business activities, strategies, financial performance and other material information that warrant their attention. This would enable various stakeholders, in particular shareholders and investors to make data-based informed decisions.

1. Corporate Website

- The Corporate website (www.aeoncredit.com.my) where updated information on corporate announcements, Integrated Annual Report, Board Charter, Purpose and Beliefs, and Whistle-Blowing channels, and other pertinent information are accessible;
- Announcements to Bursa Securities on the quarterly/annual financial performance and corporate developments in the Group; and
- Publication of Integrated Annual Report and CG Report, containing comprehensive information on the financial results, operations, prospects, activities conducted, sustainability statement and developments in corporate governance.

2. Consumer Website

The Consumer website (www.myaeoncredit.com.my) is updated with the latest product campaigns and product disclosure sheet that provides relevant information to facilitate customers in decision-making. Notably, there are also advisories for our customers in relation to protection against scams and protection against malicious activities in relation to facilities provided by the Group.

3. Investor Relations

The Group's investor relations activities incorporate regular, effective and transparent communication with shareholders analysts, fund managers and stakeholders. Amongst others, these cover:

- Briefing sessions for analysts and fund managers after announcements of quarterly/annual financial performance and corporate developments in the Group to Bursa Securities.
- Updates of the Group's activities, product launches and significant corporate announcements from time to time; and
- A dedicated investor relations e-mail contact: ir_info@aeoncredit.com.my for shareholders to submit queries or comments on any issues of concern.

4. Other Stakeholder Engagement

Meetings, engagements and participation in events involving regulators, industry associations, business partners, merchants, local community etc.

CONDUCT OF GENERAL MEETINGS

The Annual General Meeting (“AGM”) is the principal platform for dialogue and direct interaction between the shareholders, the Board and the Management. In line with best practice and in compliance to MCCG, the notice of AGM setting out the agenda together with the Integrated Annual Report is sent to shareholders at least twenty-eight (28) days prior to the date of the AGM.

The 27th AGM of the Company was held virtually on 20 June 2024 through live streaming and online remote voting via Remote Participation and Electronic Voting (“RPEV”) facilities. All Directors were in attendance to engage with shareholders and address issues raised by the shareholders. The CFO, Company Secretary and the Engagement Partner representing the external auditors, Deloitte PLT, were also present.

The Chairman and MD delivered separate presentations to shareholders on various pertinent topics including the Group’s FYE2024 performance review, significant milestones and initiatives, dividend payout, FYE2025 prospects and strategies, following which, the CFO addressed questions received from the Minority Shareholder Watch Group (“MSWG”) and from shareholders prior to the AGM. Subsequently, the floor was opened for an open Question and Answer (“Q&A”) session during which shareholders posed questions which were addressed by the Chairman, MD and CFO.

The meeting minutes were published on AEON Credit’s corporate website at <https://aeoncredit.com.my/investor-relations/generalmeeting/> within thirty (30) business days from the 27th AGM.

KEY FOCUS AND FUTURE PRIORITIES

As a major financial services provider with a significant and growing customer base, it is imperative that good and sound CG is incorporated into all aspects of AEON Credit’s business. Accordingly, CG best practices will continue to be unwavering focus as the Group continues on its growth path and create sustainable long-term value for our diverse stakeholders.

The leverage of IT has been a constant endeavour in the Group since the commencement of our Digital Transformation journey, indeed the leverage of IT tool is indispensable in the financial services industry’s continuous pursuit of enhancing customer value proposition and delivering better customer experiences. In this regard, the embrace and application of Artificial Intelligence (“AI”) has been prominent within our industry as a means to maintain competitiveness. Similarly, AEON Credit will look to leverage AI to catalyse greater innovation and further solidify our competitiveness. However, needless to say, in keeping with good corporate governance practices, the Group will apply AI responsibly and ethically, and be guarded against its inherent risks.

Sustainability and ESG remain key priorities as the Group enters the final year of our 3-Year Sustainability Roadmap (“SR”). Much has been achieved during the year under review (year 2 of the SR), which will be evident from a review of the Progress Report of the SR on pages 80 to 84. The achievements recorded will serve to spur the Group further in attaining sustainability maturity which contributes directly to a more pronounced resilience of the Group business, especially in addressing certain climate risks which have the potential to impact the Group’s value generation capabilities and capacity.

This Corporate Governance Overview Statement was approved by the Board of Directors on 13 May 2025. Notwithstanding the prescription of the MCCG, the Board has taken the decision not to disclose the top five (5) Management members’ remuneration in bands of RM50,000 as the Board is of the opinion that the disclosure on a named basis for the Management would not be in the best interests of the Group due to sensitivity of such information and the highly competitive nature of the industry.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE (“AC”)

The AC members are appointed by the Board from amongst its non-executive members. The AC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The AC composition meets the requirement of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Securities, which sets out that the AC must be composed of not fewer than three (3) members, all of whom must be non-executive directors, with the Chairman and a majority of the members being independent directors and at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants, and no alternate director is appointed as a member of the AC. The AC Chairman, S Sunthara Moorthy A/L S Subramaniam and Chin Pik Yuen are members of the Malaysian Institute of Accountants.

The AC composition also meets the requirement set out in Practice 9.4 (Step Up) under Principle B of the Malaysian Code on Corporate Governance (“MCCG”) that the AC should comprise solely of independent directors.

MEETING AND ATTENDANCE

During the financial year ended 28 February 2025, the AC convened seven (7) meetings. The attendance of each AC member at the AC Meetings during the financial year is as set out in the Table below:

Name/Status of Directorship	Number of Meetings	
	Held During Tenure in Office	Attendance
S Sunthara Moorthy A/L S Subramaniam Chairman/Independent Non-Executive Director	7	7
Chin Pik Yuen Member/Independent Non-Executive Director	7	7
Farah Suhanah binti Ahmad Sarji (Appointed on 21 June 2024)⁽¹⁾ Member/Independent Non-Executive Director	5	5
Rashidah binti Abu Bakar (Retired on 20 June 2024)⁽¹⁾ Member/Independent Non-Executive Director	2	2

Notes:

⁽¹⁾ During the financial year, Farah Suhanah binti Ahmad Sarji was appointed as a member of the AC on 21 June 2024, succeeding Rashidah binti Abu Bakar, who retired as Director of the Company at the Twenty-Seventh AGM held on 20 June 2024.

The Company Secretary, being the Secretary of the AC, the Chief Financial Officer and Head of Internal Audit Division attended all the meetings held during the financial year for the purposes of briefing the AC on the developments and clarification of issues relating to their respective areas of responsibilities. Upon invitation, the Managing Director, Executive Director, Executive Officers, related management personnel and representatives of the External Auditors also attended specific meetings for matters that require their input.

The AC Chairman reports to the Board on matters deliberated during the AC Meetings and the recommendations of the AC for the Board’s consideration and approval. The minutes of each AC Meeting were circulated to all members of the Board and tabled at the Board Meetings for notation.

REVIEW OF THE AC’S TERM OF OFFICE AND PERFORMANCE

Pursuant to Paragraph 15.20 of the MMLR of Bursa Securities, the Board, through the Nomination and Remuneration Committee had on 9 May 2024, reviewed the term of office and performance of the AC and each of its members.

Having considered the Nomination and Remuneration Committee’s evaluation along with the results of the Board Evaluation Exercise for the financial year ended 29 February 2024, which was facilitated by the Company Secretary, and the AC members’ Self & Peer Evaluation tabled to the Board on 9 May 2024, the Board is satisfied with the overall effectiveness of the AC, in which the AC and each of its members have discharged their functions, duties and responsibilities in accordance with the AC’s Terms of Reference.

The AC's Terms of Reference was revised on 30 April 2024 to reflect the amendments made to the MMLR of Bursa Securities in relation to the AC's expanded role in the review of any conflict of interest or potential conflict of interest situation that arose, persist or may arise within the Group. The AC's Terms of Reference is available on the Company's corporate website under the Terms of Reference section at <https://aeoncredit.com.my/about-us/corporate-governance/>.

SUMMARY OF ACTIVITIES OF THE AC

The AC in discharging its functions and duties as set out in its Terms of Reference had carried out the following main activities:

1. Financial Statements and Reporting

- a) At the scheduled quarterly AC Meetings, reviewed and discussed with Management, the quarterly unaudited financial results before recommending the same to the Board for consideration and approval for release to Bursa Securities.
- b) At the AC Meeting held on 23 April 2024, reviewed the Audited Financial Statements of the Group and of the Company for the financial year ended 29 February 2024 and key audit matter presented by the External Auditors, Messrs. Deloitte PLT prior to its recommendation to the Board for consideration and approval.
- c) The AC had also reviewed the unaudited financial results for the fourth quarter ended 28 February 2025 at the AC Meeting held on 3 April 2025 and the draft Audited Financial Statements of the Group and of the Company for the financial year ended 28 February 2025 at the Special AC Meeting held on 22 April 2025.

2. External Audit

- a) Reviewed and deliberated the report issued by Messrs. Deloitte PLT, on audit findings and remedial actions taken by Management to address the issues raised arising from the statutory audit at the AC Meeting held on 1 April 2024.
- b) Reviewed and deliberated on the progress of remedial measures taken to address the findings reported in the Management Letter issued by Messrs. Deloitte PLT in connection with the audit for the financial year ended 29 February 2024.
- c) Reviewed and deliberated the Independent Auditors' Limited Assurance Report issued by Messrs. Deloitte PLT on the adequacy of controls for the Company's Trust Account in accordance with Paragraph 16 (Safeguarding of Funds) of the Bank Negara Malaysia's Policy Document on Electronic Money ("E-Money").

- d) Reviewed and evaluated with Management the performance, competency and professionalism demonstrated by the External Auditors and recommended to the Board on the re-appointment of the External Auditors, Messrs. Deloitte PLT for the financial year ended 28 February 2025. Input/feedbacks obtained from the relevant Management personnel, who had substantial contact and dealings with the External Auditors throughout the year, were also considered and assessed covering areas, such as professional reputation and independence of the external auditors, its quality control processes/performance, the competence of the audit partner and the audit team members assigned to the engagement, adequacy of the audit scope and planning as well as maintaining active communication with the AC and Management during the audit process and their responsiveness in attending to issues. Accordingly, the AC was satisfied with Messrs. Deloitte PLT's overall performance and technical competency and the AC also took note of Messrs. Deloitte PLT's 2023 Transparency Report.
- e) Reviewed and recommended to the Board for consideration the proposed audit and non-audit fees for the External Auditors, Messrs. Deloitte PLT in respect of the statutory audit and other non-audit services.
- f) Reviewed and discussed with the External Auditors, Messrs. Deloitte PLT on their terms of engagement, proposed audit remuneration and audit plan setting out the proposed scope of work, audit methodology, timetable and areas of audit focus prior to commencement of the audit for the financial year ended 28 February 2025.
- g) During the financial year, the AC had two (2) private sessions with the Engagement Partner of Messrs. Deloitte PLT, on 1 April 2024 and 19 September 2024, to discuss any areas of audit concerns in relation to their work, ensure audit issues were addressed on a timely basis and to obtain their feedback for improvements without the presence of the Executive Board members, Management and Internal Auditors. This is to ensure that the External Auditors can freely discuss and express their opinions on any matter to the AC and the AC can be sufficiently assured that the External Auditors have been fully provided with all relevant information and responses to all queries from the Management.

AUDIT COMMITTEE REPORT

3. Internal Audit

- a) At the scheduled quarterly AC Meetings, reviewed and deliberated the internal audit reports, which highlighted the audit findings, recommendations and root causes as well as Management's action plan thereto, to ensure that appropriate actions had been taken by Management to improve the systems of internal controls and the processes on the areas highlighted.
- b) Reviewed the status report on the progress of remedial actions taken or to be taken to resolve the outstanding audit issues along with the implementation status of the Management's remedial actions at the scheduled quarterly AC meetings, to ensure that the remedial measures are implemented promptly and appropriately.
- c) At the AC Meeting held on 1 April 2024, the AC evaluated the performance and effectiveness of the Internal Audit function pursuant to Paragraph 15.12 of the MMLR of Bursa Securities, which include the adequacy of the scope, functions, competency and resources of the Internal Audit Division, and that it has the requisite authority to carry out its work independently. In this relation, the AC is of the view that the Internal Audit Division is independent, effective and adequately resourced.
- d) During the financial year, the AC had two (2) private sessions with the Head of Internal Audit Division, on 3 July 2024 and 12 December 2024, without the presence of the Executive Board members and Management to enable the Head of Internal Audit Division to discuss any issues or significant matters with the AC privately.
- e) At the AC Meeting held on 12 December 2024, reviewed and approved the Annual Audit Plan of the Internal Audit Division for the financial year ending 28 February 2026, ensuring comprehensiveness and adequacy of the audit scope and plan, and resources of the internal audit function.

4. Related Party Transactions ("RPT")

- a) Reviewed the annual circular to shareholders in respect of the proposed renewal of existing Shareholders' Mandate for recurrent related party transactions and the proposed new Shareholders' Mandate for additional recurrent related party transactions of a revenue or trading nature, which were necessary for the day-to-day operations and recommended the same to the Board for consideration prior to obtaining the approval from the Shareholders.

- b) Reviewed the report on recurrent related party transactions at the scheduled quarterly AC Meetings taking into account the nature and amount of the transactions in ensuring that the transactions were conducted at arm's length basis and on normal commercial terms, and not detrimental to the interests of the minority shareholders and are in the best interest of the Company. To ensure proper reporting and disclosure, the aggregate value of the recurrent related party transactions are individually tracked and monitored against the estimated value set out in the Shareholders' Mandate.
- c) Reviewed and recommended to the Board for approval the following proposed Related Party Transactions and Recurrent Related Party Transactions to ensure that the terms and conditions of the transactions are commercially driven and at arm's length basis:
 - Business Advisory Fee and Brand Royalty Fee Agreement with AEON Financial Service Co., Ltd. for the financial year ended 28 February 2025.
 - Renewal of contract with AEON Delight (M) Sdn. Bhd. for placement of advertisement at its vending machines.
 - Rental of advertisement space at AEON BiG (M) Sdn. Bhd.'s stores.
 - Establishment of the Cost Contribution Agreement between the Company and AEON Bank (M) Berhad.

5. Conflict of Interest ("COI")

- a) Reviewed and recommended to the Board for approval and adoption of the Policy of COI that sets out the policy and control measures to ensure that the Board of Directors and Key Senior Management of the Group act in the best interests of the Group, and are free from any personal, financial, non-financial or other conflicts that may compromise their judgement or impartiality.
- b) Reviewed the semi-annual declaration of any COI/potential COI situations received from the Directors and Key Senior Management of the Company and the subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd. for the First-Half Year Ended 31 August 2024 and Second Half-Year Ended 28 February 2025 at the AC Meetings held on 19 September 2024 and 3 April 2025 respectively. Save for the declaration received from the Managing Director of the Company, there was no COI or potential COI situation, including interest in any competing business with the Group being declared by the Key Senior Management of the Group.

In respect of the Managing Director, Non-Independent Directors and Independent Non-Executive Director of the Company, who hold current roles and/or directorships within the AEON Group of Companies with which the Company has related party transactions, the AC has accordingly reviewed the recurrent related party transactions. The Company will continue to address the conflict of interest where the Non-Independent Directors will abstain from voting on these transactions and shareholders' approval is sought, details of which are provided in the circular to shareholders. The AC has also received assurance from the Management that any related party transactions or recurrent related party transactions were conducted at arm's length basis and on normal commercial terms, and not detrimental to the interests of the minority shareholders and are in the best interest of the Company.

During the year under review, the AC received and reviewed one (1) instance of potential COI as disclosed by one (1) Independent Non-Executive Director, Chin Pik Yuen, for holding directorship as an Independent Non-Executive Director of Bondsupermart Sdn. Bhd. ("Bondssupermart"), where a related company, i.e. iFast Global Bank Limited ("iFAST Bank") is offering digital personal banking services in the United Kingdom. Chin Pik Yuen has declared that no impact is expected from her directorship, the reason being that Bondsupermart is separate and independent in Management and Board control, and iFAST Bank being a distant fellow subsidiary, both in terms of operation and geographical location. Accordingly, the AC reviewed the reported potential COI situation and resolved that the following measures be taken to mitigate any potential COI situation that may arise from her appointment as an Independent Non-Executive Director of Bondsupermart:

- In the event any COI matters are anticipated or may arise from the change of her status of directorship and/or change of shareholding structure/nature of business of Bondsupermart or its group of companies, a declaration shall be made and notified to the Company Secretary immediately after the relevant facts have come to her knowledge.
- Half-yearly declarations to the AC and the Board of the Group until such potential/perceived COI is no longer relevant.

6. Internal Control Over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX")

- a) Reviewed and deliberated J-SOX Internal Control Audit Report for the financial year ended 29 February 2024 issued by Messrs. Deloitte PLT on the findings and Management's action plan to address the issues raised arising from the independent assessment on the effectiveness of the internal control over financial reporting, which covered the areas of Entity Level Control, Financial Closing Reporting Process, Process Level Control and General IT Control.

7. Integrated Annual Report

- a) Reviewed and recommended for Board's approval, the AC Report, Statement on Risk Management and Internal Control, and Directors' Responsibility Statement in relation to the Audited Financial Statements for inclusion in the Integrated Annual Report for year 2024.

8. Other Matters

- a) Reviewed the proposals presented by Management on the declaration and distributions of interim and final dividends to shareholders, taking into consideration the solvency tests performed by Management before recommending such proposals to the Board for consideration.
- b) Reviewed and recommended to Board for approval the revision of the AC's Terms of Reference to reflect on the amendments made to the MMLR of Bursa Securities in relation to the requirement for the AC to review any conflict of interest situation that arose, persist or may arise within the Group, and the measures taken to resolve, eliminate or mitigate such conflicts.
- c) Reviewed and recommended to the Board for approval the Management's proposal for disposal of written-off receivables accounts.
- d) Reviewed and recommended to the Board for approval, the appointment of consulting firms:
 - To carry out benchmarking analysis and transfer pricing study for Brand Royalty Fee;
 - To carry out Transfer Pricing Documentation update in respect of tax filing for Year of Assessment 2024; and
 - To conduct Capital Allowance Study.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Internal Audit Division's primary responsibility is to provide independent and objective assessment on the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing and governance processes implemented by Management.

The Internal Audit Division's mission, scope of work, responsibilities and authority are governed by its Internal Audit Charter, which is approved by the AC. As guided by the Internal Audit Charter, Policy and Procedure, the Internal Audit Division maintained their independence and impartiality on the activities and functions it audits. In this regard, Internal Audit Division has no operational responsibilities for the areas it reviewed. To reflect the audit objectivity and independence, the Head of Internal Audit Division reports functionally to the AC and administratively to the Managing Director, and has unfettered access to the AC. Through this reporting relationship, the AC also ensured that the Internal Audit Division has the authority to carry out their work objectively and independently. The Head of Internal Audit Division and all internal auditors have confirmed to the AC in December 2024 via the annual declaration that they were free from any relationships or conflict of interest which could impair their objectivity and independence in their audit engagements.

The scope of Internal Audit Division's mandate is unrestricted, and the scope of audit coverage encompassed all business and support units within the Group. In relation to this, all auditable areas were risk ranked using risk-based audit planning methodology to prioritise the audit work and to scope the audits on high risk auditable areas. These were guided and defined in the Annual Audit Plan for the financial year ended 28 February 2025, which was approved by the AC in December 2023.

During the year under review, the Internal Audit Division conducted the internal audit engagements in accordance with the approved Annual Audit Plan to review the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing, Anti-Money Laundering ("AML")/ Counter-Financing of Terrorism ("CFT") measures and governance processes implemented by the Management as well as to evaluate

compliance with relevant policies, procedures and regulations, which encompassed auditing the Group's business and support functions (including the regional offices and branches), information systems, IT operations & security, J-SOX assessment, Outsourced Service Providers and the subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd..

Accordingly, the Internal Audit Division also reviewed the recurrent related party transactions on a quarterly basis, and participated as an independent observer during the Business Continuity Plan test, Disaster Recovery Plan tests, and Cyber Security Drill Exercise. Other thematic internal audit reviews conducted during the year under review include Anti-Bribery Management System (ISO37001:2016), Information Security Management System (ISO27001:2022), Quality Management System (ISO9001:2015) and Environmental Management System (ISO14001:2015).

Control deficiencies/gaps and areas for improvements noted from these audits were highlighted to the appropriate level of Management for action plans in addressing control gaps identified. Root causes of issues noted were assessed to enable relevant recommendations and ensure remedial measures are taken to address the audit issues in a timely manner. Internal Audit Division also tabled the audit issues, root causes and remedial action plans thereto, as well as the progress of remedial actions taken on open audit issues, for discussion and deliberation at the monthly Internal Audit Meetings attended by the Managing Director, Executive Director and Executive Officers of the Group.

The Internal Audit Division provided the report to the AC at each quarterly AC Meeting, regarding the results of the audit reviews in the preceding quarter, findings from the audit reviews, root causes and Management's rectification actions plans to address the audit findings. Follow-up reviews on open audit issues were conducted by Internal Audit Division and status updates were provided to the AC on the progress of remedial measures, which have been or will be taken to address the audit findings.

The total cost incurred in respect of the internal audit function for the financial year under review was approximately RM2.51 million (FYE2024: RM2.23 million).

BOARD RISK COMMITTEE REPORT

INTRODUCTION

The Board Risk Committee (“BRC”) is a governing body appointed by the Board of Directors (“the Board”), which is charged with oversight of the organisation’s risk, internal control functions, and sustainability related matters as embodied in the Group’s Risk Management and Sustainability frameworks.

BRC also provides guidance and oversight to the Management on the Group’s risk appetite, strategy, and key risks that have an impact on its long-term objectives. It also oversees the Group’s sustainability strategy, sustainability reporting and ensures this permeates throughout the organisation.

COMPOSITION AND MEETING ATTENDANCE

The BRC members is appointed by the Board, from amongst its non-executive members. The BRC consists of three (3) members, all of whom are Independent Non-Executive Directors.

All of them possess sound judgement, independent attitude, management experience, professionalism, integrity and knowledge of the industry. None of the BRC members have appointed alternative directors.

The BRC composition meets the requirement set out in Practice 10.3 (Step Up) under Principle B of the Malaysian Code on Corporate Governance (“MCCG”) whereby the BRC should comprise a majority of independent directors to oversee the Company’s risk management framework and policies.

The appointment or termination of any BRC member is at the discretion of the Board, upon recommendation by Nomination and Remuneration Committee. The Secretary to the BRC is the Company Secretary. The Secretary shall, in conjunction with the Chairman, draw up an agenda, which shall be circulated together with relevant support papers, at least one (1) week prior to each meeting, to the BRC members.

To facilitate discussions on risk-related matters, the Managing Director, Executive Director, Executive Officers, other Board members, Management, consultants or other advisors may be invited to attend the BRC meetings as and when required, to provide input, advice, relevant information, and clarifications on agenda items.

The quorum for the meeting consists of two (2) and the majority of members present must be independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The BRC shall meet at least once a year with the Chief Risk Officer to discuss any matters without the presence of the Management and any executive members of the Board. The BRC may conduct its meetings to include participation by any member or invitee.

The Chairman of the BRC shall attend the Annual General Meeting to respond to any shareholders’ queries on the BRC’s activities, roles and responsibilities.

For the FYE2025, five (5) BRC meetings were held and the attendance of the BRC members was recorded as follows:

Name/Status of Directorship	Number of Meetings	
	Held During Tenure in Office	Attendance
Datuk Adinan bin Maning Chairman/Senior Independent Non-Executive Director	5	5
Datin Yasmin Ahmad Merican Member/Independent Non-Executive Director	5	5
Wan Chee Keong (Appointed on 1 December 2024) Member/Independent Non-Executive Director	1	1
Rashidah binti Abu Bakar (Retired on 20 June 2024) Member/Independent Non-Executive Director	2	2

During the financial year, Wan Chee Keong was appointed as a member of the BRC on 1 December 2024, succeeding Rashidah binti Abu Bakar, who retired as Director of the Company at the Twenty-Seventh AGM on 20 June 2024.

BOARD RISK COMMITTEE REPORT

In respect of Sustainability, the BRC ensures that the Group obtains precise and pertinent data regarding Environment, Social, and Governance (“ESG”) matters. It oversees the reporting process to promote transparency and consistency in ESG disclosures. The BRC works closely with Management to develop impactful ESG reports and disclosures and makes sure these disclosures are in line with the Group’s overarching strategy and mission. The BRC closely monitors the Group’s ESG performance, tracks progress towards sustainability goals and oversees the management of ESG risks, proactively identifying potential risks and opportunities.

SUMMARY OF BRC ACTIVITIES DURING THE FYE2025

For the FYE2025, the BRC in the discharge of its functions and duties as set out in its terms of reference, have carried out the following principal activities:

1. Risk Management

- a) Reviewed and discussed the quarterly risk management report of the Group:
 - Company Level KRI
 - Reported Incidents
 - Business Continuity Management Update
 - Stress Testing
- b) Reviewed and deliberated market/environment and emerging risks.
- c) Discussed matters arising from risk management reports and resolution of matters addressed.
- d) Reviewed the climate risk assessment i.e. climate-related risks, risk ratings and strategies.
- e) Reviewed the revision of the BRC’s Terms of Reference and recommended to the Board for approval.

2. Compliance

- a) Reviewed and discussed legal, regulatory and compliance matters.
- b) Reviewed and recommended the proposed adoption/revisions of the compliance related framework and policies to the Board for approval:

Adoption

- i. Policy of Fair Treatment of Financial Consumers; and
- ii. Policy of E-money Exit Plan

Revision

- i. Framework of Electronic Know Your Customer (“e-KYC”);
 - ii. Policy of Whistle Blowing; and
 - iii. Policy of Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions (AML/CFT/CPF and TFS for FIs).
- c) Reviewed the Anti-Money Laundering (“AML”) System replacement and recommended to the Board for approval.

3. Sustainability

- a) Reviewed the Group’s Sustainability Framework, 3-Year Sustainability Roadmap and key ESG initiatives.
- b) Reviewed the Sustainability-Linked Loans (“SLLs”) performance targets.
- c) Reviewed the Climate Action initiatives.
- d) Reviewed the Financial Inclusion Plan initiatives.
- e) Reviewed the Corporate Social Responsibility (“CSR”)’s activities.

4. Integrated Annual Report/Corporate Governance (“CG”) Report

- a) Reviewed the following statement and reports for inclusion in the Integrated Annual Report:
 - Board Risk Committee Report
 - Statement on Risk Management and Internal Control
 - Sustainability Statement
 - Corporate Governance Overview Statement
 - Corporate Governance Report

5. Others

- a) Reviewed the money lending operation of the Group and the release of the necessary quarterly announcements.
- b) Reviewed Bank Negara Malaysia (“BNM”)’s Payment Services Providers’ Self-Assessment Questionnaire (“PSAQ”) and recommended to the Board for approval before submission to BNM.
- c) Reviewed the subsidiary company’s risk management and compliance related issues.
- d) Reviewed the Policy of Anti-Bribery and Corruption Management System (“ABCMS”) and recommended to the Board for approval.
- e) Reviewed the report on ABCMS Management Review.

RESPONSIBILITIES

Risk Management

- Assessing the Group's processes relating to its risks and control environment.
- Reviewing and recommending risk management strategies, policies, and risk tolerance for the Board's approval.
- Reviewing the adequacy of the Group's risk management framework, monitoring principal risks that affects the Group and ensuring that the evaluation of risk management and mitigation measures are in place in order to safeguard shareholder interests and the Group's assets.
- Conducting annual review on the adequacy and effectiveness of risk management processes and practices.
- Reviewing the Group's stress test procedures including test scenarios, parameters, key assumptions and results.
- Reviewing Management's periodic report on risk appetite, risk exposure, risk portfolio composition, and risk management activities to ensure that the risk reports are provided with appropriate risk responses.
- Reviewing the Group's Business Continuity Management Framework and policy for dealing with extreme internal/external events and disasters.
- Reviewing and recommending corrective and preventive measures undertaken to remedy failings and/or weaknesses in the risk management processes and practices.
- Reviewing the risk management report and whether appropriate actions are taken by Management on the recommendations made.
- Reviewing the appointment, transfer and dismissal of the Chief Risk Officer as well as to evaluate the adequacy of the risk management function.
- Reviewing the Integrated Annual Report and recommending it to the Board for approval.

Compliance

- Reviewing and approving legal, regulatory and compliance frameworks and policies.
- Discussing and deliberating legal, regulatory and compliance risk issues regularly to ensure the issues are resolved effectively and in timely manner.
- Evaluating the effectiveness of the Group's compliance function and overall management of compliance risk.

Sustainability

- Facilitating and promoting integration of sustainability considerations into business strategy and operations.
- Overseeing the framing of sustainability initiatives.
- Supporting formulation of sustainability policies.

- Overseeing, governing and monitoring performance in relation to execution of sustainability initiatives.
- Reviewing sustainability related matters including the Sustainability Framework, material sustainability risk, material sustainability matters, sustainability performance and reporting.

Other responsibilities

- Reviewing governance related matters that may be considered/requested by the Board from time to time.
- Carrying out such other assignments as may be agreed upon or delegated by the Board.
- Reviewing the Integrated Annual Report prior to Board's approval.
- Reviewing the subsidiary company's risk and compliance issues.
- Providing reasonable oversight over the implementation and effectiveness of the Group's Anti-Bribery compliance programs.

AUTHORITY

The BRC has the following authority as empowered by the Board:

- Investigate any matter within its terms of reference.
- Seek any information it requires from employees who are required to cooperate with any request made by BRC.
- Have full and unrestricted access to any information pertaining to the Group.
- Have communication channels with internal and external auditors, through the Audit Committee, and with Senior Management of the Group.
- Have access to adequate resources required to perform its duties including legal or other independent professional advice as it considers necessary, at the expense of the Group.
- Report to Bursa Securities any matter that has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities, after the matter has been reported to the Board.

The Chairman of the BRC shall engage on a continuous basis, with the Chairman of the Board and Senior Management including the Managing Director and Chief Risk Officer in order to be kept informed of matters affecting the Group.

PERFORMANCE

On an annual basis, the Board via the Nomination & Remuneration Committee will review and evaluate the term of office and performance of the BRC and its members to determine whether the BRC and its members have carried out their duties in accordance with their terms of reference.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In line with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”), the Board of Directors (“the Board”) of a listed issuer is required to include in its Integrated Annual Report a Statement on Risk Management and Internal Control. This statement which outlines the nature and the key features of risk management and internal control systems within AEON Credit Service (M) Berhad and its subsidiary (“the Group”) for the financial year ended 28 February 2025 (“FYE2025”), has been prepared in accordance with:

- a) Statement on Risk Management and Internal Control; Guidelines for Directors of Listed Issuers which was endorsed by Bursa Securities; and
- b) Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission Malaysia.

Board’s Responsibilities

The Board affirms its commitment and overall responsibility to review and approve the Group’s overall risk strategy, including risk appetite, risk tolerance and overseeing its implementation to support the sustainability initiatives of the Group. The Board has always placed significant emphasis on the presence of sound risk management and internal control systems that are necessary in safeguarding the Group’s assets and shareholders’ interest, as well as to ensure compliance with applicable laws and regulations. In light of the above, the Board ensures that there are proper risk management processes in place to identify, evaluate, review and manage significant or emerging risks that could derail the Group’s aim in meeting its objectives.

The Board recognises that the risk management and internal control systems are designed to manage and mitigate, rather than to eliminate the risk of failure in the achievement of goals and corporate objectives of the Group. The system can therefore only provide reasonable but not absolute assurance against the occurrence of material misstatement, fraud or loss, and that the risk management processes are designed to minimise or mitigate such risks.

In acknowledging that having sound risk management and internal control systems are crucial, the Group has a governance structure in place that ensures effective oversight of risks and internal controls in the Group. For this, the Board is assisted by the Audit Committee (“AC”) and Board Risk Committee (“BRC”) to provide primary effective oversight responsibilities on the Group’s risk management and internal control activities. The Board remains responsible for the governance of the risk and internal controls with regard to the execution of the delegated oversight responsibilities.

For the FYE2025, five (5) BRC meetings were conducted to oversee the Group’s risk management and compliance processes, with particular emphasis on their adequacy and effectiveness of these processes. The BRC sets the strategic direction for the risk-related roles, responsibilities and reporting structures. Periodic reporting on the risk management activities undertaken by the Management are reported by the BRC to the Board. The BRC is also responsible to review the Group’s sustainability related matters, including Sustainability Framework, material matters covering Environment, Social and Governance (“ESG”) risks, and sustainability reporting. For more details on the function of the BRC, please refer to BRC Report on pages 165 to 167.

Management Responsibilities

The Management’s overall responsibility is to assist the Board in implementing the Group’s frameworks, policies and procedures on risk and control by:

- Formulating and reviewing relevant frameworks, policies and procedures to manage risks in accordance with the Group’s strategic goals.
- Identifying, assessing, monitoring and reporting risks and internal control as well as taking proper actions. In identifying and mitigating or minimising the risks, it is essential for the Group to ensure the achievement of its business objectives and goals.
- Implementing remedial action to address deficiencies that were being identified and tracked for closure. Thereafter, to report to the Board for deliberation.
- Reviewing the changes in the market environment, be it economic, environmental, political or social and the impact of any emerging risks that can affect the Group and its businesses.
- Reporting in a timely manner to the Board on any changes in risks or emerging risks and the corresponding corrective actions taken.

The Management has further assured the Board that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects with the necessary processes being implemented.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key functions and processes overseen by the Board to review the adequacy and effectiveness of the Group's risk management and internal control systems include the following:

Risk Management

The Enterprise Risk Management Framework ("ERMF") has become an important driver to address the risks the Group inevitably faces in delivering its objectives while balancing the appropriate level of risk taken without exposing itself to unacceptable potential losses or reputational damage. The ERMF has strengthened the risk management process through its integration with sound business practices for better decision making and ultimately enhance business performance to preserve the Group's long-term value.

The key features of the ERMF include:

Risk Appetite

It is defined as the amount and types of risk that the Group is willing to accept, in pursuit of its business objectives.

The Group's risk appetite is an integral component of the Group's robust risk management framework. The risk appetite also provides a structure in understanding risk and is embedded in the day-to-day business activities.

Risk Governance and Oversight

Risk governance provides a formalised and transparent structure that promotes involvement from the Board and Management in the risk management processes to ensure a uniform view of risk across the Group.

The three lines of defence address specific duties and responsibilities related to risk and control functions coordinated within the Group:

• 1st Line of Defence – Risk Taking

The first line of defence shall be managed by Business Units ("BUs") who have day-to-day ownership and management over risks and controls.

• 2nd Line of Defence – Risk Controlling

The second line of defence supports senior management to monitor and review the first line of defence to ensure risks and controls are properly managed. Essentially, this is a management and oversight function that owns aspects of the risk management and compliance processes.

• 3rd Line of Defence – Assurance Party

The third line of defence provides assurance to senior management and the Board that the first and second lines efforts are consistent and meet expectations. This assurance function is performed by Internal Audit Division.

In providing effective oversight function, BRC is assisted by the Risk Management Committee ("RMC") to review the effectiveness of risk management, compliance, legal, sustainability and other governance related matters. The RMC comprises the key management team of the Group, which include the Chief Risk Officer ("CRO") as Chairman and Group/Business Unit Heads as RMC members. The RMC meetings, coordinated by the Risk Management Department, are held on a monthly basis to address risk, compliance and other related matters together with mitigating measures, reviewing policies and procedures and deliberating emerging issues that possibly impact the Group. Any new or amended frameworks and policies related to risk, compliance and other related matters are reviewed by the RMC, recommended by the BRC and subsequently approved by the Board.

During the financial year, the Group has consistently prioritized incident management, in particular, any incident which has potential impact to the customers or disruption in operations and services. The Group has resolved all key incidents with thorough investigation and developed action plans effectively. Subsequently, the incidents are documented and reported to the relevant stakeholders including the Board and, if required, to the regulators. For the record, the Group had zero incident reported with regard to data breach and bribery.

The Group has also conducted a climate risk assessment in alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD") requirements. The Group has identified the climate-related risks that can potentially impact the Group's operation and business i.e. physical risks (extreme weather events and changes in climate pattern) and transition risks (technology, market and reputation). Based on the climate risk assessment, short-term and long-term strategies have been developed to mitigate the climate-related risks and to ensure business continuity in the event of disaster. Moving forward, the Group shall conduct the climate risk assessment annually to identify other emerging risks.

In FYE2025, the Group's Compliance Department has established Policy of Fair Treatment of Financial Consumers ("FTFC"), consistent with Bank Negara Malaysia ("BNM")'s Policy Document on FTFC. The policy serves to strengthen protection for vulnerable consumers and ensure their interests are safeguarded. Moreover, the policy guides the Group to embed fair treatment of financial consumers into our corporate culture and values and ensures that it becomes an integral part of the Group's operations. The Group has also revised the Framework of Electronic Know-Your-Customer ("e-KYC") in alignment with BNM's Policy Document on e-KYC.

The focus of the revision was mainly on Board's responsibilities, effectiveness of e-KYC implementation, addressing ongoing weakness and reporting requirement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Additionally, the Group has undergone recertification for ISO 9001:2015 Quality Management System ("QMS"), ISO/IEC 27001:2022 Information Security Management System ("ISMS") and ISO 14001:2015 Environmental Management System ("EMS") which was conducted by the appointed external auditor, TUV Nord, in December 2024. The recertification demonstrates that the Group has reviewed the QMS, ISMS and EMS performances to ensure continued suitability, adequacy, effectiveness, and alignment with the Group's strategic direction. Furthermore, the Group has also undergone surveillance maintenance for ISO 37001:2016 Anti-Bribery Management System ("ABMS") in February 2025.

In FYE2025, the Group has supported its subsidiary company, AEON Insurance Brokers (M) Sdn. Bhd. ("AEON Insurance"), in enhancing their risk management tools i.e. Risk and Control Self-Assessment ("RCSA"), Company Level Key Risk Indicator ("KRI") and incident management, detection, reporting and control. Such enhancements include incorporating risk methodology for risk assessment, widening the scope of risk categories and detailing out the incident management process. The purpose is to foster good risk management culture and integrate risk-based decision making into AEON Insurance's business practices.

In ensuring the Board's and Management's roles and responsibilities are adequately discharged, the Group has various Management committees in place to assist and support the Board. Generally, there are two (2) meeting categories which are the Board Level Meeting and Company Level Meeting. The Board Level Meeting is supported by three (3) committees whereas the Company Level Meeting is supported by thirteen (13) committees. The committees have specific roles and mandates to provide comprehensive oversight and control functions within the Group.

The Group has been identified as a significant subsidiary of the holding corporation, AEON Financial Service Co., Ltd. ("AFS"), Japan. As a significant subsidiary, the Group is required to comply with the AFS's Framework of Internal Controls over Financial Reporting ("Japanese Sarbanes-Oxley" or "J-SOX"). Pursuant to this, the Management through Internal Audit Division, regularly conducts evaluation of internal controls in the Group to identify any significant impact on internal controls and financial reporting. In addition, on an annual basis, the Group has engaged Messrs. Deloitte PLT to assess the effectiveness of existing internal controls and financial reporting.

Risk and Compliance Culture

Risk Management Department and Compliance Department continuously seek to build a strong risk management and compliance culture by promoting awareness, ownership and accountability. Training, e-learning and awareness are being emphasised in order to promote the risk and compliance culture. The risk and compliance related frameworks, policies and procedures are reviewed on a periodic basis to meet changes in the business environment, as well as the requirements of applicable laws and regulations.

As part of the risk and compliance culture, the Group has instilled a culture where the Board, management and all employees of the Group are committed to adhere to the requirement of relevant laws and regulations. This commitment is clearly demonstrated through the enhancement and strengthening of the Group's policies, processes and controls in managing and preventing non-compliance.

Risk Management Process

a) Risk Identification

It is a process of identifying, understanding and assessing inherent risk for relevant products, new products or processes and business initiatives. It enables early detection of risk and ensures sound risk management practices are in place.

b) Risk Evaluation and Treatment

A combination of qualitative and quantitative methods are used by the Management to assess and evaluate the risk identified from two perspectives – risk likelihood and impact parameters. Management will then decide, in consultation with RMC on the risk treatment options for subsequent implementation. Treatment options are being monitored and tracked till closure in order to mitigate the identified risk effectively from future occurrence.

c) Risk Monitoring and Reporting

Monitoring of early warning and key indicators are crucial in alerting the management on any potential risk events, and to put in place timely action to mitigate the potential risk. The results are then being reported and communicated at the appropriate platforms for further actions.

d) Communication

The Group, through the RMC, continuously communicates and engages with stakeholders to identify possible risks in addition to the events and circumstances that could affect the objectives which includes the realisation of the opportunities.

Internal Control Systems

The Board is responsible for managing the key business risks of the Group and implementing an appropriate internal control systems to manage those risks. The AC, assisted by the Internal Audit Division, provides the Board with the assurance it requires on the adequacy and integrity of the system of internal controls. The AC has an oversight function of all activities carried out by the Internal Audit Division.

To ensure that sound system of controls is in place, the Group has upheld primary processes in reviewing the adequacy and integrity of the system of internal controls. The primary processes include:


- An annual business plan and budget which are submitted to the Board for approval. Actual performances are reviewed against the targeted results on a monthly basis for Management responses and actions, where applicable. Board reviews monthly reports from the management on the key operating statistics, and feedback on actions required are furnished to the senior management team.
- The AEON Foundational Ideals and AEON Group Future Vision share core values for all its people to practice and drive the Group as a market leader in enriching lives through innovative and sustainable solutions. AFS's "The Purpose" is a philosophy that reflects our commitment to delivering trusted financial services that promote prosperity for everyone.
- Built on these shared values and philosophy, the Group has established the Code of Ethics and Conduct which serves as a fundamental guide to ethical decision-making, ensures compliance with legal and regulatory frameworks, and protects the interests of the stakeholders of the group.
- The corporate decision authority matrix, corporate purchasing authority matrix and respective business units' authority matrix with defined empowerment and authority serves as a framework in regulating all business activities and decisions within the Group.
- The Group has in place written operating procedures in various areas of operations, which also incorporate risk management issues and updated as and when necessary to improve on the control environment and operational efficiency.

All the above mentioned processes are in place with the aim of providing reasonable assurance as to the accuracy of financial information, non-financial disclosures, the Group's compliance with applicable laws and regulations, and the effectiveness of the internal control systems. The Board will conduct reviews on a continuous basis to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets and stakeholders' interests.

Internal Audit Function

The Group has an adequately resourced in-house internal audit function. The primary responsibility of the Internal Audit Division is to provide independent and objective assessment on the adequacy and effectiveness of the risk management, internal control, anti-corruption, whistle-blowing and governance processes implemented by Management. The Internal Audit Division adopts a risk-based audit planning methodology to plan and prioritise

the audit work focusing on high risk auditable areas, which encompassed auditing the Group's business and support functions, information systems, IT operations & security, J-SOX assessment, outsourced service providers and the subsidiary company, AEON Insurance. These are guided by an annual internal audit plan, which is approved by the AC and internal audit reports are tabled at the AC Meetings for review and deliberation. Where applicable, the Internal Audit Division provides recommendations to improve the management of risks, control, anti-corruption, whistle-blowing and governance processes. The AC regularly reviews the status of rectification actions on the findings or recommendations by the Internal Audit Division.

 For more details on the function of the Internal Audit Division, please refer to pages 160 to 164, Audit Committee Report.

Assessment of Risk Management and Internal Control Systems

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems. The Board has received assurance from the Managing Director and the Chief Financial Officer who represent the Management team of the Group that the Group's risk management and internal control systems, in all material aspects, are operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

Review of Statement by External Auditors

According to Paragraph 15.23 of the MMLR, this Statement has been reviewed by the external auditors for the FYE2025. The limited assurance was conducted in accordance with the Audit Assurance Practice Guide 3 ("AAPG3"), which was issued by the Malaysian Institute of Accountants ("MIA"), and it does not require the external auditors to form an opinion on the effectiveness and adequacy of the Group's risk management and internal control systems. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that had caused them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs"), the requirements of the CA and the MMLR of Bursa Securities.

The Directors are responsible to ensure that the financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

The Directors have overall responsibility for taking such steps necessary to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

1. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered into by the Group and the Company (not being contracts entered into in the ordinary course of business) involving the interests of Directors and major Shareholders which were still subsisting as at the end of the financial year ended 28 February 2025 under review or which were entered into since the end of the previous financial year.

2. AUDIT AND NON-AUDIT FEES

The details of the audit and non-audit fees paid or payable for the financial year ended 28 February 2025 to the External Auditors and a firm or corporation affiliated to the External Auditors are set out below:

	Group RM'000	Company RM'000
Audit Fees		
- Statutory audit	439	404
- J-SOX Audit	138	138
Total Audit Services	577	542
Non-Audit Fees		
- Statement of Risk Management and Internal Control review	12	12
- Regulatory reporting review	35	35
Total Non-Audit Services	47	47
Total Fees	624	589

3. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Twenty-Seventh (27th) Annual General Meeting ("AGM") held on Wednesday, 20 June 2024, the Company obtained a shareholders' mandate to allow the Company to enter into recurrent related party transactions of a revenue or trading nature. The disclosure of the recurrent related party transactions conducted during the financial year ended 28 February 2025 is set out on pages 221 to 224 of the IAR.