

## SUSTAINABILITY REPORT FYE 2021

AEON Credit always strives to adopt best practices for corporate governance. The Company implements best governance practices which are increasingly moving toward long-term sustainability.

AEON Credit is committed to ensure that our Company fulfills its legal obligations, identifies and removes corrupt practices as stated in the Company's Anti-Bribery Policy and works together to minimise bribery and corruption opportunities. Zero (0) cases of corruption and bribery are identified by active and successful initiatives including zero (0) cost of fines, penalties & settlement in relation to corruption in year 2020/2021.

It is the duty of management at all levels to ensure the employees are made aware of and understands this policy and that sufficient and frequent training is provided (Refer Annual Report page 54 – 55).

AEON Credit also has a policy against contributions to political party and zero (0) amount of political contribution made in the current financial year.

Sound strategic planning and better risk management and standards are provided by good corporate governance in the Company. AEON Credit uses risk management standard (COSO), and adoption of Integrated Reporting in annual report for Financial Year End 2021 (Integrated Annual Report will be published in the website on May 2021). Corporate governance refers to a system in which the administration of businesses or organisations is carried out. Since compliance requires certification to perform a specific activity, it helps AEON Credit to achieve the company goals and objectives because the costs of non-compliance do not delay our functions.

As at December 2020, AEON Credit reported zero (0) cases of non-compliance and 70 cases of incidents that has been successfully rectified. In an attempt to suppress non-compliance, AEONCR have compulsory annual briefing for Code of Conduct (CoC) to all staff. Initiative such as annual review and e-Learning were prepared every year to identify the effectiveness of CoC.

The outbreak of Covid-19 highlights the need for immediate action to reduce the health and economic impact of the pandemic, protect vulnerable group and set the stage for a sustained recovery.

AEON Credit recognises customers' needs by providing responsible financing which not only contains elements from economic sources and governance aspect but also includes a social impact angle (Refer Annual Report page 54).

In the midst of the pandemic, AEON Credit is closely monitoring potential unfair and deceptive business practices to protect human rights and vulnerable group, monitor aggressive marketing campaigns and terminate COVID-19 scams. The Company regularly reminds customers and pinned up security reminder on social media & banner/ thumbnail on the website.

Other initiatives to protect human rights & community, AEON Credit provides sponsorship, education scholarship, and opportunity for students to join as employee as management trainee. On 4 August

2020, AEON Credit welcomed four new employees who are also our national badminton players from Ampang Jaya Badminton Club who are given the employment opportunity to work with AEON Credit as part of its corporate responsibility programme. These four employees are of 19-21 years old and are being assigned to four different departments. AEON Credit aims at nurturing these badminton players into corporate professionals by providing corporate skills, knowledge and exposure through various training and development programmes.

AEON Credit yet to commit to Children's Rights and Business Principles, however, the Company supports children's right to education by organising 'Back to School' Program every year (Refer Annual Report page 64). In relations to Labour Standards, the Company served equal respect and opportunity to all scope of diversity in workforce but yet to adapt sexual orientation as additional personal attributes and not committed to any right to freedom of association. Opportunity also been given to employees that are contractors or temporary staff to support daily business operations. AEON Credit also commits to a policy or statement supporting the right to a minimum or living wage (Stipulated in internal documents (Company Handbook).

In support of the employee welfare, benefit and personal development, AEON Credit encourages employee to practice work life balance and the Company had invested RM1.9 million for external training and development initiatives (Refer Annual Report page 59). The Company also has established whistle-blowing channel (AEON Hotline) for employees to raise concern and issue (Refer AR page 71). There are close ties between climate change and sustainable development. AEON Credit did not missed a chance to support the initiative to reduce the intensity of GHG emissions through responsible consumption and remains committed on pledge to minimise paper consumption and electricity (Refer Annual Report page 62).