

អេស៊ីលីដា
ACLEDA BANK

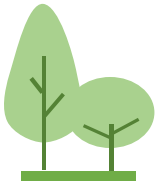


SUSTAINABILITY

REPORT 2024



**Together For
Sustainable Growth**



Our Core Value

ACLEDA BANK PLC. is a Cambodian Bank, operating in CLM countries (Cambodia, Laos, and Myanmar) that commits and maintains its core values with financial soundness, safety, competence, integrity, accountability, transparency, honesty, purity and empathy. These values are clearly defined in the meaning of the letter in Khmer-English “**អ- A, ស- C, ល- L, ដ- D (អេស៊ីលីដា-ACLEDA)**”.



A

Affinity and Empathy

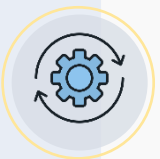
Affinity and Empathy: focusing on conducting satisfying and transparent manner to all stakeholders including employees, customers, partners and the publics.



C

Customer Experience with Integrity & Loyalty

Customer experience with Integrity and Loyalty: focusing on delivering service to customer-public with integrity and professional ethic.



L

Leverage Quick & Efficiency

Leverage Quick & Efficiency: focusing on fast, satisfying service, providing high confidence to customer-public with efficiency and effectiveness.



D

Developing

Developing: focusing on secured and innovative product-services with superiority and prosperity.

Our Vision

To be Cambodia's leading and the most trusted commercial bank serving all segments of the community.

Our Mission

Our mission is to provide our customers with secured and innovative products and services to manage their financial resources efficiently. At all times, we observe the highest principles of ethical behaviour, respect for society, the law and environment. By doing so, we aim to contribute to improving the quality of lives, ensuring a sustainable and growing benefits to our stakeholders, and to support the socio-economic development of the society as a whole.

Our Slogan

ACLEDA Mobile's Slogan:

The Bank in your hand!

The Bank's Slogan:

The Bank you can trust, the Bank for the people!



CONTENTS

05

MESSAGE FROM PRESIDENT & GROUP MANAGING DIRECTOR

06

ABOUT ACLEDA BANK PLC.

- 07 General Information
- 08 Financial Highlights
- 09 Organizational Structure
- 10 Products & Services
- 11 Service Network

12

OUR SUSTAINABILITY

- 13 Sustainability Strategy
- 16 Awards and Recognition
- 18 ESG Governance
- 19 ESG Targets and Performances
- 21 Stakeholders
- 22 Materiality Assessment

27

ENVIRONMENTAL

- 28 Environment & Climate Change Risk
- 36 Our Environmental Performance

42

SOCIAL

- 43 Customer Protection
- 47 Financial Inclusion and Literacy
- 52 Community Participation and Social Engagement
- 58 Human Resources Development
- 61 Employment Practice
- 64 Our Social Performance

67

GOVERNANCE

- 68 Governance & Business Ethics
- 71 Data Security & Customer Privacy
- 74 Risk Management

APPENDICES

- 78 About This Report
- 80 Mapping to SERC's Sustainability Disclosure
- 82 Mapping to UN-SDGs



MESSAGE FROM PRESIDENT & GROUP MANAGING DIRECTOR

Our strong commitment to sustainability and ESG



As stakeholders are increasingly valuing businesses' overall performance across key environmental, social, and governance (ESG) topics, moving toward low carbon and climate resilience future is one of the sustainability topic that has widely discussed around the world.

As a responsible institution, our sustainability efforts extend beyond environmental initiatives to encompass social responsibility and ethical business practices. The BANK will advance our sustainability by adhering and promoting environment protection, customer protection, financial inclusion and literacy, community participation and social engagement, human resource development, employment practices, good governance and business ethics, data security and customer privacy, and risk management etc. Moreover, the BANK will continue fostering a culture of transparency, diversity, and inclusion within our organization, ensuring that our employees and customers are at the heart of everything we do.

In line with our sustainability strategy, in 2024, ACLEDA BANK maintained our efforts to improve every aspect. The BANK is deeply committed to environmental protection by actively promoting environmental awareness among our employees and the public through our training programs, integrating environmental social and governance factors into our credit assessment process to encourage businesses to adopt sustainable practices. Meanwhile, the BANK actively promoted financial inclusion, prioritized the well-being of our employees and fostered a culture of equality. Moreover, the BANK continues to strengthen and develop innovative and secure digital banking services to safeguard customer information and ensure sustainable growth for our stakeholders and to support the socio-economic development of society as a whole. The BANK remains committed to listening to all stakeholders' feedback, engaging with our communities, and driving positive change through responsible banking practices. Through our commitments, actions, and partnerships, we aim to align our business practice with the sustainable development goals to address challenges and create a more sustainable future for all. Together, we can build a more sustainable and resilient future.

Dr. In Channy
President & Group Managing Director
ACLEDA BANK PLC.



ABOUT ACLEDA BANK PLC.





GENERAL INFORMATION

ACLEDA BANK is a commercial bank and first listed bank in Cambodia Securities Exchange that has the largest branch and office networks for offering a wide range of financial products and services to the customer such as credits, deposits, funds transfers, cash management, trade finance, ACLEDA card, credit and debit card, and digital services including internet banking, ACLEDA mobile Super App (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. Currently, it has 4 subsidiaries: (1) ACLEDA Bank Lao Ltd., (2) ACLEDA MFI Myanmar Co., Ltd., (3) ACLEDA Securities Plc., and (4) ACLEDA University of Business and 1 representative office in Myanmar.

ACLEDA BANK has 6 shareholders who hold at least 5% or more shares of outstanding equity securities including: (1) AFT, (2) SMBC, (3) COFIBRED (4) ORIX Corporation (5) Public Shareholders and (6) Shareholders Legalized from ASA, Plc.

As of December 2024, ACLEDA BANK has 265 branches covering all provinces and cities in the kingdom of Cambodia, 37 branches in Lao PDR and 17 branches in the Republic of the Union of Myanmar.

Entity Name in Khmer	ធនាគារ អេស៊ីលីដា ភីអិលស៊ី
In Latin	ACLEDA BANK PLC.
Standard Code	KH1000100003
Address	Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia
Phone Number	+855 (0)23 998 777 / 430 999
Fax	+855 (0)23 430 555
Website	www.acledabank.com.kh
Email	acledabank@acledabank.com.kh
Company Registration Number	00003077 dated 05 June 2000, issued by Ministry of Commerce
License Number	C.B.06 dated 07 December 2023, issued by National Bank of Cambodia
Disclosure Document Registration Number	053/20 SECC/SSR dated 19 March 2020, issued by Securities and Exchange Committee of Cambodia (Currently known as the Securities and Exchange Regulator of Cambodia “SERC”)
Representative of the Listed Entity	Dr. In Channy



FINANCIAL HIGHLIGHTS

Units in US\$ '000	31/12/21 Audited	31/12/22 Audited	31/12/23 Audited	31/12/24 Audited
Consolidated Financial Highlights (CIFRS)				
Assets	7,855,252	9,031,163	9,744,040	10,833,832
Loans and Advances (net)	5,393,954	6,379,406	6,601,665	7,023,164
Liabilities	6,650,217	7,714,515	8,362,020	9,343,665
Deposits	5,716,020	6,388,991	7,227,813	8,359,056
Share Capital	433,163	433,163	433,163	433,163
Shareholders' Equity ¹	1,199,042	1,310,588	1,375,999	1,484,034
Gross Income	636,698	743,831	828,008	865,249
Profit Before Income Tax	204,753	228,308	184,238	153,745
Net Profit After Tax ²	166,913	181,738	148,055	121,195
Earnings Per Share	0.39	0.42	0.34	0.28
Dividend Per Share	548.6405¢	685.8985¢	140.4795¢	-

Financial Highlights (CIFRS)

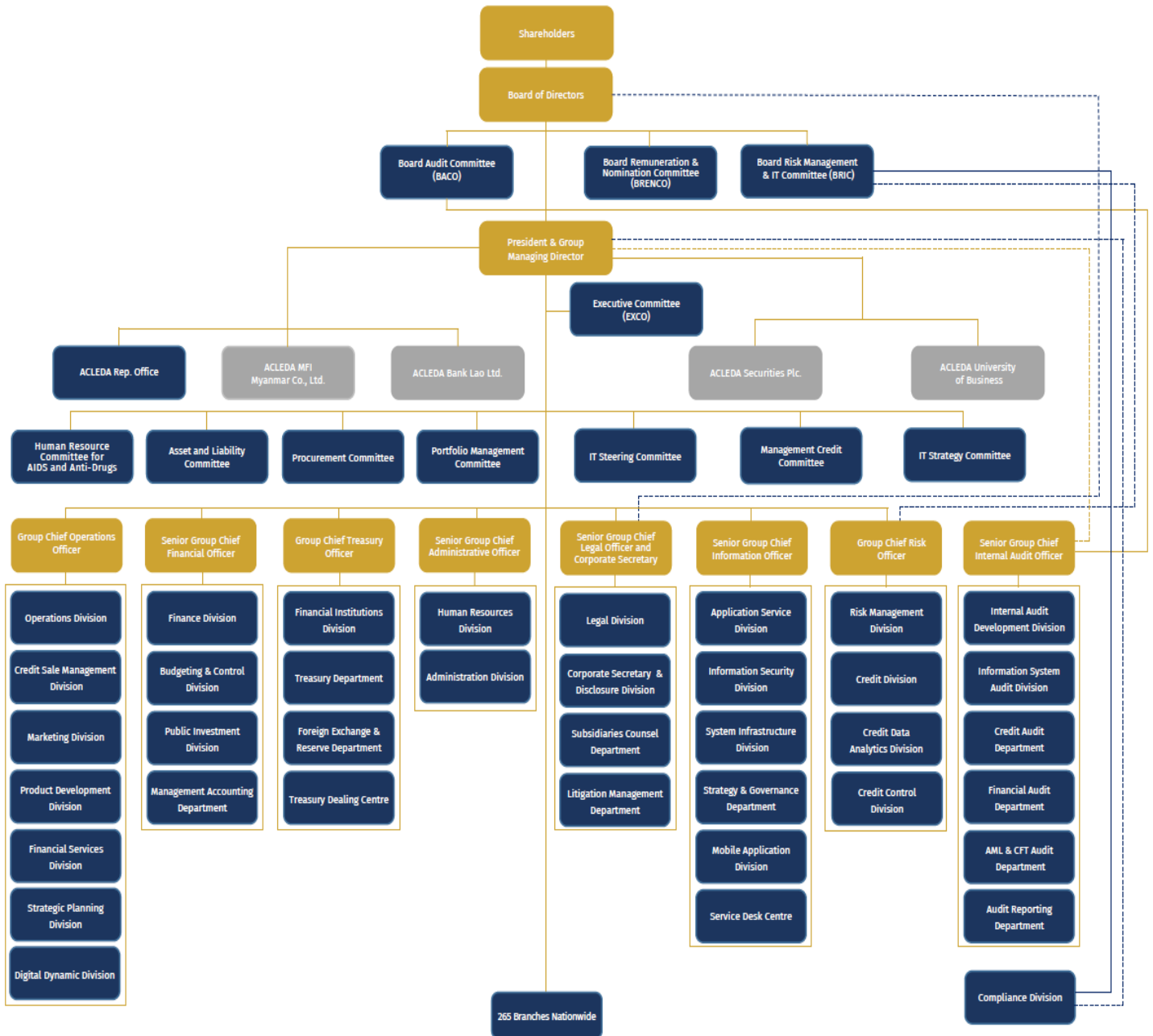
Assets	7,695,163	8,918,446	9,605,647	10,676,725
Loans and Advances (net)	5,232,059	6,246,269	6,457,043	6,861,826
Liabilities	6,486,071	7,587,359	8,213,001	9,186,448
Deposits	5,582,534	6,280,045	7,101,695	8,218,026
Share Capital	433,163	433,163	433,163	433,163
Shareholders' Equity	1,209,092	1,331,086	1,392,646	1,490,278
Gross Income	594,625	705,214	792,125	829,292
Profit Before Income Tax	201,662	217,423	172,202	145,572
Net Profit After Tax	162,085	173,406	138,139	115,933

Remark:

- 1 & 2 Exclude Non-controlling interests



ORGANIZATIONAL STRUCTURE





PRODUCTS AND SERVICES



Credit

- Small-Sized Enterprise Loan
- Medium-Sized Enterprise and Corporate Loan
- Overdraft
- Revolving Credit Line
- Trade Finance Facility
- Bank Guarantee Facility
- Green, Social, Sustainability and Sustainability-Linked Loan
- Personal Loan
- Car Loan
- Motorbike Loan
- Student Loan
- Housing Loan
- Home Improvement
- Financial Lease

Deposits

- Savings Account
- Demand Deposit Account
- Current Account
- Term Deposit
- Euro Flex Account
- Securities Account
- Monk Account and Pagoda Fund Account
- Future Kid Account

Trade Finance

- Documentary Collection
- Letter of Credit (L/C)
- Bank Guarantee

Fund Transfers

- Local Funds Transfers
- International Funds Transfers via SWIFT
- International Funds Transfers via Western Union
- International Funds Transfers via MoneyGram
- International Funds Transfers via Thune
- International Funds Transfers via Ria Money Transfer
- International Funds Transfers via Overseas Partners

Cards

- Consumer Card
- ACLEDA Card
- VISA Debit/Credit Card
- Master Debit/ Credit Card
- Master Lady Debit/Credit Card
- JCB Debit Card
- UPI Debit Card

Cash Management

- Bank Confirmation
- Cashier's Check
- Payroll Service
- Cash Collection Service
- Supplier Payment
- Cash Consolidation Accounts
- Standing Order / Direct Debit
- Foreign/Traveller Cheque Purchasing
- Tax Payment Service
- Forward Exchange Contract
- Bulk/Package Payment Service
- Foreign Exchange

Digital Services

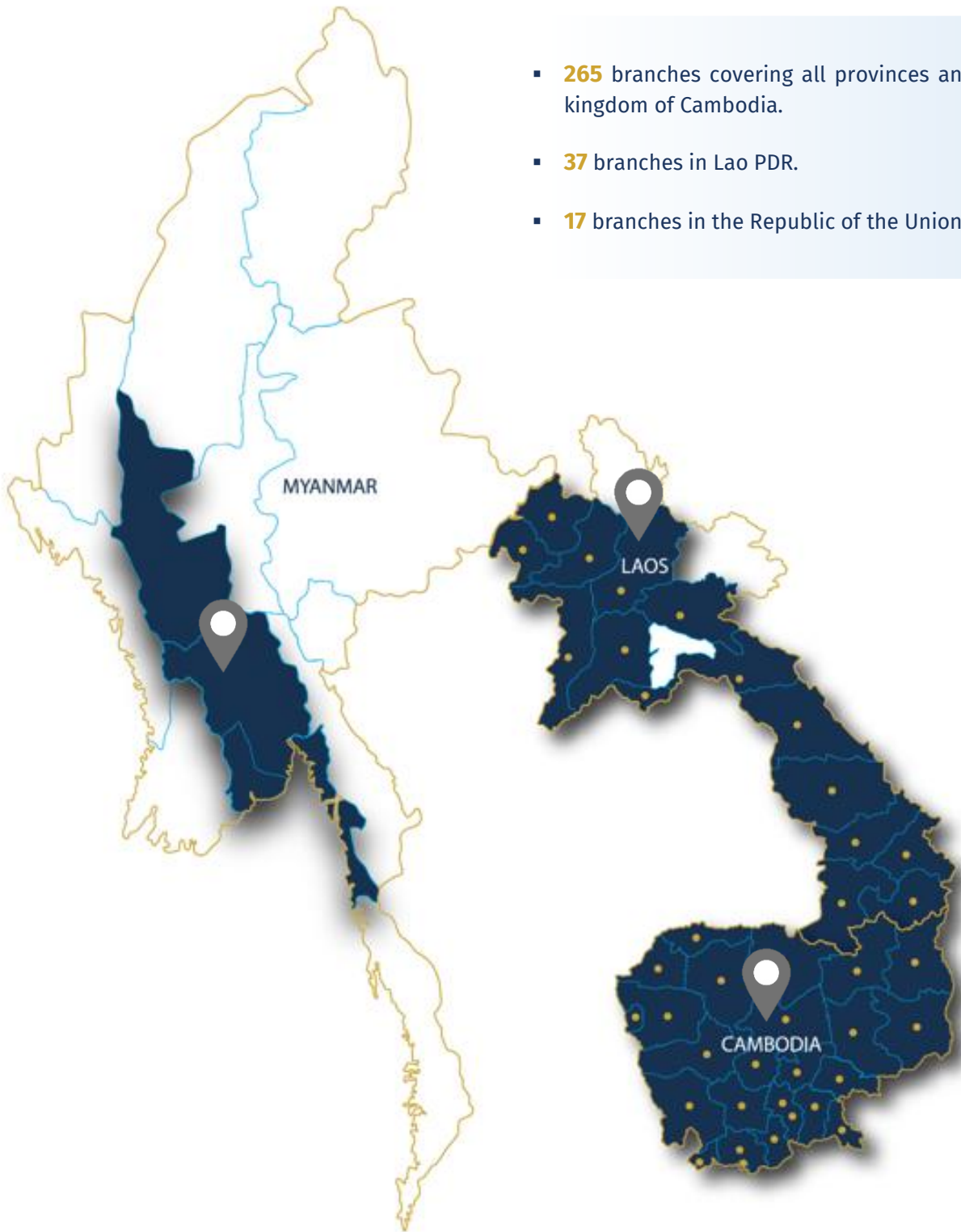
- ACLEDA Internet Bank
- ACLEDA Mobile (Super App)
- ACLEDA E-Commerce
- ACLEDA ATM
- ACLEDA POS
- Term Deposit Machine
- Virtual Teller Machine
- Pay Band
- Smart Pay
- Virtual Card
- Top Up Service
- Bill Payment
- Bank Service Order via Email/Fax
- Message Alert on Account Information.

Other Services

- Securities & Trust Services
- Corporate Agent Life Insurance
- Financial Health Check



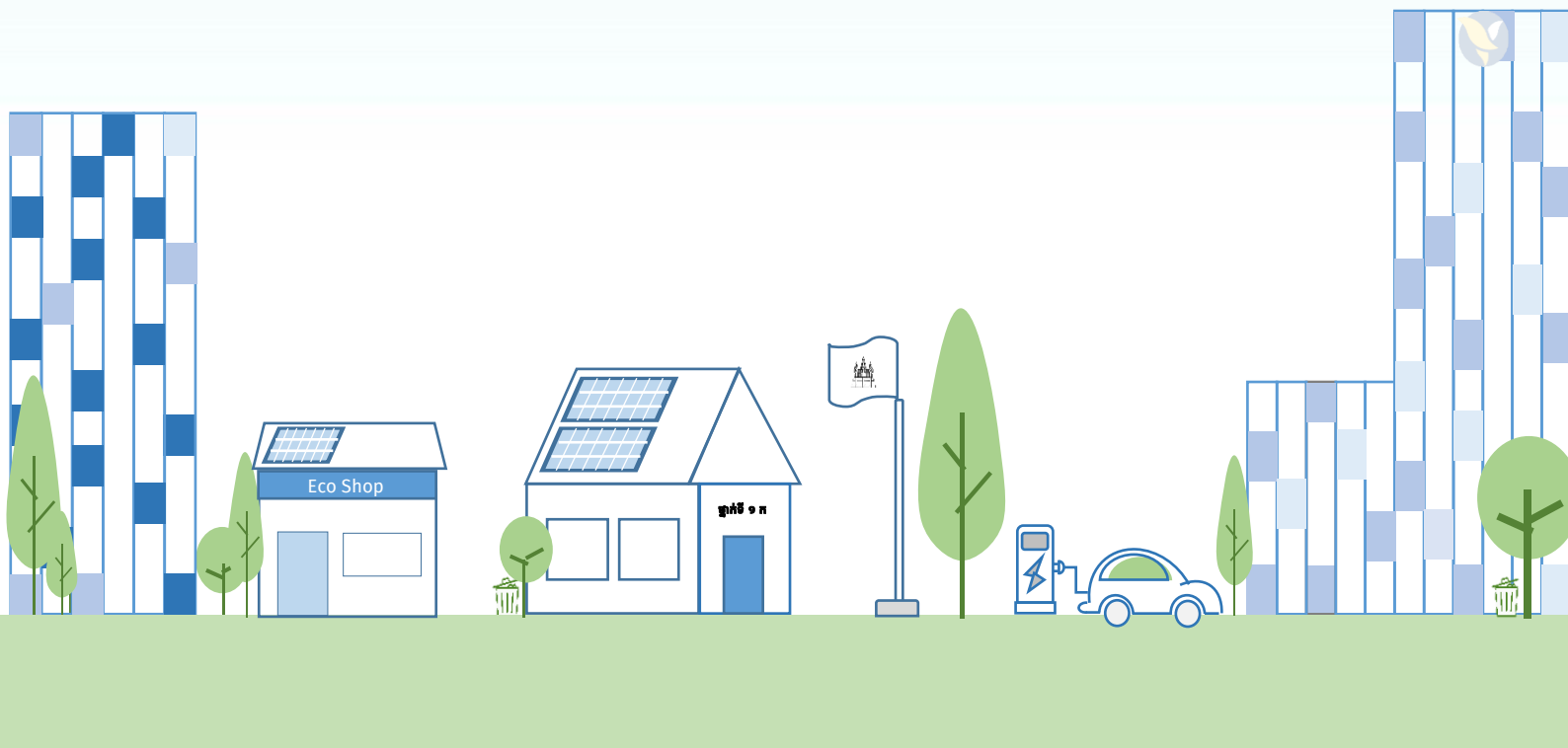
SERVICE NETWORK



- **265** branches covering all provinces and cities in the kingdom of Cambodia.
- **37** branches in Lao PDR.
- **17** branches in the Republic of the Union of Myanmar.



OUR SUSTAINABILITY





SUSTAINABILITY STRATEGY

ACLEDA BANK focuses on achieving strong and sustainable financial returns while respecting environmental protection, social responsibility, and robust governance. To achieve this objective, the BANK will reduce the environmental footprints; adhere to the highest principles of ethical behavior, the society and law; and strive to provide innovative, secure, and sustainable financial products to all segments of the community aiming toward sustainable development goals.

The BANK address sustainable development by incorporating all 17 goals of the United Nations' Sustainable Development Goals (SDGs) into our operations. This includes focusing on internal corporate governance, transparency practices, financial business activities, creating shared value, and development of digital infrastructure.

The United Nations

Sustainable Development Goals (SDGs)



The UN-SDGs are a set of 17 goals that were adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. ACLEDA BANK strives to align the strategy and reporting with the United Nation's Sustainable Development Goals (SDGs) and also Cambodia Sustainable Development Goals (CSDGs).

The BANK acknowledges that the incorporation of the SDGs would serve as a guide for creating a more inclusive, prosperous, and environmentally sustainable world for both present and future generations.



Committed to minimize the negative environmental and climate change impacts from our operations and its associated partners' performance in order to support and pursue sustainable development goals.

Committed to promote an inclusive culture embracing not just only shareholders and staffs, customers and business partners but also respect for the individual within our community.

Committed to integrity and fair dealing in all business activities in compliance with applicable laws and regulations and upholds the highest standard of corporate governance.

Sustainability Strategic Actions

- Reduce carbon footprint in our operation to align with the Cambodia long-term strategies in carbon neutrality.
- Encourage all level of employee to participate in activities that help reduce the impact on environment and climate change.
- Provide training and encourage all level of employee to participate in activities that help reduce the impact on environment and climate change.
- Respect human rights, diversity and gender equality.
- Provide a place to work with a good environment and hygiene.
- Fair labor workforce.
- Provide financial inclusion and literacy to all segments of the community.
- Adhere to the code of conduct on lending guidelines.
- Avoid any activities that may lead to socially sensitive behavior and violate the regulation limit.
- Adhere to the best governance structure in business operations.
- Zero tolerance to any form of corruptions.
- Prioritize in digital transformation to enhance customer conveniences way in managing their banking needs, and reduce the cost of transaction.
- Protect customer assets & privacy with first class IT and security.
- Integrate ESG factor in business process.
- Transparent in disclosing both our financial and sustainability performance.



Our Sustainability Journey





AWARDS AND RECOGNITIONS

CREDIT INDICATORS



The rating outlook reflects the strength of the business network operations of ACLEDA BANK by maintaining sustainable development.



The Smart Campaign recognized ACLEDA BANK PLC. as Client Protection Certified for meeting strong standards of client care.



AWARDS & RECOGNITIONS



ACLEDA BANK is appreciated and recognized as the trusted partner of Data Security and Data Privacy from Control Case, a global provider of certification, cybersecurity, and continuous compliance services.



ACLEDA BANK received Certificate of Compliance for Payment Card Industry Data Security Standard (PCI DSS), recognized globally.



The two-year "GOLD" Certificate of Tax Compliance for the tax year of 2024 and 2025 from the General Department of Taxation,



Certificate for supporting of the 7th World Cleanup Day,



Certificate of Appreciation from the Ministry of Environment to ACLEDA BANK for supporting their program "7th World Cleanup Day"



International Security Standards Certificate ISO/IEC 27701:2019 and International Security Standards Certificate ISO/IEC 27001:2022



The Best Corporate Governance Award 2024 from Securities and Exchange Regulator of Cambodia



ESG GOVERNANCE

ACLEDA BANK recognizes the critical importance of corporate governance in supporting the BANK's sustainable growth, enhancing the efficiency of the BANK, creating shareholder value, and securing trust for all stakeholders including shareholders, customers, staff, and the public. ACLEDA BANK is fully committed to integrity and fair dealing in all its business activities in compliance with applicable laws and regulations, and upholds the highest standard of corporate governance. An effective corporate governance structure ensure that the Board of Directors and its management (i) pursue objectives that are in the best interest of the BANK as a whole; (ii) act in an effective, transparent and accountable manner; (iii) ensure consistent and clear policies and procedures; (iv) conduct its role, responsibility and authority throughout the BANK in compliance with applicable laws and regulations; (v) establish mechanism to protect rights of minority shareholders; and (vi) undertake monitoring and assessment system. The Board of Director supports and encourages the adoption and implementation of good corporate governance policies, together with a code of conduct and business ethics. Moreover, the Board of Directors is responsible for determining the strategy of the BANK and supervising the conduct of its business and affairs. In addition, the Board members shall act in the best interests of the BANK. As proven of our responsibility towards the environment, society and governance, ACLEDA BANK's structure, policies and management with respect to ESG practices and climate-related risks and opportunities have been set up as part of the sustainability operational processes, as follows:

Board of Directors

The Board of Directors approves business strategies, targets and policies that cover sustainable development operations. The Board of Directors also approves the risk management policies and frameworks as well as determine and oversee the management and monitoring of the BANK's material ESG factors and scopes that involve with opportunities and risks related to environmental, social and governance as well as the impact of climate-related risks. In addition, they also review and approve relevant disclosure.

Board Risk Management and IT Committee (BRIC)

The Board Risk Management and IT Committee (BRIC) is accountable for monitoring the BANK's risk profile against the risk appetite and advises the Board on risk related matters, particularly review the potential risks in light of the high standards as set by the Board of Directors on the Environmental, Social, and Governance (ESG) aspects and climate-related risks. The committee hold the meeting quarterly to discuss the relevant risk & opportunities embedded in the daily operation.

Executive Management Committee (EXCO)

The Executive Management Committee (EXCO) is responsible for recommending objectives and strategy for the group in the development of its business regarding the interests of its shareholders, customers, employees, and other stakeholders. Moreover, EXCO is responsible for ensuring the control, coordination, and monitoring within the group of risks and the provision of adequate management development within business divisions. In addition, they also oversee the management and monitoring of risk factors related to the environmental, social, and governance according to each business function.

Management Credit Committee (MCC)

The Management Credit Committee has overall responsibility of the credit process, monitor that credit policies, credit operating manuals, procedures, or instructions are in place, up to date, appropriate to the business and consistent sound lending practice. Moreover, they also monitor portfolio quality, identify adverse trend to ensure that the BANK's portfolio has been align with sustainability plan well within the lending target and compliance with the regulatory framework as well as monitor problem exposures and take appropriate action.



ESG TARGETS AND PERFORMANCES



Our Commitments

Targets 2025

Performance in 2024

Climate & Environmental

Reduction of GHG emission scope 1 & 2

4% reduction of GHG emission from 2023 (baseline Year)

Total GHG emission in 2024:

- Scope 1: 3,131 tCO₂e
- Scope 2: 21,858 tCO₂e

Social

Human Resources development and training

Increase training hour to all employee to 30 hours/ employee

Total training hours to all employee in 2024 was 28 hours/ employee

Honoring work place diversity

Increase number of woman workforce (Senior, Middle and First Line Management)

In 2024, woman workforce (Senior, Middle and First Line Management) was 792 employee



Expand of access to financial products and services	Expansion of service points through banking self-services areas	88 self-service banking areas
Promoting the community Participation/donation	Increase number of CSR activities	Participated in 47 CSR activities








Governance

Ensuring that business operations are conducted fairness, no corruption, and following sound corporate governance practices	No any material issue finding or warning by regulators	No any material issue finding or warning by regulators
Maintain customer satisfaction by keep updating the financial innovation to meet customer needs	Promote the use of digital banking service	As of December 2024, ACLEDA Mobile (Super App) has 4.22 million users
Awareness building on cyber threat and data protection	100% of employees completed cybersecurity and data protection training	100% of employees completed training on information technology security and data protection



STAKEHOLDERS

The BANK recognizes the important role of our stakeholders in providing support us. The BANK actively engage and carefully listen the comment and feedback from our stakeholders. We identified our stakeholders based on their relationships and potential impact on our operations. We believe that concrete relationships and cooperation with our stakeholders are critical for creating and preserving shared values and interests. Our stakeholders are including:

Key Stakeholder	Channel Engagement
 <p>Shareholders</p>	<p>Annual general meeting, annual report, sustainability report, ACLEDA BANK website and social media.</p>
 <p>Board of Directors</p>	<p>Meeting discussion, annual report, sustainability report, ACLEDA BANK website and social media.</p>
 <p>Employees</p>	<p>Internal communication channels, including email, video communication, face-to-face conversations between managers and team, regular team meeting, training and workshop.</p>
 <p>Customers</p>	<p>Meetings (both formal and informal), surveys, website, social media page, call center, annual report, sustainability report.</p>
 <p>Business Partners/Suppliers</p>	<p>Meetings (both formal and informal), surveys, and joint agreements.</p>
 <p>Communities</p>	<p>Direct engagement within the communities in which we operate, through collaborations, partnerships, voluntaries, donations activities.</p>
 <p>Regulators</p>	<p>Meetings, consultation and engagement, annual report.</p>

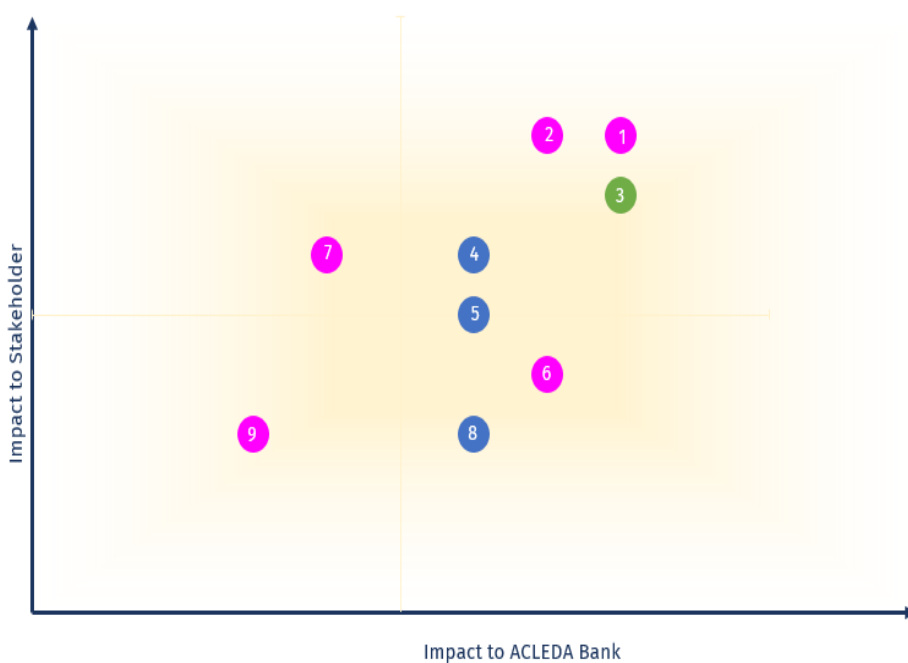


MATERIALITY ASSESSMENT

A materiality assessment is a structured way to identify and prioritize the environmental, social, and governance (ESG) issues in which stakeholders care about, as well as what is important to the business. As part of our sustainability review, we have simplified our material ESG factors in order to ensure consistent and effective approach. We streamlined certain criteria that have comparable sustainability contexts and rename key aspects to better align with the BANK's strategic goals.

As a result, nine materiality risk factors were identified, addressed, and prioritized based on their importance and effects on the operation of the Group and the BANK. Consequently, this report describes the Group and the BANK's performance in relation to the risk factors that have been identified with the goal to respond to the stakeholders' expectations regarding sustainability and climate-related issues.

The following is the material topics derived from the material matrix that reflect the Group and the BANK's current strategies, direction, and prioritization in integrating environmental, social, and governance considerations into business operations:



Material Issues

1. Customer Protection
2. Financial Inclusion & Literacy
3. Environment/Climate Change Risk
4. Data Security and Customer Privacy
5. Governance & Business Ethics
6. Human Resources Development
7. Community Participation and Social Engagement
8. Risk Management
9. Employment Practice

- Environmental
- Social
- Governance



Change of Materiality Issues

In 2024, the materiality issues have been updated from the previous year as below:

Materiality Issues 2023	Materiality Issues 2024	Rational
Update Name		
<ul style="list-style-type: none"> Climate Change Risk 	<ul style="list-style-type: none"> Environment & Climate Change Risk 	To improve clarity and refine the certain materiality topic to reflect more accurate and transparent.
<ul style="list-style-type: none"> Responsible lending & ESG Integration 	<ul style="list-style-type: none"> Customer Protection 	
Grouping		
<ul style="list-style-type: none"> Corporate Governance & Anti-Corruption 	<ul style="list-style-type: none"> Governance & Business Ethics 	To group the issue that are similar and relevance
<ul style="list-style-type: none"> Business Ethics 		
<ul style="list-style-type: none"> Product Development and Digital Innovation 	<ul style="list-style-type: none"> Financial Inclusion and Literacy 	
<ul style="list-style-type: none"> Financial Inclusion and Literacy 		
<ul style="list-style-type: none"> Fair Labour Practice 		
<ul style="list-style-type: none"> Safety and Working Environment 	<ul style="list-style-type: none"> Employment Practice 	



Material Assessment Process

1

Identification

- Review and identify material topics that may affect our strategy implementation. Through data collection, and benchmark from national and international sustainability standards, material related topics are identified.
- The UN SDGs also assess to evaluate how significant each of the 17 SDGs within the consolidated and entity level.
- From this, we identified ESG factors and trends that are relevant to both the group and the BANK.

2

Prioritization

- Information obtained from the data collected and benchmarks from national and international is reviewed and prioritized by considering the materiality impact.

3

Integration

- Issues that are material to value creation into our strategy were reviewed by senior management and responsible division. The final results are used as the basic information for the development of the sustainability action plan and the sustainability report 2024.



















4

Report



- Disclose the voluntary information follow the content in the sustainability report.






Detail materiality assessment factors

Material Factors	Stakeholders	ACLEDA BANK'S Strategic Plan	Contributed to the UN SDGs
Environmental Aspect			
Environment/Climate Change Risk	<ul style="list-style-type: none"> Shareholders Customers Employees Business Partners/Suppliers Regulators 	<ul style="list-style-type: none"> Identify and manage our risks and opportunities in response to the impacts of environment/ climate change. Reduce carbon footprint in the BANK'S operations. Collaborate with stakeholders to manage climate risk. Raise awareness regarding environment/climate change. 	   
Social Aspect			
Customer Protection	<ul style="list-style-type: none"> Shareholders Customers Business Partners/Suppliers Employees Regulators Communities 	<ul style="list-style-type: none"> Adhere BFIs code of conduct. Integrate ESG into credit process. Enhance on ESMS implementation. Train staff to identify and support sustainable finance. Adopt ethical lending practice. Ensure quick response and effective resolution for customer. 	   
Financial Inclusion and Literacy	<ul style="list-style-type: none"> Customers Communities Regulators Shareholders Employees Business Partners/Suppliers 	<ul style="list-style-type: none"> Make banking product and services more accessible and inclusive to all segment in the community. Focus on digital marketing by offer educational resources to raise awareness about digital banking, and provided incentives to enhance the customer experience with digital services and products, retain their loyalty, and improve their financial literacy. Innovating and transforming digital banking products to meet customers' demand. 	       
Community Participation and Social Engagement	<ul style="list-style-type: none"> Employees Communities 	<ul style="list-style-type: none"> Encourage social and community participation through voluntary activities. 	  



Human Resources Development	<ul style="list-style-type: none"> Shareholders Board of Directors Employees 	<ul style="list-style-type: none"> Strengthen capacity via training and career development. Reskilling and upskilling to be digital savy. 	
Employment Practice	<ul style="list-style-type: none"> Shareholders Board of Directors Employees Regulators 	<ul style="list-style-type: none"> Ensure fair treating to all employee. Ensure equal opportunity to all employee through diverse backgrounds, age, genders. Ensure healthy, safety workplace and environmental around and well-being for all employees. 	

Governance Aspect

Governance & Business Ethics	<ul style="list-style-type: none"> Shareholders, Board of Directors Customers Employees Business Partners/Suppliers 	<ul style="list-style-type: none"> Maintain highest standards of governance and risk culture. Adopt zero tolerance to bribery and corruption. Always comply with banking regulation and supervision and on time reporting. Build and maintain an ethical culture of integrity, transparency and accountability. Train to avoid misconduct. 	
Data Security and Customer Privacy	<ul style="list-style-type: none"> Shareholders, Board of Directors Customers Employees Business Partners Regulators 	<ul style="list-style-type: none"> Strengthen internal capacity to protect customer data and privacy. Build first-class IT services to support the bank business. 	
Risk Management	<ul style="list-style-type: none"> Shareholders Board of Directos Customers Employees Business Partners/Supplier Regulators 	<ul style="list-style-type: none"> Strengthen internal capacity to identify and management risk, Maintain strong risk managemeent governance and transparency. 	



ENVIRONMENTAL





ENVIRONMENT & CLIMATE CHANGE RISK

Environmental challenges and the deterioration of natural resources are global concerns that impact all countries, particularly is a significant issue since it causes natural disasters and has a direct impact on economic development, business, ecosystems, biodiversity, and human health. As a responsible banking institution, we address the emerging environmental and climate issues and pledge ourselves to environmental management and promote positive environmental impact within our operation.

The BANK recognizes its own roles and responsibilities to protect and prosper the planet and acknowledges that the risks of climate change could pose a direct and indirect impact to the BANK's business operations and the country's economy as whole. As a responsible BANK that takes environmental, social and governance issues into account, ACLEDA BANK is constantly developing indicators for measuring and reporting our performance and impacts on society and the environment.

The BANK is striving to reduce the greenhouse gas (GHG) emissions that are associated with our operations, while puts in place environmental and climate change management approach as follow:

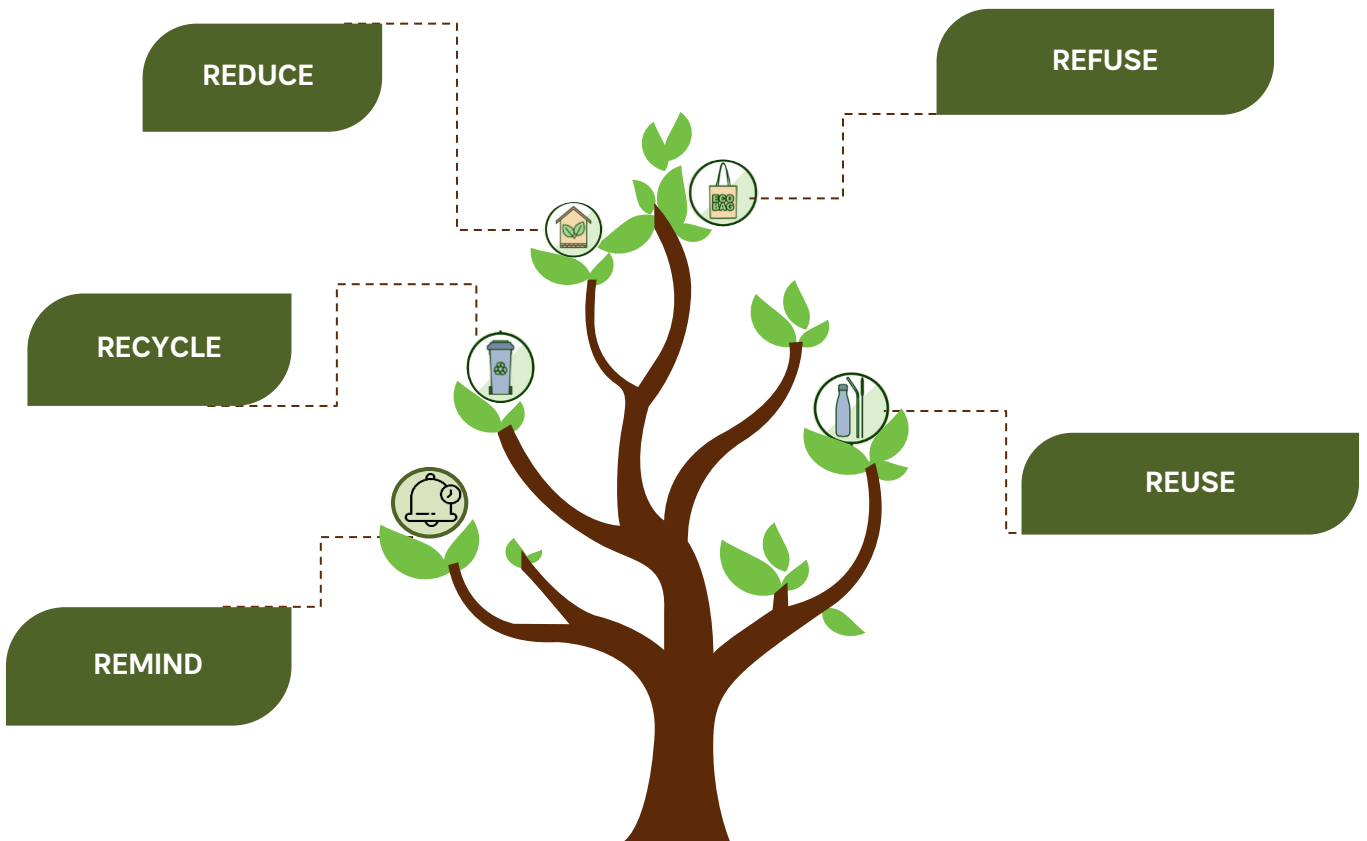
- ACLEDA BANK put in place the environmental, social and governance policy, environmental and social operating manual and procedure as framework and guideline for operating in a sustainable manner so that our impact on the environment, society and governance in which we operate is managed in a responsible way.
- The BANK put in place the Environmental and Social Management System (ESMS) and governance structure, policy, operating manuals, procedures and internal capacity resources to identify, manage, monitor and solve environmental risks posed by project/business operation being financed by the BANK.
- The BANK put in place exclusion, which is a list of prohibited business activities that are important to assess clients' business activities on their impact on the environment.
- The BANK join as member of the Sustainable Finance Committee of the Association of Banks in Cambodia and a voluntary bank that adopted the Cambodia Sustainable Finance Principles (CSFPs).
- The BANK integrates Cambodia Sustainable Finance Principles and its implementation guidelines into our sustainable finance approaches, practices, and decision-making processes.
- The BANK encourages the use of environmentally friendly and renewable energy sources.
- The BANK encourages green business by providing loans or financing, as part of promoting sustainable finance as well as managing climate change.
- The BANK has pledged to reduce greenhouse gas (GHG) emissions in accordance with the country's goals. Additionally, the BANK extended its greenhouse gas (GHG) data collection by including our subsidiaries.
- The BANK strives to reduce our environmental footprints by promoting working processes and operations that reduce carbon emissions, such as digitalization which uses less resources and leaves fewer environmental footprints, including video conferences, digital approval, sensor equipment etc.
- The BANK set out environment indicators as an essential tool for tracking our environmental performance.



- The BANK encourages all employees to participate in the implementation of the 5R principles “Refuse”, “Reduce”, “Reuse”, “Recycle”, and “Remind” of the Ministry of Environment aims to optimize the reduction of plastic pollution.
- The BANK promotes awareness on appropriate electricity consumption, such as turning on and off lights, air conditioners, and other electrical appliances based on operational time.
- In addition to our effort to lower environmental impacts and GHG emissions, ACLEDA Mobile, with its rich features and convenient for customers to use also contributes in reducing customer travel to the BANK's offices as well as less paper usage.
- The BANK continues to engage with our regulators, shareholders, clients and communities in order to build trust, and meet regulatory requirements.



5R To Reduce Plastic Waste





Building Climate Resilience

ACLEDA BANK recognizes that its operations can pose direct and indirect impacts on the environment and climate through operational activities and financial activities. The BANK’s objective is to responsibly manage the environmental and climate risks associated with its operations in order to minimize negative impacts on the environment and climate. The direct impact comes from our energy consumption, waste generation, and resource use, while the indirect impact arises from the lending and investment decisions, particularly in terms of lending to high-carbon sector versus supporting sustainable projects.

It is crucial for businesses to proactively manage and mitigate these risks by integrating environment and climate change considerations into their strategic planning and operations. The BANK conducts a climate-related risk assessment in order to identify external and internal risks and opportunities that have an impact on our management, and reflects the results in our business operations. It assesses not only the impact that sustainability and climate-related factors may have on the company, but also the impact that corporate business operations may have on economy, society and the environment.

Identification of Climate-related Risks and Opportunities

The negative effects of climate change and the shift towards a lower carbon economy might have significant financial impacts, which would affect our business both directly and indirectly. Climate-related risks can significantly amplify traditional banking risks, including credit, market, liquidity, operational, and reputational risks. The BANK integrate climate-related risks into risk management processes to ensure that the risks are effectively identified, assessed and mitigated.

- **Transition risks** are risks arise from process of shifting towards a low-carbon economy. This risk include policy, legislation, technology development, investor and consumer sentiment changes, reputational risks that could result in financial and non-financial impacts.
- **Physical risks** are risk arise from climate-related events, it can be acute (driven by an event such as a flood or storm) or chronic (arising from longer-term shifts in climate patterns), which could result in increasing financial risks including damage to assets, interruption of operations, and disruption to supply chains.





Climate-Related Risk

	Categories	Risk	Impact on the Business
Physical Risks	Acute	<ul style="list-style-type: none"> - Increase of extreme weather events such as droughts and floods that tend to occur more often and with increased severity 	<ul style="list-style-type: none"> - Increase credit risk - Direct impact to assets, financials, earnings or reputation. - Interrupt business operation - Increase costs and expenditures for prevention of and recovery from impacts of natural disasters.
	Chronic	<ul style="list-style-type: none"> - Change in precipitation patterns and weather pattern - Rising mean temperature - Rising sea level 	<ul style="list-style-type: none"> - Increase credit risk - Direct impact to assets, financials, earnings or reputation. - Decrease revenues from lower sale/output - Make-off and early retirement of existing assets (e.g. Damage property and assets)
Transition Risks	Policy and Legal Risk	<ul style="list-style-type: none"> - Non-compliance with laws or regulations - Enhancement of sustainability reporting obligation - Exposure to litigation 	<ul style="list-style-type: none"> - Increase indirect operating cost
	Market Risk	<ul style="list-style-type: none"> - Change of consumer behaviors resulting in changes in demand and supply - Consumers considering environmental and global warming issue as another factor in their buying decisions 	<ul style="list-style-type: none"> - Decrease asset value or asset useful life - Affect sales of goods that cannot keep up with such trends, leading to financial problems
	Technology Risk	<ul style="list-style-type: none"> - Technology development in transition to low greenhouse gas emissions - Unsuccessful investment in new technology - Costs of transition to lower emission technology 	<ul style="list-style-type: none"> - Costs to adopt/deploy new practices and process - Need more funds for research and development
	Reputation Risk	<ul style="list-style-type: none"> - Shift in consumer preferences - Increased stakeholder concern or negative stakeholder feedback 	<ul style="list-style-type: none"> - Decline confidence of stakeholders - Reduce the capital availability



Climate-Related Opportunity

Categories	Types of Opportunity	Opportunity on the Business
Resource Efficiency	<ul style="list-style-type: none"> - Increase of the energy and resource efficiency use such as water recycling, energy-saving devices - Expansion of construction of green buildings 	<ul style="list-style-type: none"> - Reduce operating cost through the enhancement in energy efficiency and minimize greenhouse gas emissions - Improve employees' quality of life and livelihoods
Energy Resources	<ul style="list-style-type: none"> - Increase in the use of green energy sources (renewable energy) - Expansion of low-carbon technologies 	
Products/Services	<ul style="list-style-type: none"> - Increase in customer preference for green products - Development of green financial products and services - Development of products that can minimize impacts of climate changes 	<ul style="list-style-type: none"> - Generate income from financial products and services in support of environmentally friendly businesses - Expansion of business opportunities - Attract Investment
Market	<ul style="list-style-type: none"> - Diversify business portfolio - Creation of new market with products and services that are related to climate change 	
Resilience	<ul style="list-style-type: none"> - Enhancement of energy efficiency/resource diversification - adaptation to climate change 	<ul style="list-style-type: none"> - Review the business strategies to focus on management of the environment and climate conditions - Analyze the sustainability & climate-related risks and business opportunities

Climate Risk Analysis

Climate change not only poses risks to economic and financial stability, but also presents opportunities for growth. Analysis of climate risk helps the BANK better understand the risks and opportunities associated with climate change. The outcomes of these tests will assist us in developing preventive or corrective measures that will aid the BANK in addressing the risks posed by these climate-related risks.



From a risk management perspective, the risk associated with climate-related risks are spanning across different time horizons, which defined as below:

- Short term (0 to 5 years)
- Medium term (5 to 15 years)
- Long term (Over 15 years)

- **Short term:** the main risks are associated with transition to low carbon (e.g. changes in legislation and regulation, changes in technology). For instance, the capacity of the BANK and customers to achieve the transition to a low-carbon economy. ACLEDA BANK sees opportunities supporting our clients by financing to them and the potentially increasing our financing towards green industries (e.g. renewables energy).
- **Medium term:** the risks stem from the fundamental change in business models, the emergence of new technologies, and ongoing regulatory updates, which may increase risks from a physical perspective. Challenges will be presented by both physical and transition risks. Moreover, technology risks could advance if energy efficiency version is outdated.
- **Long term:** Physical risks are main challenges due to their effects on customers' business models and supply chains, and consequently on their capacity to mitigate and ensure that repayment capacity is not adversely affected. Numerous long-term analyses point to significant losses in the event of an uneven climate transition such as flood, drought, heatwave etc. while it brought huge impact to the client and the BANK's business. For instance, climate change will influence food production via direct and indirect effects on crop growth processes while it expected to damage key staple crop yields. Meanwhile, it would impact the BANK in the way of increased operating costs, credit risk, and business disruption etc.



Climate Risk Management

Climate risk management is a key component of our overall response to climate change. The BANK has considered climate-related risk aspects within its analysis exercise, for examples, the credit risk related to the climate change results from the rising of global temperature and its impact on loan portfolios. We respect the international conventions, which prohibit the provision of credit to, or otherwise support, any activities which might harm the environment, be morally offensive or threaten human rights. Moreover, the BANK adopts preventive or corrective actions to mitigate these risks by integrated the ESG frameworks or policies into business and operational perspectives, particularly in the credit assessment to ensure that the BANK is equipped with the necessary strategies and mitigation plans to manage climate-related risks.

E&S Management System:

- 1- Roles and Responsibilities: Separate roles and responsibilities as credit officer, Environment Unit, Environmental and Social Coordinator, Environmental and Social Manager.
- 2- Every loan is required to be screened against ACLEDA's Exclusion list, ACLEDA E&S Operating Manual and Procedure (E&S Performance Standards) and other requirements from lenders; and
- 3- E&S Teams: For the corporate and/or small & medium enterprises with high E&S risk category, E&S teams with support from E&S coordinator will conduct due diligence and make recommendation to E&S Manager then E&S Manager makes recommendation to Management Credit Committee for final decision.

Loan Assessment:

- 1- Every loan is assessed and prepared by loan officer; and
- 2- Credit Analysis Officer independently verify and/or conduct separate analysis then recommend to approval authority for loan decision;
- 3- Approval Authority: Review and make final decision.

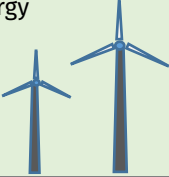






Approval Authority:

Decentralized/delegated to management level based on experience, loan performance and loan size.

Furthermore, the BANK not only actively working to reduce our contribution to climate risk events by reducing the emissions associated with our operations and financing activities, but we also have taken efforts to mitigate our environmental impact and efficiently manage our natural resources use.



Green Eligible Project Categories

Eligible Green Project Criteria	Subcategories
<p>Renewable Energy</p> 	<p>Finance the development, construction and operation of facilities that generate renewable energy including (i) solar energy including Concentrated Solar Power (CSP) and Photovoltaic (PV) projects, (ii) wind energy, (iii) biomass energy where the waste-based residue is from livestock, (iv) waste to energy where the majority of recyclables have been segregated before energy conversion i.e. waste prevention and recycling, (v) hydropower, and (vi) energy storage.</p>
<p>Green Buildings</p> 	<p>Finance the acquisition, development, and construction of residential and commercial properties and logistics facilities or refurbishment/retrofit of existing buildings certified by a third party as green buildings Certification schemes eligible for the allocation of proceeds including LEED (Gold or above), BREEAM (Excellent or above), and EDGE (EDGE Certified or above).</p>
<p>Energy Efficiency</p> 	<p>Finance the installation, operation, and support services to the energy conservation equipment, including, but not limited to LED lighting, efficient HVAC (heating, ventilating, and air conditioning), building insulation and energy demand control systems which improve energy efficiency.</p>
<p>Clean Transportation</p> 	<p>Finance the clean energy vehicles as well as public transportation facilities including electric or hybrid vehicles (motorbikes, motor tricycles, and cars), electric vehicle re-charge station.</p>
<p>Sustainable Water and Wastewater Management</p> 	<p>Finance the construction or operations of clean water treatment plants and water connections to home and finance the purchase and installation of products or technologies that reduce water consumption in office buildings including installation, operation and support services related to water, clean water and/or drinking water infrastructure construction and maintenances, waste water treatment, sewages and drainage systems.</p> <p>Finance the expenditures related to small scale dam/waterway and irrigation system.</p>
<p>Climate Change Adaptation</p> 	<p>Finance the installation, operation, construction of flood and drought protection including building water reservations and big scale dam/waterway/ irrigation system. This big scale is required to have vulnerability assessment and adaptation plans in place.</p>
<p>Pollution Prevention and Control</p> 	<p>Finance the waste collection and recycling facilities, including waste collection which supports source segregation of waste, waste collection vehicles which aligned with Clean Transportation category, mechanical recycling of waste, separating and recycling the waste into souvenirs/handicrafts. The recycling of e-waste and chemical recycling of waste are excluded.</p>

Source: ACLEDA BANK PLC's green loan operating manual



OUR ENVIRONMENTAL PERFORMANCE

In response to the environmental and climate change issues that have progressively impacted people as well as companies, we have regularly improved our environmental sustainability initiatives not only within our own organization but also by helping our stakeholders and customers in implementing activities that benefit the surroundings environment and the communities where we operate. Furthermore, the BANK also actively working to reduce our contribution to climate risk events by reducing the emissions associated with our operations and financing activities.

In order to establish baselines for the measurement of our efforts to reduce our environmental impact, ACLEDA BANK has established environmental key performance indicators (KPIs) as an essential tools for tracking environmental progress, supporting policy evaluation and informing the public. It will help the BANK manage and communicate the links between environmental and financial performance. The operating results have been monitored to attain the established objectives.

Resources Efficiency

The BANK commits to enhance the efficiency of resources consumptions in our business operations and effectively management. The BANK continues to monitor and improve the efficiency of energy consumption, water resources and waste management and raise awareness of resources conservation to stakeholders.



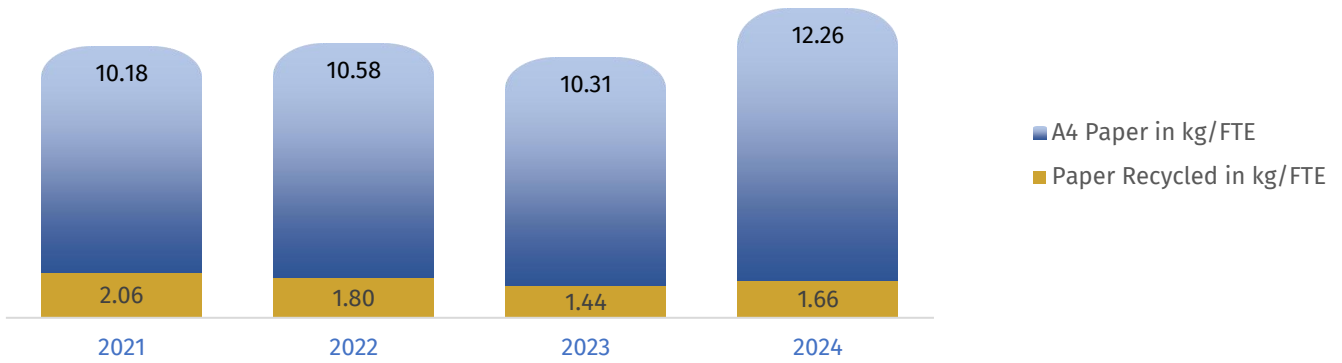
Paper Consumptions

ACLEDA BANK has adopted practice of digital platform to optimize our work processes such as digital request and approval, e-signature and e-stamp with the aim of reducing paper use from printing. The BANK also encourages all employees to print documents only when necessary and use both sides of the paper.

In 2024, the paper (A4) consumption increased to 147,761 kg of which paper usage per employee increased by 19% to 12.26 kg/FTE compared to 2023 due to the BANK continues to expand its operations to meet the needs of customers. Bank is heavily regulated and required to maintain extensive paper documents and records for legal & compliance and auditing purpose. This includes customer supported documents & agreements, transaction records, and financial statements. Moreover, some customers still need paper documents & statements, receipts, and other documents. However, the BANK is increasingly implementing digital solution to simplify the operation and reduce consumption as well as promoting paperless awareness among all employees in order to reduce the paper usage.



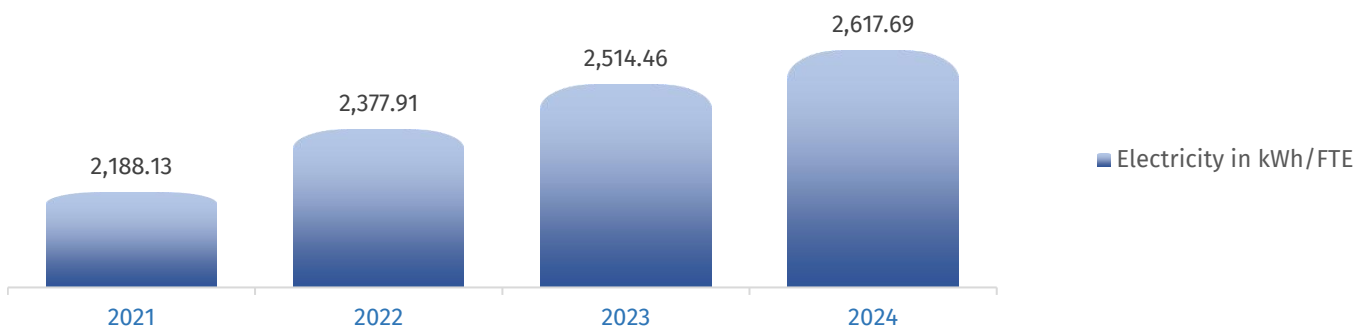
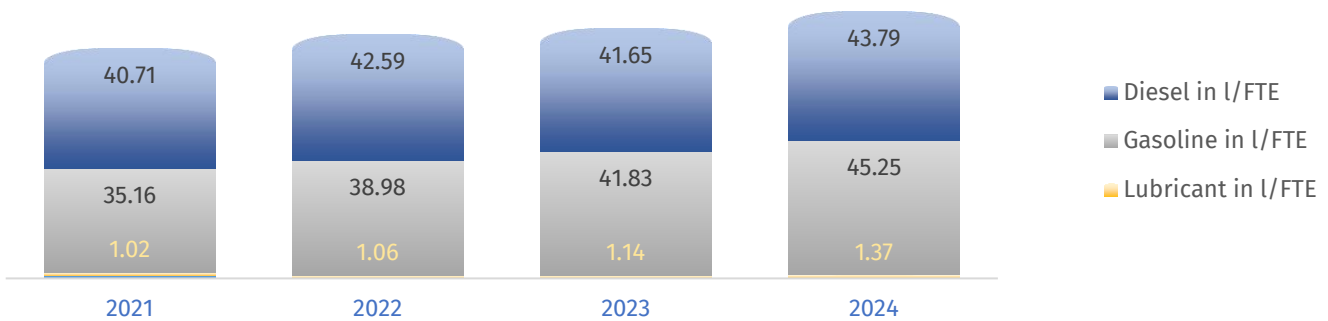
Meanwhile, in 2024 waste paper recycled increased by 15.24% to 1.66kg/FTE compared to 2023 due to the fact that the BANK has improved waste segregation and recycling in all branches and offices.



Energy Consumptions

The BANK has prioritized energy management and process enhancement by establishing tracking performance. The BANK energy-saving initiatives were designed aim to increase awareness to all employees and reduce energy consumption in the BANK's daily operations.

In 2024, the electricity consumption per employee increased by 4.11% compared to 2023 due to the BANK has extended its operation hours, offices and digital self-service banks to serve customers for conveniences way. The BANK believes that this extension and increase is offset by the reducing of customer's travel distance to the BANK's office. Gasoline and diesel per employee increased by 8.19% and 5.15% respectively due to the increase of front office staffs' travel to approach and conducts on-site support customers and merchants. By all means, the BANK tries to raise awareness to all employees on energy conservation, introduces digital solution to support customers and uses alternatives of transportation such as EV cars. We do hope these would reduce emission in our operation.



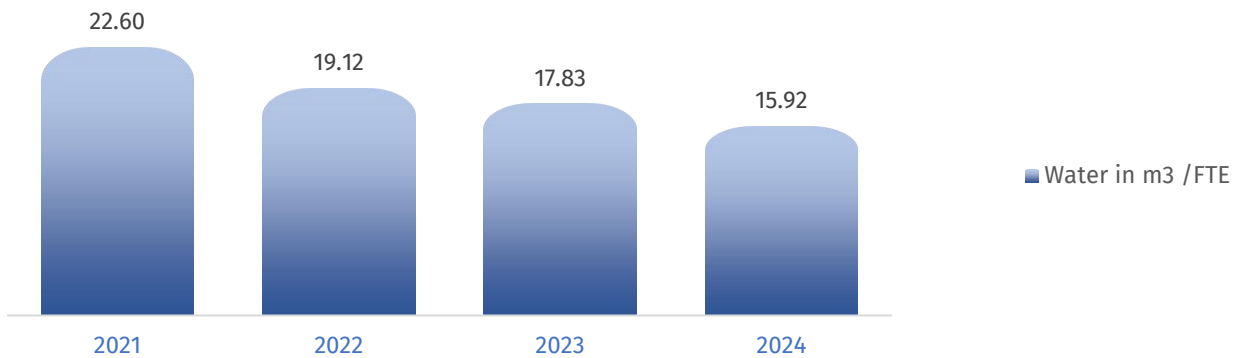


Water Consumptions



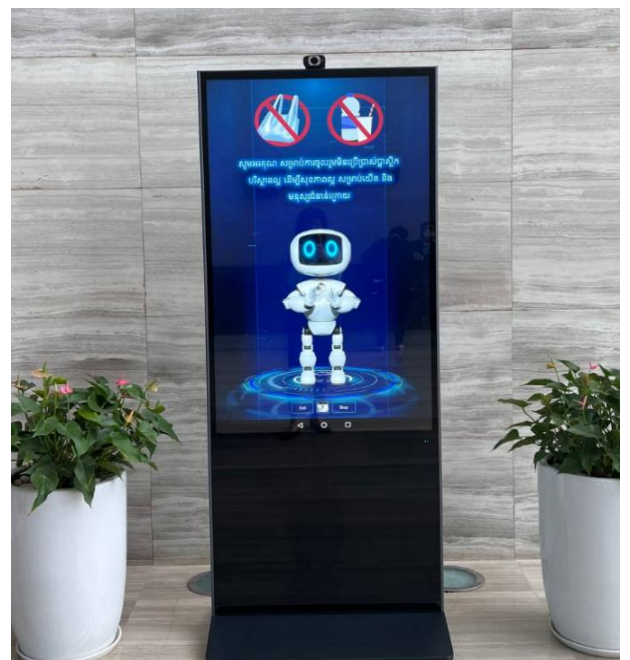
By recognize the significance of water management in our pursuit of sustainable business operations, the BANK optimize the use of its resources and efficiently control water usage in the operation.

In 2024, water consumption per employee decreased 10.71% compared to 2023 due to the fact that the BANK keep pursuing a water conservation effort by installing advanced water-efficient technologies such as water sensor tap as well as monitor/check to make sure there is no water supply pipe leaked, damaged and broke. Moreover, the BANK raise awareness and encourage all employees to save water by explaining and guiding on the impacts of wasting water to the environment.



Waste Management

The BANK always provide knowledge and awareness on a regular basis about waste management to all employee, as well as encouraging them to participate in environment protection and waste management through the 5R principles (Reduce, Refuse, Reuse, Recycle, and Remind). To reduce the plastic waste, this year, the BANK has replaced single use plastic drinking water bottle with reusable drinking water bottles.



Total Waste in 2024:

Solid Waste : 199,693 kg

- Solid Waste /FTE : 16.57 kg

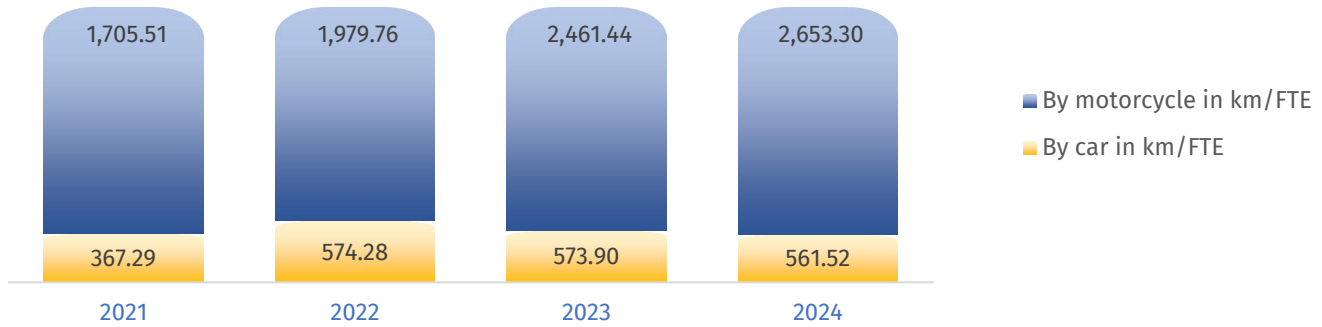
Plastic Waste : 23,094 kg

- Plastic Waste/FTE : 1.92 kg



Business Travel

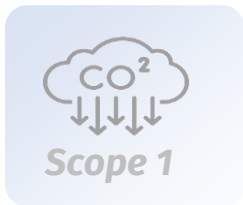
In 2024, the total distance travelled by car decreased by 2.31% to 6,765,135 km, while motorcycle travel slightly increased by 7.62% to 31,966,943 km compared to 2023 due to the economic resumption and the increased travelling for onsite client visit and support. Meanwhile, in 2024 total distance for air business travel recorded at 227,319 km.



Carbon Footprint

ACLEDA BANK has carried out a carbon footprint assessment by collecting information on the BANK's greenhouse gas emissions resulting from its business activities. Since 2005, carbon emission has been disclose publicly. From 2023, the scope of collecting and calculating carbon footprint data was extended to cover all ACLEDA BANK and its subsidiaries. In 2024, the BANK continue to extend its effort by starting to record and disclose information on business travel by air of scope 03. The expansion demonstrated the BANK's commitment and diligence in thoroughly gathering data on greenhouse gas emissions that accurately represent all actual aspects.

ACLEDA BANK's GHG Emission



- In 2024, ACLEDA BANK have observed an increase in Scope 1 GHG emission to **3,131** tCO₂e. This increase is due to the expanded of several existing facilities as well as the growth of our services required more frequent use of our vehicle fleet to support clients and operational needs. However, this is offset by the reducing of customer's travel distance to the BANK. Scope 1 GHG Emission Intensity **0.23** tCO₂e/employee.



- In 2024, GHG emission of Scope 2 has slightly increased to **21,858** tCO₂e as the BANK has extended the operating hours and self-service banks. Scope 2 GHG Emission Intensity **1.62** tCO₂e/employee.



- In 2024, GHG emission of Scope 3 (Business Travel) was recorded at **62.83** tCO₂e.



Environmental Performance

Energy Consumption	2021	2022	2023	2024
Lubricant in lite	12,328	12,868	13,812	16,484
Lubricant in l/FTE	1.02	1.06	1.14	1.37
Gasoline in lite	423,897	471,473	504,757	545,233
Gasoline in l/FTE	35.16	38.98	41.83	45.25
Diesel in lite	490,893	515,140	502,533	527,596
Diesel in l/FTE	40.71	42.59	41.65	43.79
Electricity in kWh	26,382,322	28,760,800	30,341,986	31,537,935
Electricity in kWh/FTE	2,188.13	2,377.91	2,514.46	2,617.69
Renewable Energy kWh	-	-	-	49,430
Energy Produced	2021	2022	2023	2024
Total Energy Produced in kWh	-	-	-	551,735
Renewable Energy Produced in kWh	-	-	-	49,430
Business Travel	2021	2022	2023	2024
By air in km	-	-	-	180,671
Air Travel CO2 emission (t-CO2e)	-	-	-	62.83
By car in km	4,428,419	6,946,102	6,925,289	6,765,135
By car in km/FTE	367.29	574.28	573.90	561.52
By motorcycle in km	20,563,305	23,945,162	29,702,243	31,966,943
By motorcycle in km/FTE	1,705.51	1,979.76	2,461.44	2,653.30
Water consumption	2021	2022	2023	2024
Water Consumption in m ³	272,518	231,197	215,177	191,828
Water in m ³ /FTE	22.60	19.12	17.83	15.92
Waste Water Generated in m ³	-	-	-	191,828



Paper Usage	2021	2022	2023	2024
A4 Paper Usage in kg	122,724	127,920	124,360	147,761
Paper in kg/FTE	10.18	10.58	10.31	12.26
Waste paper recycled in kg	24,812	21,813	17,381	19,998
Waste paper recycled in kg/FTE	2.06	1.80	1.44	1.66

Waste	2021	2022	2023	2024
Solid Waste in Kg	-	-	-	199,693
Solid Waste in Kg/FTE	-	-	-	16.57
Plastic Waste in Kg	-	-	-	23,094
Plastic Waste in Kg/FTE	-	-	-	1.92
Proportion of Waste Recycled (%)	-	-	-	8.24

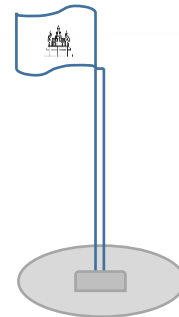
Emission of CO2	2021	2022	2023	2024
Scope 1 (t-CO ₂ e)	2,339	2,522	2,964	3,131
Scope 2 (t-CO ₂ e)	15,190	16,642	20,866	21,858
Total GHG Emission	17,529	19,164	23,830	24,989
GHG Emission Scope 01 & Scope 02 (t-CO ₂ e) /FTE	1.45	1.58	1.77	1.86
Scope 3 (t-CO ₂ e)	-	-	-	62.83

Remark:

- ACLEDA Bank Plc. (ABC), ACLEDA Bank Lao Ltd. (ABL), ACLEDA MFI Myanmar Co.,Ltd. (AMM), ACLEDA University of Business (AUB).
- GHG emissions under Scope 1 are direct emission from the BANK activities and operations such as fuel combustion from volume of gasoline or diesel consumption for BANK's generators and vehicles.
- GHG emission under Scope 2 are Indirect GHG emissions from the generation of purchased energy consumption. The emission factor for purchased electricity has been changed in accordance with the grid emission factor of the Ministry of Environment. We have updated our Scope 2 emissions data for 2023 due to adjustments to the data initially reported. The revised figures reflect more accurate information.
- CO2 emissions scope 01 and scope 02 above for 2021 and 2022 are for ABC only, and from 2023 are for the group.
- GHG emission under Scope 3 are other indirect emission for category 06- business travel by airplane and it covered for ABC only.
- The data of paper usage, energy consumption, renewable energy consumption and produced, water withdrawn, business travel, and waste have been updated by included DR-Site with ABC.
- In 2020, 2021, 2022, 2023 there were no energy produced, renewable energy and waste disclose yet.
- There was no disclosure about wastewater recycling/ treatment because the BANK considered such information not material and non-availability of data and resources.
- FTE (Full Time Employee Equivalent) is based on average number of employees in 2024.



SOCIAL





CUSTOMER PROTECTION

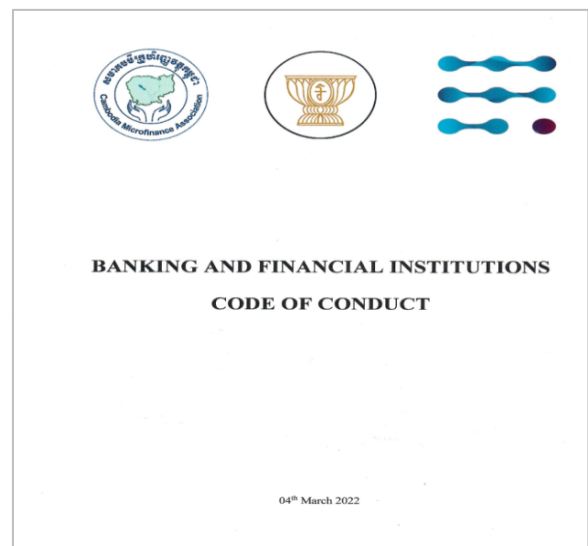
At ACLEDA BANK, we recognize that our commitment to sustainability extends beyond environmental stewardship, it includes the protection and well-being of our customers. We are dedicated to ensuring that our products and services not only meet the highest quality and safety standards but also align with our sustainability goals. Customer protection is prioritized at every stage, including product and service development, sales, customer service, and complaint resolution and the impact of our offering to ensure a safe and reliable financial experience for the customers. Moreover, we actively engage with our customers to understand their needs and concerns, ensuring that their voices are heard in our decision-making processes.

ACLEDA BANK's maintains sustainability growth due to its adherence to the principles of law, environmental, social and strong governance, and its focus on triple bottom lines: people, profit and planet as stated in our vision and mission. In order to ensure the protection of our customers' interests, we have established policies, procedures, and provisions that govern our banking services, including:

BFI's Code of Conduct

To contribute toward a financial system that is robust, inclusive, consumer-oriented, and most trust-based, ACLEDA BANK committed to adhering the banking and finance code of conduct issued by the Association of Banks in Cambodia (ABC) to set out ethical standards of responsible practices for the Banking and Financial Institutions (BFIs) in Cambodia in dealing with consumers. Moreover, the BANK treats customer fairly, aims to safeguard consumer interests, and addresses the different demands of its clients.

The code covers on 1) Enhancing Good Governance, 2) Roles of Board and Executives, 3) Awareness Raising and Training, 4) Responsible Financing, 5) Conflicts of Interest, 6) Availability, 7) Accountability and Reliability, 8) Responsibility and Transparency, 9) Privacy and Consumer Data, 10) Service Standards, 11) Information, 12) Guarantee, 13) Advertising, Marketing and Sale, 14) Ethics, 15) Debt Collection, 16) Aggressive Selling Techniques, 17) Product and Service Design, 18) Discrimination, 19) Channel Communication, 20) Dispute Resolution for Consumers, and 21) Dispute Resolution for Banking and Financial Institutions.



Responsible Lending

By adhering to responsible lending practices, integrating ESG factors into the operations and decision-making processes is essential to protecting customers. This integration is to ensure transparency, accountability and ethical practices while considering environmental and social impacts.

The BANK has officially promulgated Environmental, Social and Governance Policy (ESG Policy), Credit Policy, and Exclusion list for lending in accordance with the principles of sustainable finance in Cambodia. It outlines a general approach to managing social and environmental impacts. Moreover, since 2013, Environmental and Social Operating Manual and Procedure has been established for the purpose of providing framework of guidelines to staff involved to identify, assess and manage possible E&S risk.



Environmental and Social Impact Assessment Process

The assessment of the E&S impact breakdown into four levels as below:

Level 1

ACLEDA's Exclusion Lists Screening

At an initial stage of inquiry, the credit officer will apply for the ACLEDA's Exclusion List for reviewing the target client's business activities to be financed by the BANK. If the target client involves any activity on the Exclusion List, the target client will be informed and further consideration of financing should be terminated.

Level 2

Environmental & Social Performance Standard/Screening

Credit Officer required all loans to be checked and screened on site regarding the client's business activities to comply with E&S Performance Standard to avoid of environmental significant impacts as set forth above.

Level 3

Verification Compliance with National E&S Laws and Regulations

After the target clients have passed the ACLEDA's Exclusion List and PS screening, a legal compliance verification will be carried out for the corporate and/or Small & Medium Enterprises with high E&S risk category to be financed by the BANK.

Level 4

Level 4- High E&S Risks Screening

Environmental and Social Impact Assessment on the business activity or project will be additionally screened for high E&S risks by using 2-Filter Screening system. The outcome of 2-Filter Screening will be one among three situations below:

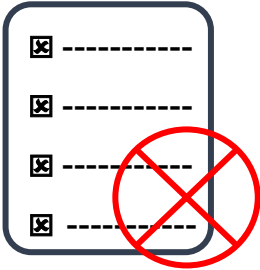
- No significant E&S risks
- Further E&S risks assessment is needed
- E&S risks too high

Where the potential clients are identified for E&S risks is too high, the target client will be informed, and further consideration of financing should be terminated.

The BANK requires, at the minimum, that all loans must be checked and screened to comply with ACLEDA's Exclusion list. Where avoidance of environmental impacts is not possible, the BANK seeks to engage with its clients to minimize such risks and impacts.



Exclusion List



Our responsible financing policy prohibits our financing of companies

- Business activities that directly or indirectly cause environmental and social risks and impacts such as deforestation, causing severe flood, drought, and biodiversity loss, hazard chemical producing, water waste etc.
- Business activities that affect labor and working conditions and community health, safety and security such as human trafficking or illegal labour, child labour, exploitation, and working in a dangerous environment etc.
- Business activities that consume resource efficiency and pollution such as large volume of water, power/electricity, papers, GHG emission, CO₂, water pollution, and ground water contamination etc.
- Business activities that could cause land acquisition and involuntary resettlement such as the land dispute, land loss and loss of right on the land or loss of opportunity to get benefit from the land etc.
- Business activities that could affect biodiversity conservation and sustainable management of living natural resources etc.
- Business activities that could cause the loss of cultural heritage and indigenous people.

Ethical Lending and Solving

As part of responsible financing, ACLEDA BANK recognizes our important role in helping customers manage their finances and debt by providing them with practical guidance and solutions tailored to their circumstances. All loans are assessed on the borrower's ability before being offered to them. There is absolutely no provision of loans with exploitative terms such as extremely high interest rates or introduction of loans to customers that exceed the customer's ability to repay to ensure that customers do not fall into a situation of excessive debt.

The BANK has clear policies, procedures, and mechanisms in place to communicate with customers on this issue. In addition, all of the BANK's loan officers are regularly trained on the policies, procedures, processes, and practices to communicate and resolve all loan issues with customers in an ethical and professional manner.

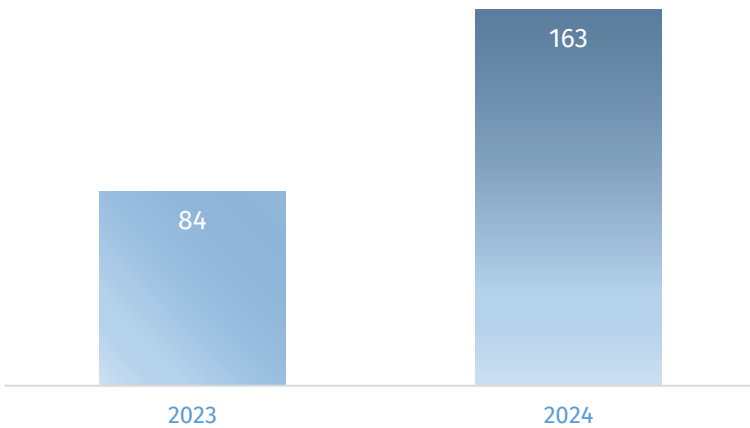
Complaint Management

The BANK offers a variety of complaint channels in order to ensure that customers and other stakeholders can easily access. ACLEDA BANK's official website, call center, social media channels, and offices are alternatives choices for customers to submit. Each complaint will be formally recorded, acknowledged, responded and followed-up. Head of Complaint Management Centre has full responsibility to manage and solving the day-to-day affairs of the BANK within the framework of the policy and regular report about complaints to the Executive Committee and the Board of Directors.

For 2024, ACLEDA BANK received 163 customer complaints in total, all of which were satisfied to close and drop because of the BANK has been providing customers with effective solutions and information concerned to its products and services in a professional and timely manner.



Customer Complaint



Compared to the previous year, customer complaint increased by 41% due to the increased complaint related to E-banking as the BANK keep moving to digitalization. However, in order to effectively handling customer complaints and reducing the number of complaints that have arisen to a minimum in accordance with the operating manuals, procedures and instructions, ACLEDA BANK PLC. has set forth the following recommendations and actions such strengthened all relevant teams to improve the effectiveness and efficiency of the E-banking operational system management.

Complaint Mechanism

(Every working day from 7:30 to 16:30)

- Tel: 015 888 654
- E-mail: cmc@acledabank.com.kh

24-hour customer service

- Tel: 023 994 444, 015 999 233
- E-mail: inquiry@acledaBANK.com.kh
- Visit the nearest ACLEDA BANK Plc. Branch
- Fulfill the "[CUSTOMERS' COMPLAINT](#)" form



Moreover, in order to improve the BANK's services, in 2024, the BANK has conducted survey on customer satisfaction twice by separated into products and services and service quality. The survey result shown that around 90% on average of all respondent customers are satisfied with ACLEDA BANK's products/services and around 88% satisfied with service quality, which served at banking halls across the country. On the other hand, customer's dissatisfaction are mostly less than 1%.





FINANCIAL INCLUSION & LITERACY

Financial inclusion is important priority of the country in terms of economic growth and advancement of society. If general public is limited or has no access to financial services, they may shift toward the non-formal loan system which would cause them to have or be vulnerable with excessive household debt. With its reputation of offering superior banking services, ACLEDA BANK offers a comprehensive suite of financial services such as credits, deposits, funds transfers, cash management, trade finance, ACLEDA card, credit and debit card, and digital services including internet banking, ACLEDA mobile (mobile banking app), e-commerce payment gateway, ACLEDA ATM/POS, and term deposit machine. With the support of its digital infrastructure and physical offices, the BANK is efficiently reaching out to assist farmers to manage their farmland or provide working capital for micro, small & medium enterprises (MSMEs).

By recognizing the importance of ensuring that everyone has equal access to financial services, which is not only a matter of social responsibility, but also the crucial roles and responsibilities of the BANK in reducing inequality by providing opportunities and fostering Cambodia's economy in the future. The Environmental, Social, and Governance policy was established by incorporating the principles of financial inclusion as part of social responsibility with the following concepts:

Increasing Outreach

The BANK keeps opening up banking services to new communities in new locations by expanding our network in the provinces and extending online banking services and ensuring that all can access banking services. Moreover, we also provide appropriate products and services, which were carefully selected and developed for the particular needs of Cambodian society.

In order to serve a wider range of clients, ACLEDA BANK maintains physical presence in easily accessible locations and has also extended its operational hours.

- With 265 branches office nationwide to provide excellent services with a hearted smiling and professional manner.
 - 07 branches open from 7:30 AM to 7:00 PM from Monday to Friday (excluding public holidays)
 - 03 branches in AEON 1, 2, 3 open daily from 9:00 AM to 7:00 PM from Monday to Sunday, including public holidays.
- ACLEDA BANK's Self Service Banking at 206 locations, equipped with ATM 1,486 machines that enable customers to do transactions 24/7, around Phnom Penh and provinces with services in both Riel and Dollar.
- Moreover, an electronic machine for using with KHQR, GLN QR, ACLEDA cards and other banks' card to pay goods or services instead of cash safely and conveniently.





Financial Services

The BANK commits to maintain our focus on providing financial services to the lower segment of society to provide them with the wherewithal to improve the quality of their lives. The BANK also commits to create better and more appropriate financial access channels for all segments of the community by leveraging innovations and technologies that promote efficiency and improve financial access anywhere, anytime.

The BANK has worked closely with SMEs and provided them with a wide range of financial products, in particular a convenient and safe E-banking service (EBS) and digital services to meet their needs. Moreover, ACLEDA BANK has mostly financed MSMEs to take part in the sustainable development of MSMEs at large. The BANK promotes sustainable economic growth and job creation by providing financial access to all segments of the community, including agriculture, housing, student, and personal loans.



As the end of December 2024, the BANK total outstanding loans stood at US\$6,898.25 million, of which 256,648 clients were women equaled to 55.82% of total loan clients.



Loan to Agriculture

173,011
Customers

US\$1,412.43 million

Equaled to 20.48% of total Loan



Housing Loan

4,924
Customers

US\$161.15 million

Equaled to 2.34% of total Loan



SMEs Loan

329,037
Customers

US\$4,886.18 million

Equaled to 70.83% of total Loan



Loan to Woman

256,648

Customers

US\$3,396.90 million

Equaled to 49.24% of total Loan

At the end of 2024, we conducted an annual survey on our small-sized and medium-sized enterprise loan customers' living standards that get loans at least twice from ACLEDA BANK to test the impact of our credit services. The responses indicated that their income had generated higher as a result of credit provided by ACLEDA BANK. The BANK has taken these recommendations into account in order to improve the application and tailor our financial products to align with clients' income level and needs.

Develop New Products and Services

ACLEDA BANK is aware of how critical it is to build competitive capability in today's innovation- and technology-driven. Our efforts is to ensure that our new or updated financial product and service is designed to meet customers demands and provide them a convenience, reliable, security, and more environmentally friendly.

The BANK is developing a payment platform to enable licensed partners of all sizes, private & public sector, locally as well as internationally, to join forces in servicing its customers mutually and beyond borders. This will not only benefit to our valued customers directly but also their own business partners and recognizing that they are an important link for extending the BANK's outreach and growth together.

ACLEDA Mobile (Super App)

A FinTech Application provides a comprehensive financial service accessible through Smart Phone, enabling customers to do banking transactions from anywhere, anytime. ACLEDA Mobile (Super App) incorporates a safe and convenience feature such as account opening, funds transfer, cardless deposit or withdrawal through ATM and counter, QR payment, request loan, new term deposit, exchange rate as well as a variety of functions that facilitate the daily needs of customers. The digitized of ACLEDA mobile (Super App) has proved very popular in which the number of registered users has reached 4.22 million users as at the end of December 2024, all enabling the rapid circulation of money in the economy. Moreover, the BANK has introduced Cross Border QR Payment via Bakong, which is connected to regional countries such as Laos, Thailand and Vietnam.





ATM

ACLEDA BANK's ATM allow customers to operate banking services via ACLEDA cards and other banks' cards at any time (24 hours a day and 7 days a week) safely and conveniently. With the largest ATM network of 1,486 ATMs throughout Cambodia both in ACLEDA BANK's branches & offices and outdoor ATMs in supermarkets, universities, hotels, and companies, customer can access to their account and do various action such as cash withdrawal, mobile top up, transfers, balance inquiry and payment by using ACLEDA Cards.



INTERNET BANKING

ACLEDA Internet Banking is the most advanced technology which providing customer to online access banking services through desktop or laptop computers that are connected to the Internet at anywhere, anytime. It is fast, secure, reliable, and convenient to manage money wherever they are.

TERM DEPOSIT MACHINE

Term Deposit Machine is a Self Service Banking of ACLEDA BANK providing customers with term deposit opening and certificate printing by themselves at all times.

VIRTUAL TELLER MACHINE

Customer can open your bank account by yourself with Virtual Teller Machine (VTM) anytime and quickly at Self Service Banking of ACLEDA BANK. Customer can open the individual account through the VTM in KHR, USD, THB, and EUR.

ACLEDA CARD

ACLEDA Card is simply small, easy to keep in yourself and you can get ACLEDA ATM Card for free. ACLEDA ATM Card is issued by ACLEDA BANK to account holder to operate his/her account through ACLEDA BANK's ATM in Cambodia and Laos, and through ACLEDA POS anytime- 24 hours a day, 7 days a week. As of December 2024, ACLEDA issue 1.74 million card to customers.





Financial Literacy

ACLEDA BANK participates in programs to educate the public in financial matters so that they can manage their resources more effectively, improve their business skills. The BANK strives to promote and encourage saving culture by offered a variety of deposit products and systems with diverse combinations of liquidity and rate of interest tailored to the needs individual depositors, especially women depositors to provide them the tools resources and financial independence to make decisions that improve their economic and social status.

Moreover, by recognizing the importance of local currency in supporting longer-term economic growth, ACLEDA BANK has actively promoted the wider use of local currency as well as encourage customers to deposit in KHR, by offering preferred interest rates.



As of December 2024, ACLEDA BANK has 5.10 million deposit accounts with amount US\$8,140.62 million, in which 2.48 million deposit accounts is KHR with amount of KHR7.52 trillion, equaled to 22.96% of total deposit. Meanwhile, 2.75 million deposit accounts are women, equaled to 54.01% of total deposit accounts.

The BANK efforts to deliver a key message in order to promote financial literacy among students, customers, employees, and the general public which focused on the financial education for the next generation via Facebook, Tik Tok, Telegram, YouTube, Video Clip, and Radio channels.

- Financial literacy empowers people, especially women, to make independent decisions. It equips them with the knowledge to manage finances, understand investment opportunities, and navigate emergencies effectively. By improving financial literacy, individuals gain confidence in their ability to handle unforeseen circumstances. Therefore, ACLEDA BANK makes a video woman entrepreneurship financial knowledge sharing aim to share an experience and raising awareness from woman entrepreneur, financial management, and financial solution. This video has post publicly in ACLEDA's social media of which has reached to 42.50K view.



- To promote Cambodian youth's financial literacy and educational experiences through cultural exposure, which demonstrates the Cambodian banking sector's commitment to corporate and social responsibility. ACLEDA BANK has sponsored to 250 students to visit Preah Srey Içanavarman Museum (SOSORO) in order to discover the history of Cambodia's economy and monetary systems that focus on the strong interaction between money, economic and politics through history.





COMMUNITY PARTICIPATION & SOCIAL ENGAGEMENT

ACLEDA recognizes that playing our part as good citizens in the community in which we abide is vital to our mutual interests and prosperity. Social and community engagement are critical in creating a vibrant, diverse, and resilient society. It provides a foundation for individuals to develop a strong social bonds and feel a sense of belonging. Actively engaging in the communities of the BANK not only benefit society but also increasing social support, improving mental well-being, and gaining a better understanding of the community's challenges and opportunities.

- The BANK committed to promoting and contributing in preservation of rich diversity of Cambodia, indigenous, languages, its culture, traditions, and monuments for the benefits of future generations and ensure that the rights of minorities will be protected, be it in employment, access to banking services or providing services and supplies to the BANK.
- ACLEDA-Jardine Education Foundation was established on 04 May 2017 with the ultimate objective of providing all the children of Cambodia the chance of an education through the construction of infrastructure and school buildings in the remote area of Mondulkiri, Rattanakiri, Preah Vihear, Stung Treng, and Oddar Meanchey provinces. Over the seven years, ACLEDA-Jardine Foundation has built **12 school buildings** with **58 classrooms** and **1,400 students** at a cost of more than US\$800K. ACLEDA-Jardine Foundation is currently construct **03** more primary buildings, which will be completed in 2025.



Trapeang Pring Primary School

located in Chamraeun Village, Srae Sangkum Commune, Kaoh Nheak District, Mondul Kiri Province.



Leu Han Primary School

located at Leu Han village, Leu Kuon Commune, Bar Kaev district, Rattanak Kiri province.



- ACLEDA Institute of Business was established in 2016 to provide a comprehensive education in Banking and Finance to local and international students, graduates, professionals from outside organizations and the public. On 12 February 2024, ACLEDA Institute of Business was officially recognized as ACLEDA Business University "AUB". As of December 2024, AUB provides academic programs, training for external organizations and the public, and specialized training for ACLEDA BANK staff. AUB has delivered 64,671 training courses to 723,637 ACLEDA BANK staffs, conduct 830 training courses to national participants from other organizations and the public, and 169 international training courses to 1,961 participants across 31 countries. As of December 2024, AUB has 9,091 students enrolled in its academic programs. In order to encourage and promote higher education AUB provides 100% scholarship to 817 students, representing 8.84% of the total students.



- To assist the operations of Kantha Bopha Hospital, the Kantha Bopha Cambodia Foundation Support Committee of ACLEDA Bank Plc. was established to support, promote, appeal and inspire the mobilization of donations from employees at all levels of ACLEDA BANK PLC.
- The BANK also encourages social responsibility among employees, including volunteerism and community involvement such as blood donation, sport, and tree planting.
 - In September 2024, around 300 managers and employees of ACLEDA BANK participated in planting 200 trees in Siem Reap in an effort to strengthen climate resilience and promote environmental sustainability.
 - To promote the green environment and the natural protection, ACLEDA University of Business (AUB) had organized tree planting activities around AUB's campus for two time in 2024.



- On 10 November 2024, ACLEDA BANK employee and family participated the charity run under the theme "Run for Hope and Fun" that aim to support ACLEDA-Jardines Foundation's humanitarian action for the society.



- Collaborate with public, private and civil society such as the Cambodian Red Cross, Kantha Bopha Foundation, Samdech Techo Voluntary Youth Doctor Association (TYDA), National Blood Transfusion Center, Cambodia Football Federation, and Association of Banks in Cambodia to promote quality of lives and overall well-being.
- Participate in public education programs to provide knowledge, so that they can more effectively manage resources and improve their business skills.

The social and humanitarian activities that ACLEDA BANK PLC. contributed in 2024:

Charity

- Donation KHR 800,000,000 to the Cambodian Red Cross on their 161st anniversary of World Red Cross Day on 8 May 2024.
- Generous donation to the Raksa Koma Organization aim at promoting health, welfare and interest of Cambodian children from all background.
- Sponsor of the cycling for Cambodia children from Cambodia to Europe with Mr. Tiv Dararith (Travel with Rith).
- Sponsor to the 6th AIRAVATA Fundraising Gala Dinner.
- Sponsor to the Cambodian Children's Fund 20th Anniversary Celebration.



Education

- Platinum Sponsor of the Workshop on Dissemination of the Results of Safe Finance in Community Project on 8 October 2024.
- Sponsor of the employment forum and Workshop on "Preparing for a Career in the Digital Era" organized by the Ministry of Labour and Vocational Training and ACLEDA University of Business on 20 February 2024.
- Sponsor public schools students' visits to the Preah Srey Içanavarman Museum of Economy and Money (SOSORO), promoting the understanding of Cambodia's economic and monetary history, and highlighting the corporate social responsibility efforts of the Cambodian Banking sector.
- Sponsor the 2024 Job Fair and Career Guide organized by the Ministry of Labour and Vocational Training.
- Sponsor to the ASEAN Savings Day under the theme "The important of Savings at young age" on 31 October 2024.
- Diamond sponsor of the RULE's Education Fair 2024.



Sport & Health

- Sponsor of the "Cambodia Insurance Day 2024" organized by Insurance Regulator of Cambodia.
- Sponsor of the KKRC 2024 London Marathon organized by KK Running Club.
- Diamond sponsor of the AEON MALL FUN RUN on 10 November 2024 organized by AEON MALL to support ACLEDA-Jardines Education Foundation (AJF) in humanitarian activity to our sociality.
- Diamond sponsor of the Association of Banks in Cambodia's Cycling event under the theme "Cycling to Promote Khmer Riel and Sustainability of banking Sector".
- Sponsor to the Paddy Field Trail Running Experience 2024.



- In 2024, ACLEDA BANK organized one blood donation event in order to help patients in emergency situations. Over 670 ACLEDA BANK's management & staff nationwide voluntarily participated in the blood donation to the National Blood Transfusion Center to rescue all patients who need the blood transfusions.

Culture & Traditional

- Diamond sponsor of the Sangkran AUB at ACLEDA University of Business on 5 April 2024.
- Gold sponsor of the Sangkran Hun Sen Chumpuvorn High School on 04 - 07 April 2024.
- Sponsor of the Lakhon Khol Battambang Community Art Project by Den Selapak.



Sponsor Events

- Diamond Sponsor of the "Cambodia Stock Market Exhibition (My First Stock)" organized by Cambodia Securities Exchange (CSX) on 25-27 October 2024 at AEON MALL Phnom Penh.
- Diamond sponsor of the "March for a Mine-Free World" organized by Cambodian Mine Action Authority.
- Diamond sponsor of the Cambodia Banking Conference 2024 organized by the Association of Banks in Cambodia.
- Gold sponsor of the "Cambodia National Conference 2024" organized by Corporate Connections Cambodia.
- Gold sponsor of the "Beyond Borders: Bringing Cambodian Products to the Global Market thought Alibaba.com" organized by Ministry of Commerce.
- Gold sponsor of the "Entrepreneurial Ecosystem Day 2024" organized by Khmer Enterprise.



- Gold sponsor of the National Day of Science, Technology, & Innovation organized by the Ministry of Industry, Science, Technology & Innovation (STI) 2024 under the theme "SMEs go STI" on 24-26 March 2024 at Koh Pich Convention & Exhibition Center.
- Gold sponsor of the Pinnacle Entrepreneur Forum and ASEAN Women Entrepreneurs Network - Press Conference and Award Night.
- Main sponsor of the Construction Expo 2024 organized by Corporate Connections Cambodia.
- Premium sponsor to the National Bank of Cambodia to support the 44th Anniversary of the Reintroduction of Riel.
- Silver sponsor to the CWEA-Siem Reap of the Women for Everyone Forum under the theme "Women in the Role of Family, Business and Social Development" on 7 March 2024.
- Sponsor of the "8th River Festival 2024" under the theme "River for Peace and Development" organized by Ministry of Tourism on 15-16-17 March 2024 in Siem Reap Province.
- Sponsor of the "Cambodia-International Digital Government and Digital Technology Expo" organized by Ministry of Post and Telecommunications on 11-12 March 2024.
- Sponsor the Cambodia International Business Expo 2024.
- Sponsor to the Association of Banks in Cambodia to support their event "Cybersecurity Day" on 17 May 2024.
- Sponsor to the 7th Cambodia Rice Forum 2024 under the theme "Transforming the Cambodia Rice Value Chain to be Resilient, Inclusive and Sustainable".
- Sponsor to the Cambodia Women Entrepreneurs Associations (CWEA) to support their program "The Strength of Women's Unity" on 25 January 2024.
- Sponsor to the Credit Guarantee Corporation of Cambodia (CGCC) to support their annual seminar on "Diversifying Credit Guarantee Mechanism for Sustainable Financing of MSMEs" on 31 January 2024.
- Sponsor to the National Career and Productivity Fair 2024 on 26-27 October 2024.
- Sponsor of the "1st Cambodia Digital Trade Forum & Online Expo" organized by the Ministry of Commerce on 13 December 2024.
- Sponsor of the "Bankers' Annual Dinner 2024" organized by The Association of Banks in Cambodia on December 13, 2024.
- Sponsor of the 11th Cambodia Sea Festival under the theme: "Celebrating Coastal Heritage and Sustainability" organized by the Ministry of Tourism on 13-15 December 2024 in Kampot Province
- Sponsor of the 5th Cambodian Water Conference & Exhibition "Water for a sustainable future" organized by Cambodian Water Supply Association and Ministry of Industry, Science, Technology & Innovation

Environment

- Gold sponsor of the Cambodia Women Entrepreneurs Day 2024 organized by Cambodia Women Entrepreneurs Association under the theme "Women Empowerment in Green Economy".
- Sponsor of the 7th World Cleanup Day.
- Sponsor to the 6th Greater Mekong Subregion Environment Ministers' Meeting organized by the Asian Development Bank (ADB).
- Sponsor of the Run Wild @ BeTreed. Run in the Wild Run for the Wild at Phnom Tnout.





In addition of economic and society contribution, ACLEDA BANK comply with laws and regulations across the countries and territories in which we operate. ACLEDA file our tax returns accurately and in a timely manner, and fulfill our tax obligations appropriately.

Tax Paid Report

In the interests of fiscal transparency, we are pleased to publish our consolidated tax paid report in the table below:

Unit in US\$	2021	2022	2023	2024	Total*
Patent tax	18,942	18,900	18,762	18,859	266,586
Signboard tax	49,965	54,709	89,120	142,015	1,135,460
Transportation tax	43,134	54,966	57,167	56,460	563,679
Property tax	7,683	9,545	22,616	20,631	180,203
Value Added Tax	195,574	557,516	775,588	771,621	2,337,784
Prepayment of profit tax	0	0	6,835,097	8,031,079	57,134,939
Profit tax	26,673,600	34,743,690	34,934,217	1,645,331	306,762,177
WHT-Salary	7,223,313	9,507,189	13,469,471	9,308,480	92,436,602
WHT-Saving Deposits	200,324	447,035	1,029,332	1,289,108	5,301,290
WHT-Fixed Deposits	6,310,737	7,873,068	11,651,275	12,878,855	74,612,600
WHT-Asset Rental	1,140,932	1,215,754	1,232,716	1,290,818	15,183,766
WHT-Local Services	256,376	328,028	329,739	359,503	5,351,959
WHT-Overseas Services	2,937,694	4,259,693	10,394,782	6,763,912	69,700,853
Total Paid	45,058,275	59,070,093	80,839,881	42,576,671	630,967,898
Accumulated amount* (Year to date)	448,481,251	507,551,345	588,391,226	630,967,898	

Remark:

- * Total and Accumulated Amount from year 2000.



HUMAN RESOURCES DEVELOPMENT

With the rapid development of the financial services industry, which is shifting to the digital economy, human resources development is crucial in addressing the skills gap which is hindered by financial constraints and inadequate technology. The BANK believes that it is of utmost importance to establish a structure that inspires our team members with years of experience to take an enthusiastic interest in their work in order to enhance the value of our human capital, which is one of our most important priorities that we are working on a variety of different measures.

The BANK is committed to improving the skills of its employees by expanding the scope of technical development and knowledge so that they can maintain work efficiency and embrace competitive opportunities.

- ACLEDA BANK put in place the Employee Training and Development Operating Manual in order to strengthen the development of knowledge and skills and improve the attitude of ACLEDA's employees so that they can perform their work effectively.
- ACLEDA BANK officially promulgate the Learning Support Operating Manual and Procedure as a guideline to implement and support to enhance the professional capacity to keep up with the BANK's development and growth as well as to maintain the advantage over competition, which is an important strategy for managing and encouraging.
- ACLEDA BANK offers many opportunities for learning by training through combinations of rank-based at various institutions both domestic and abroad, as well as business-related training programs.



91 session

Number of Training Session arranged in 2024



US\$ 2.16 million

Amount the BANK has invested and spent on staff training in 2024



335,456 hours

Total Training Hours



28 hours

Average training hours per employee



- In 2024, the BANK reassessed its training programs for employees and management positions. The BANK actively encourages employees to improve their skills through training seminars and enhance the training's curriculum in accordance with ACLEDA's management strategy.
- Candidates that selected to join ACLEDA BANK are formally trained by the BANK to enhance their skills, knowledge, and attitudes in order to integrate them into the work culture of the BANK and make them feel happy at work and able to work more efficiently.
- ACLEDA BANK promulgate the Operating Manual and Procedure on Internship aimed to provide opportunities and facilitate internship applications of both local and international students at ACLEDA BANK PLC. and subsidiaries.

In 2024, the ACLEDA BANK conducts new recruits training program to

465 employees

Internship students at
ACLEDA BANK

751 Students

- ACLEDA BANK continuously strengthen the knowledge capacity of management and staff through upskill and reskill as the banking industry is rapidly evolving due to advancements in technology, such as digital banking, automation, and artificial intelligence. Reskilling helps employees adapt to new tools, systems and technologies, while upskilling will equips employees with the latest knowledge and skills to provide better services, enhancing customer satisfaction and loyalty.



- ACLEDA BANK works to increase employee engagement in the area through organizational management strategies and initiatives that aim to promote and integrate risk culture into daily operations. The BANK specify five areas with significance to the BANK's operations as mandatory courses via e-learning for all staff.



Code of Conduct



Conflict of Interest



AML-CFT



Whistleblowers
Protection



Bank Risk
Management and ESG

- By recognizing the significance of incorporating environmental, social, and governance (ESG) considerations into operations to achieve our business strategy, the BANK has conducted an online ESG awareness training sessions for management and employees at all levels.

11,008 employees

Number of Employee attend the ESG Awareness and Testing via e-learning.



100 %

% of Employee had passed the ESG Testing.

- As the banks play a significant role in driving positive change by supporting the transition to a greener economy and addressing wider goals, ACLEDA BANK has made an efforts to share ESG knowledge and practices with stakeholders and the public through collaboration and partnership with partners, regulators and authorities by increasing awareness of ESG issues, individuals and organizations become more informed about the impacts of their decisions on the environment, society, and governance. This education can empower people to make more sustainable and ethical choices.





EMPLOYMENT PRACTICE

Employee encouragement and collaboration are important for the success. Therefore, the BANK recognizes the importance of providing for our employees' well-being in addition to appropriate and fair remuneration and benefits. Moreover, the BANK pledges to offer a secure and healthy working environment so that our employees can give their best work. We believe that taking care of their well-being also enables us to increase our productivity level, motivate our efforts, and maintain our skills for long-term growth.

Safety Workplace and Well-Being

Employee health and well-being are crucial in any organization. Promoting a positive work environment can lead to increased productivity, lower absenteeism, and higher employee satisfaction.

- In order to support and maintain the health and working environment of our employees, the BANK officially promulgate guidelines and procedures such as Guideline and Procedure on Occupational risk, Guideline of Tidiness and Sanitation, Operating Manual on Office Safety Management, and Welfare Operating Manual.
- In preparation and response to emergency situations, the BANK establish a Disaster Management Committee aimed to reduce the occurrence of disasters and to reduce the impact of those that cannot be prevented.
- The BANK put in place the procedures for the evacuation of employees from the office in the event of a fire in the office.
- The BANK regularly conducts air quality assessment in the BANK's buildings to ensure the good environment for all staff.
- The BANK ensure that lighting in the workplace is adequate and appropriate for operations in compliance with related regulatory requirements.
- The BANK provides a health insurance coverage so that employees feel confident in safety and have lower healthcare expenses.
- To ensure the well-being of the employee, the BANK equipped water purifiers for use in all offices.
- The BANK prioritizes employee health and offers comprehensive healthcare, including:

Office –Indoor Temperature
Range from
24 °C -26 °C

Workplace Light Intensity
Range from
300 lux – 500 lux



- Arrange health care room located at Headquarters, 14th floor that have one doctor and two nurses for employees to conveniently consult and interact with doctor via direct and call or telegram. Moreover, we prepared rest room for employees to relax when they feel unwell. Healthy and safe work practices are part of the training provided to all employees under the doctor's supervision. Moreover, all office of ACLEDA BANK have a first-aid-kit with all necessary medical equipment to support and use when there is any injure happen.



- The BANK also provides the health care and medical examination allowance to employees who receive medical treatment at the hospital /clinic. In addition, the BANK also partnership with local and international hospital aim to provide quality healthcare services in line with international standards. Through this collaboration, ACLEDA BANK employees and customers will receive many benefits and special prices on the use of medical examination and treatment services, as well as other services.



- Provide health care general knowledge to all employee. In 2024, 50 health care topics had been sharing to all employee by the BANK's doctor.
- Female employees are entitled to have a fixed period of maternity leave of 90 days, including weekly holidays (Saturday and Sunday) but exclude public holiday and receive basic salary and allowances as stipulated in the Operational Policy on Salary and Allowances of ACLEDA BANK PLC. Moreover, female employees with a child under 1 year of age who are breastfeeding are granted 1 hour per day to breastfeed their babies during working hours.
- Employee loan has been established with special interest rate in order to help employee address unexpected financial need and improve their lives. The loan including staff loan and staff housing loan.

Promote Human Right, Fair and Equitable Practice

The BANK adhere a policy of equality in all dealings with the public in general and customers and staff alike. We are aware that appropriately managing and respecting human rights and treating employees fairly would promote business growth while also enhance the organization's competitiveness and fostering sustainable growth.

- The BANK Promulgate the policies and procedure such as Collective Labor Agreement, Human Resources Management Operating Manual, Operating Manual of Salary and Other Fringe Benefits, Performance Appraisal Operating Manual, and guidelines for effective implementation.
- Implement practical measures such as training interviewers on recruitment procedures and the non-discriminatory recruitment process and disseminating to managers and staffs on relevant laws and regulations.



Promoting Gender Diversity

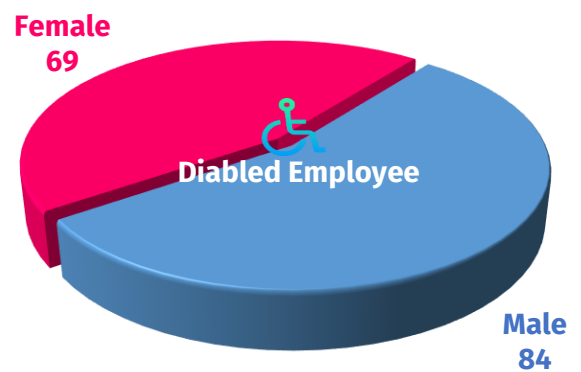
As of December 2024,

- ACLEDA BANK employee are **4,719** Female Equaled **39%** total Staff.
- Among executive management, **4** are female, equaled **44%** of total executives.

- Ensure equality of opportunity in terms of recruitment processes, career development, promotions, remuneration and fringe benefits. Promote career opportunities for women ensuring equal representation of women in the workplace.



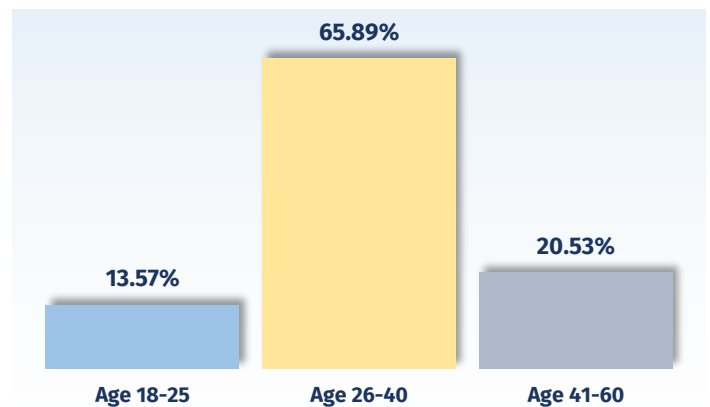
- Ensure fair treatment and unprejudiced working environment within the BANK without any gender-based, age, and disability discrimination among employees and protecting the common interests of employees and communities through improving the implementation of guidelines on labour, human resources management, occupational health, safety and security for both employees and communities for instance.
- Strictly abides by follow the Cambodia Labor law, particularly on child and forced labour by not accept any form of forced labour or child labor. Moreover, we will never employ children that fall into definition of child labour as stipulated by the Cambodia Labor law and ILO convention.
- The BANK promulgate the Rights of People with Disabilities Operating Manual to ensure the equal opportunities and treatment for disabled employees and career opportunity based on their job roles without discrimination.
- The BANK take into account the special needs of the handicapped, be they employees, customers or members of the public, in designing our offices and other service facilities.
- Employ 153 disabled people nationwide in 2024, as we strongly believe that providing employment opportunities is a means of advancing social equality and inclusivity.
- Implement employee career development and management on compensation and benefits with fairness, transparency and non-conflict of interest, which aim to encourage and motivate all workers to increase their capacity through knowledge, skills and experience in the job role.
- The elect staff representative, which excludes management, as a spokesperson to inform the employer of the grievances of individual or collective workers who are dissatisfied with the implementation of wages, performance of work, general rules of employment and collective agreements for implementation and propose all measures that are useful to contribute to the protection of health, improve security and working conditions of employees.



Classification of Employees by Gender

	Male	Female
Top Management	55.60%	44.40%
Middle Management	84.30%	15.70%
First Line Management	65.80%	34.20%
Staff	54.50%	45.50%

Classification of Employees by Age



Remark:

- Criteria for disabled employees based on the Ministry of Social Affairs, Veterans and Youth Rehabilitation



OUR SOCIAL PERFORMANCE

Employee Data	2021	2022	2023	2024
Total Number of Employees	12,081	12,083	12,045	11,971
Number of Female Employees	4,750	4,687	4,711	4,719
Number of Male Employees	7,331	7,396	7,334	7,252

Board of Directors Data	2021	2022	2023	2024
Total Number of Board of Directors	10	10	9	9
Number of Female	1	1	1	1
% of Female	10	10	11	11
Number of Male	9	9	8	8
% of Male	90	90	89	89

Top Management Data	2021	2022	2023	2024
Total Number of Top Management	9	8	8	9
Number of Female	4	4	3	4
% of Female	44	50	38	44
Number of Male	5	4	5	5
% of Male	56	50	62	56

Employee Wage	2021	2022	2023	2024
Ratio of Lowest Paid Employee Against Minimum Wage	0.95	1.00	1.00	1.00
Lowest Paid Employee	185	240	240	240
Minimum Wage	195	240	240	240



Living Support

	2021	2022	2023	2024
No. of Female Employees Who Aailed Living Support	4,738	4,697	4,367	4,711
No. of Male Employees Who Aailed Living Support	7,286	7,358	6,853	6,312

Injury and Fatality Rate

	2021	2022	2023	2024
No. of Employees Injury	203	217	241	213
No. of Fatalities	2	-	-	1
Fatalities Rate	0.99	-	-	0.47
Lost Time Injury Frequency Rate (LTIFR)	8.68	8.94	10.00	9.04

Social Welfare Fund (NSSF)

	2021	2022	2023	2024
No. of Female Employees Who Aailed Social Welfare Fund	554	480	511	495
No. of Male Employees Who Aailed Social Welfare Fund	122	135	145	127
Total No. of Employees who Aailed Social Welfare Fund	676	615	656	622

Employee Training Hour

	2021	2022	2023	2024
Total Training Hours	275,972	339,695	304,583	335,456
Average Training Hours Per Employee	22.84	28.11	25.29	28.02



Employee Training and Development	2021	2022	2023	2024
Training – Career Development and Refresher Programs	6,674	8,313	5,476	4,725
Training of New Recruits – Induction Program	832	748	608	465
Internships for Local Students	415	557	520	748
Internships for International Students	-	-	1	3
Employee Training Investment/Expense (US\$)	2,883,690	4,058,026	3,171,586	2,166,178

Further Education / Training Support	2021	2022	2023	2024
No. of Female Employees Who Aailed Further Education Support	93	414	208	1,045
No. of Male Employees Who Aailed Further Education Support	203	1,504	2,156	2,226
Total No. of Employees Who Aailed Further Education Support	296	1,918	2,364	3,271





GOVERNANCE





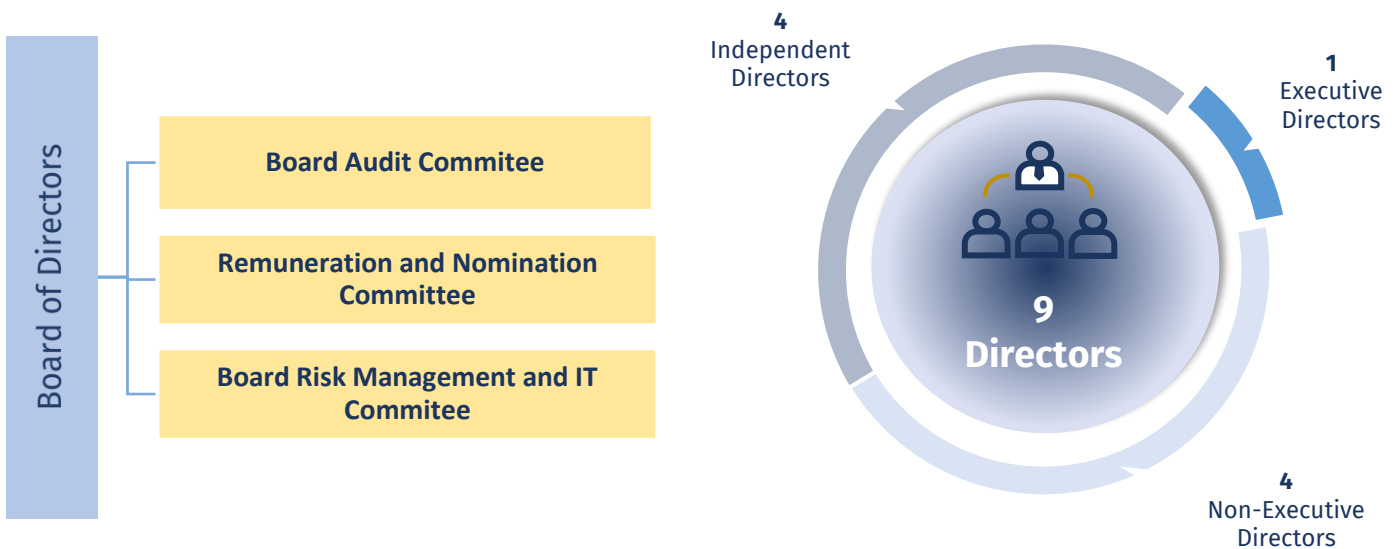
GOVERNANCE & BUSINESS ETHICS

ACLEDA BANK recognizes the critical importance of corporate governance in supporting the Group and the BANK's sustainable growth, enhancing the efficiency of the Group and the BANK, creating shareholders' value, and securing trust for all stakeholders including shareholders, customers, staff, and the public. The Board of Directors supports and encourages the adoption and implementation of good corporate governance policies, together with a code of conduct and business ethics.

The BANK is committed to implement and serve the customer with highest ethical standards, while maintaining transparency and accountability at all levels of operations. It is for this reason that ACLEDA BANK has adopted a Code of Ethics to ensure that all Directors and employees of ACLEDA BANK shall pursue the highest standards of ethical conduct in the interests of shareholders, customers, staff and the public.

The Board of Directors is responsible for determining the strategy of the BANK by conducting risk management, culture, and oversight. Its members shall act in the best interests of the BANK. The Board of Directors supports and encourages the adoption and implementation of good corporate governance policies, together with a Code of Conduct and business ethics.

The Board of Directors assumes responsibility for corporate governance and for promoting the success of the BANK by directing and supervising its business operations and affairs. It also ensures that the necessary human resources are in place, established with the management's strategies and financial objectives to be implemented by the management, and monitors the performance of management both directly and through the Board Committees.



The Board of Directors established three committees: Audit, Remuneration and Nomination, Risk Management and IT, and may establish such other committees as it deems necessary or desirable to carry on the business and operations of the BANK. These Board Committees shall exist at the pleasure of the Board of Directors and all members of such Committees shall be approved by the Board.



The committees themselves will not exercise any of the powers of the Board, except insofar as the Board may formally delegate such powers, but may make recommendations to the Board for their collective action. Whilst membership on Board Committees is restricted to Directors themselves, they may invite members of management and others so as to provide operational information and explanation when considered necessary. All Board Committees are chaired by Independent Directors.

In 2024, ACLEDA BANK has won the Best Corporate Disclosure Award after a comprehensive evaluation by Securities and Exchange Regulator of Cambodia and Cambodia Securities Exchange in the Cambodia Stock Market Exhibition "My First Stock" 2024.



Anti-Corruptions

Corruption could potentially lead to fraud activities. Thus, ACLEDA BANK place a strong emphasis on conducting business in accordance with the good corporate governance and preventing corruption in all its forms with the following management approaches:

- Stipulate the Corporate Governance Policy which covers the duties and responsibilities of the Board of Directors, right, transparency, composition, and qualification.
- Stipulate the Code of Conduct Policy to pursue the highest standards of ethical conduct in the best interest of all stakeholders and as being practiced for all directors, executives, and staff by working with integrity. Moreover, all staff members will promote honest and ethical conducts, compliance with applicable rules and regulations, and accountability in adhering to this Policy.
- Establish its Conflict of Interest Policy to enable all staff members of ACLEDA BANK easily identify, prevent, and manage conflict of interest which may arise in the course of the BANK's business.
- Zero tolerance of all kinds of bribery and corruption and is determined to comply with the relevant laws, regulations and principles. All employees shall comply with laws and regulation in force. We are strongly committed to conducting our business with honesty, integrity and in accordance with all applicable laws including anti-corruption law.





- Promulgate the Collective Labour Agreement, which mentioned the responsibilities of all employee to adhere to the business conduct and avoid any form of fraud and corruption.
- Promulgate the Compliance Policy and compliance function in identifying, evaluating, and addressing compliance risks and will help the BANK to look at and get across business lines and activities of the organization as a whole and to consider how activities in one area of the BANK may affect the legal and reputational risks of other business lines and the entire group/enterprise.
- Promulgate the Operating Manual on Gift, Commission and Persuasion in order to prevent improper behavior among employees, such as bribery, corruption, and other actions that violate ACLEDA BANK PLC's policies, procedures, and guidelines.

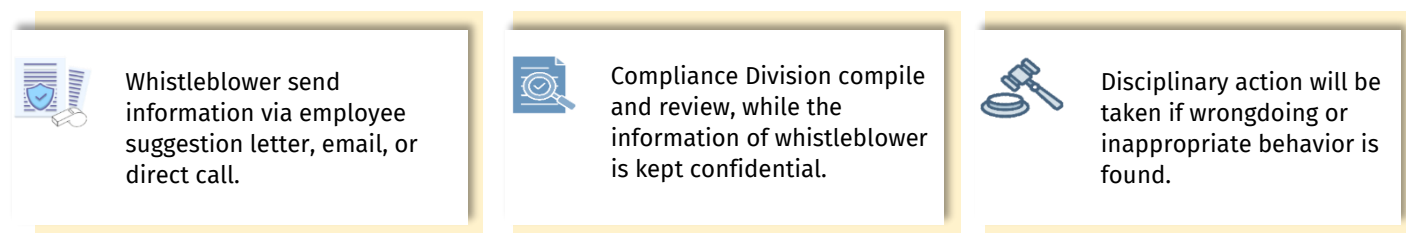
Whistleblower Protection

The BANK always pays attention to any attitude against to regulations, policies, operating manuals, procedures, code of ethics which are likely to occur sometimes; therefore, the BANK established the Whistle Blower's Protection Policy as one of a measure to identify such behavior and take preventive and corrective actions in order to remove it. Employees are encouraged to disclose any concerns which is the constructive opinion and could affect and detrimental to the best interests of ACLEDA BANK PLC. and general public. The BANK has adopted a Whistle Blower's Protection Policy aimed to receive the information and protect each whistleblower who expresses a concern in good faith, without malice and with no expectations of personal gain.

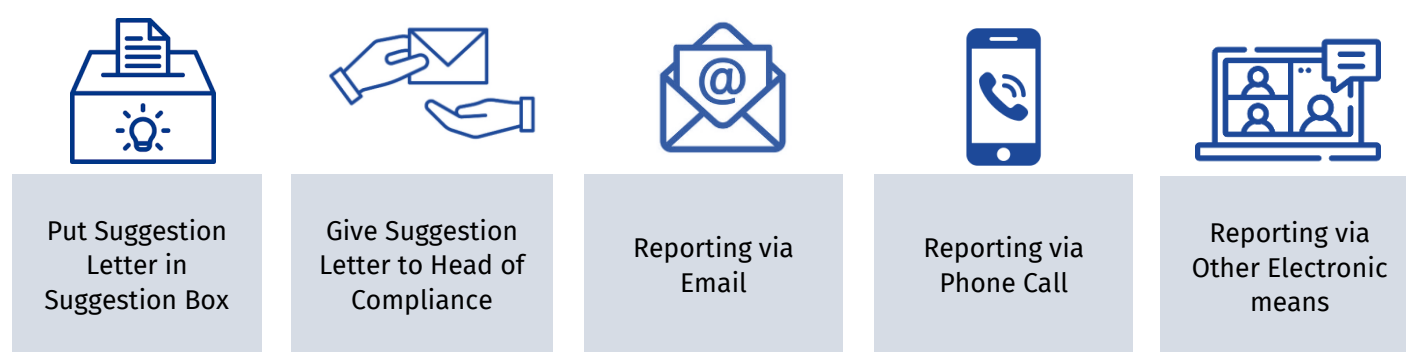
Whistle Blower's Identification in the suggestion letter will not be disclosed unless she/he or reporter made own decisions as specified in her/his suggestion letter to reveal to the public or any third parties.

Under the Whistle Blower's Protection Policy, the BANK offers channels for reporting information or tips regarding violations of laws, rules, and the BANK's code of conduct, such as cases of corruption, nepotism, fraud and unethical behaviour etc.

Whistleblower Handling Process



Whistleblower Channel





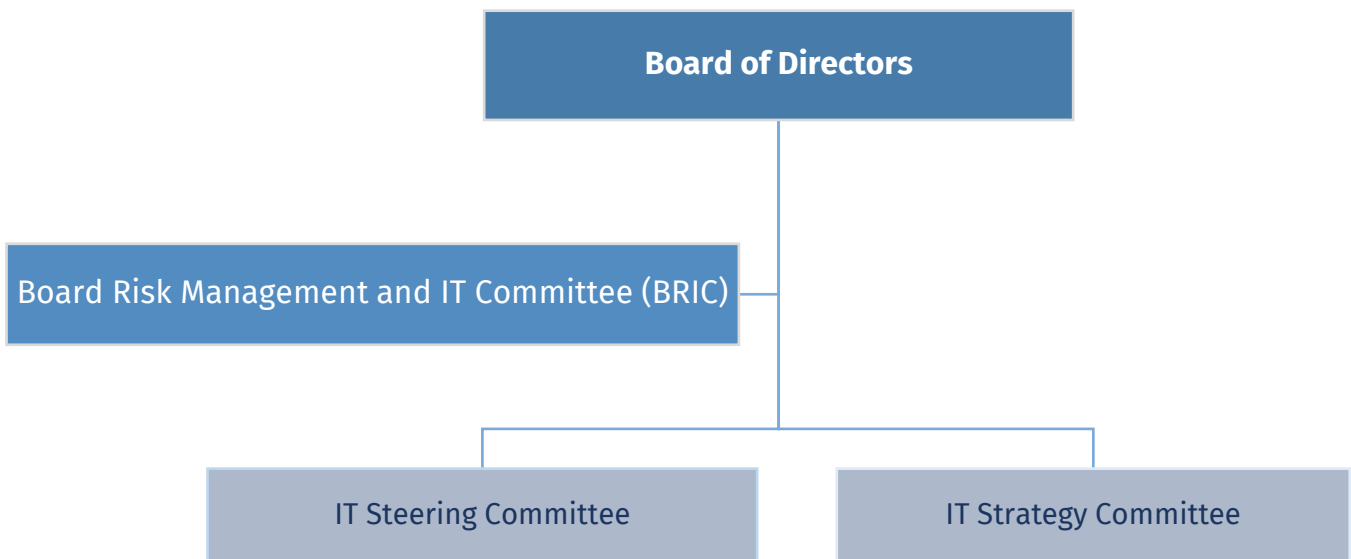
DATA SECURITY & CUSTOMER PRIVACY

Since businesses now need to connect with more external parties, such as business partners and service providers, cyber threats have remained a significant risk for ACLEDA BANK. The Group and the BANK is committed to providing secure banking services and meeting its interested parties' information security and privacy requirements by effectively implementing, maintaining, and continually improving an information security management system and privacy information management system.

In order to commit to this, the Group and the BANK specified governance structure that promotes collaboration from the Board of Directors, senior management, and employees. Under this structure, the Board of Directors is responsible for reviewing the related policies and the internal control system to make sure that they comply with regulations and potential conflict of interest that deserve special attention.

Data Security Governance & Policy

- Board Risk Management and IT Committee responsible for ensuring that management has put an effective IT governance process in place and ascertain that management has implemented processes and practices that ensure that the IT functions delivers value to the business.
- Establish IT Strategy Committee to ensure that IT organizational structure is defined which will help in meeting the business needs.
- Establish IT Steering Committee to assist in governance, risk and control framework; and directing, monitoring and managing continual improvement of IT Governance implementation.
- Establish IT Security Division to supervise, monitor and strengthen compliance with IT security principles of users and monitor physical security related to the organization of information technology equipment in the Data Center in order to identify risks and lead to set policies and procedures for prevention in a timely and safe manner.



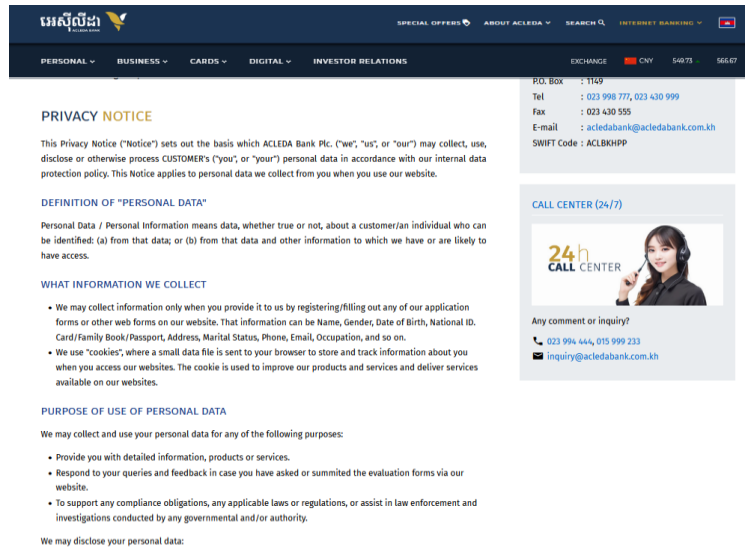
- The BANK promulgate Data Classification Policy to protect the BANK's data appropriately and comply with the relevant laws and regulations related to different types of data. It governs the confidentiality, integrity, availability, privacy and security of firm's sensitive data and the responsibilities of individuals for such data.
- The BANK promulgate Information Security Incident Management Policy to prevent the disruptive short and long-term effects of security incidents and thereby prevent their recurrence in the BANK.



- The BANK promulgate the Back-Up Policy as the rules for the backup and storage of information and improve business operations to enable the business continuity plan and recovery of the data and applications in case of disaster, system failures, and espionage of system operations.
- The BANK promulgate Data Privacy Policy to protect the privacy and confidentiality of Personal Information about ACLEDA’s employees, customers, business partners and other identifiable individuals.

Data Privacy Notice

ACLEDA BANK also declare a [Legal and Privacy Notice](#) to inform clients and the public that we may collect, use, disclose or otherwise process customer's personal data in accordance with our internal data protection policy. Meanwhile, the BANK also issued its Data Privacy Policy and Information Security Policy for implementation. Employees of the BANK and its contracted service providers are required to adhere the BANK compliance requirements. To prevent violation and unauthorized access to personal information, appropriate safeguards are put in place when using, sending, or transferring that data. Customer's consent is required before the provider shares personal information with any external audience, including credit bureaus.



Establishing a Cyber Risk Awareness Culture

To help employees handle and respond to the cases of privacy breach effectively and appropriately, the BANK has specified the Information Security Policy and others. The BANK implement a formal security awareness program to inform all employees of their accountabilities, responsibilities and take the necessary measure on appropriate information security and privacy practice. Moreover, the BANK also emphasizes on raising employee awareness through consistent training, communication, and activities.

1. The Board of Director and Senior Management

- Cyber security management, IT risk management and other main IT issues have been reported to the Board Risk Management and IT Committee on a quarterly basis.
- Senior Management of ACLEDA BANK participated in a cyber-attack simulation to familiar with such incidents and develop the procedures they will need to deal with any future threats.

2. Employees

- E-learning and testing on data security management has been arranged for employees.
- To ensure that our employees have a better awareness and understanding of cyber threats, IT newsletters on security tips and security alerts have been regularly released on a PC's screen to all employees.
- Regular phishing exercises have been carried out. Employees of ACLEDA BANK and its subsidiaries have received fictitious emails as a way to put them to the test, ensure their awareness, and provide them with training on how to handle the situation. According to the exercise results, employees are becoming more cautious and aware of phishing emails.



Reporting of Cybersecurity Performance

In 2024, there were no incidents of leakage, theft, or loss of customer sensitive data as a result of all cyber threats reported.

ACLEDA BANK has reached a significant milestone in enhancing the safety, security, and privacy of our customers' data and digital ecosystems. Moreover, ACLEDA BANK has recently become the only Cambodian Bank to win The World's Safest Banks Award in 2024 from the Global Finance magazine.

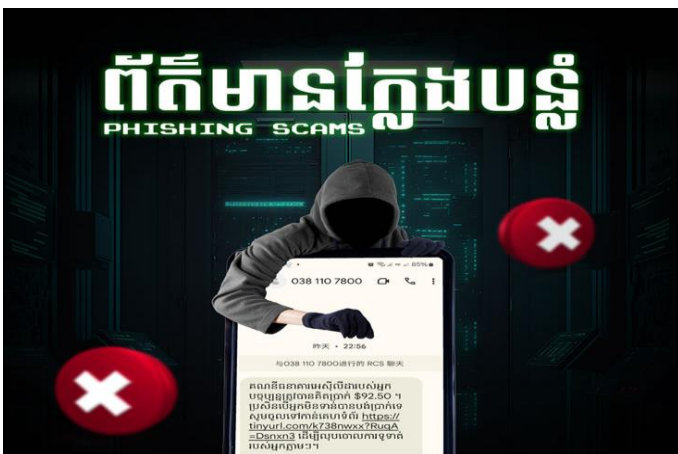
IT Security Awareness

The BANK has implemented a formal IT security awareness program to inform all employees of their accountabilities, responsibilities and take the necessary measure on appropriate information security and privacy practice.

In 2024, IT Security Division conducted 2,670 IT security training sessions for ACLEDA BANK executives and staff members in order to ensure that managements and staff members understood and were aware of cyber threats in accordance with the BANK's IT security regulations and policies.



Moreover, throughout modern technology, Cyber Fraud has rapidly evolved as new technologies emerge. It has a significant impact on each and every sector, causing the loss of ones' assets and confidential data. It generally comes out in various forms conducted by anonymous fraudsters. Cyber fraud, Phishing, Vishing, and Smishing have been seen more often as these are the convenient tricks used to steal data related to bank accounts and some sensitive information. As cyber fraud is rising, we all have to be well aware of this and even prevent ourselves from falling into a victim. Therefore, in order to safeguard customers' financial information and avoid exposed to new and sophisticated fraud, the BANK always sharing the alert and sharing a security tip to our customer and public through our official website and social media.





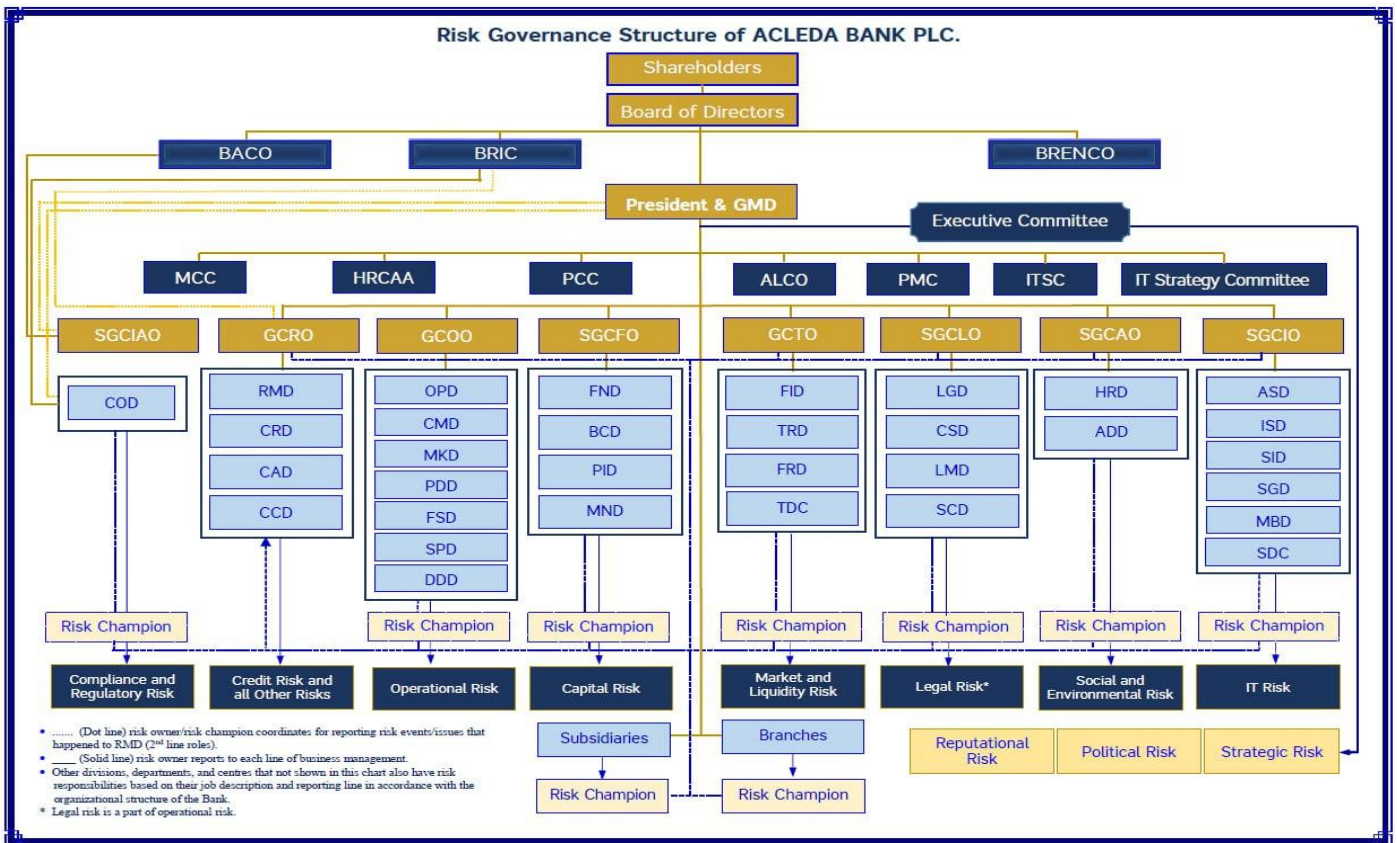
RISK MANAGEMENT

In the competitive business environment along with the rapid evolution and development of technology and changes in the law, the Group and the BANK is fully aware that today's business operations could involve volatility and uncertainty from both internal and external factors, some of which are uncontrollable, such as the COVID-19 pandemic, domestic and international economies, unpredictable weather, changes of laws and regulatory requirements, etc. Most of these factors have either positive or negative impacts on the Group and the BANK's operations.

ACLEDA BANK values the importance of risk management, while we strongly believes that proactively identifying the risk before it occurs and adapting to future changes could even help the BANK manages and minimize the potential risk properly efficiently and in a timely manner.

Risk Governance Structure

- The BANK adheres to the risk governance structure which has been developed with well defined of roles, responsibility, and reporting line of employee at all levels in order to manage risk effectively.
- The BANK integrated risk management into all business process while the risk governance structure has been developed with well-defined, and consistent lines of responsibility of employee to all levels in order to manage risk effectively.
- The Board of Directors is responsible for reviewing and approving on risk management policy and risk appetite with considering the most significant risk that specifies the nature, types, and levels that the BANK is willing to assume and provides an outline of the approach to managing these risks.
- The Board Risk Management and IT Committee (BRIC) that appointed by the Board responsible for oversight and promote the risk management and risk governance of the BANK, conducts annual review on the adequacy of the risk management framework outlining the BANK wide high-level policies which include the risk identification, risk assessment, risk treatment and monitoring and reporting.
- The BANK promulgates the Risk Management Policy to set standards for the BANK's enterprise-wide risk management in a way that optimally balances managing risks while adding value to the BANK. The policy distinguished different risk categories in line with the categories identified by the Basel.
- The BANK establishes the Risk Management Division to ensure that material risks as set out in the risk management policy are identified, measured, monitored, monitored and reported effectively and in a timely manner.
- The BANK establishes risk champion role who is designated by the Group Chief or Branch Manager to serve as a representative of the management and staff of the loop of the Group Chief or Branch. Their responsibilities include acquiring risk management knowledge from the risk management division or an external risk consultant, as well as extending or sharing risk knowledge or material on risk management, such as policies, operating manuals, procedures, and related documents.



Three Lines Model

In order to effectively identify and manage the risk, the BANK set up "**three lines model**" approach to providing structure around risk management and controls within the BANK by defining roles and responsibilities in different areas and the relationship between those different areas. Risk owners must abide to the function and control function, which has been separately defined in accordance with the three lines model.

First lines roles

The first line roles are both business operations and support functions who are the risk owners, ultimately responsible to acknowledge and manage day-to-day risk inherent in the BANK's business and activities.

Second lines roles

The second line roles comprise Risk Management Division who are responsible for developing risk methodologies, templates, and procedures, and providing training and guidance to the first line roles in order to perform the risk management processes.

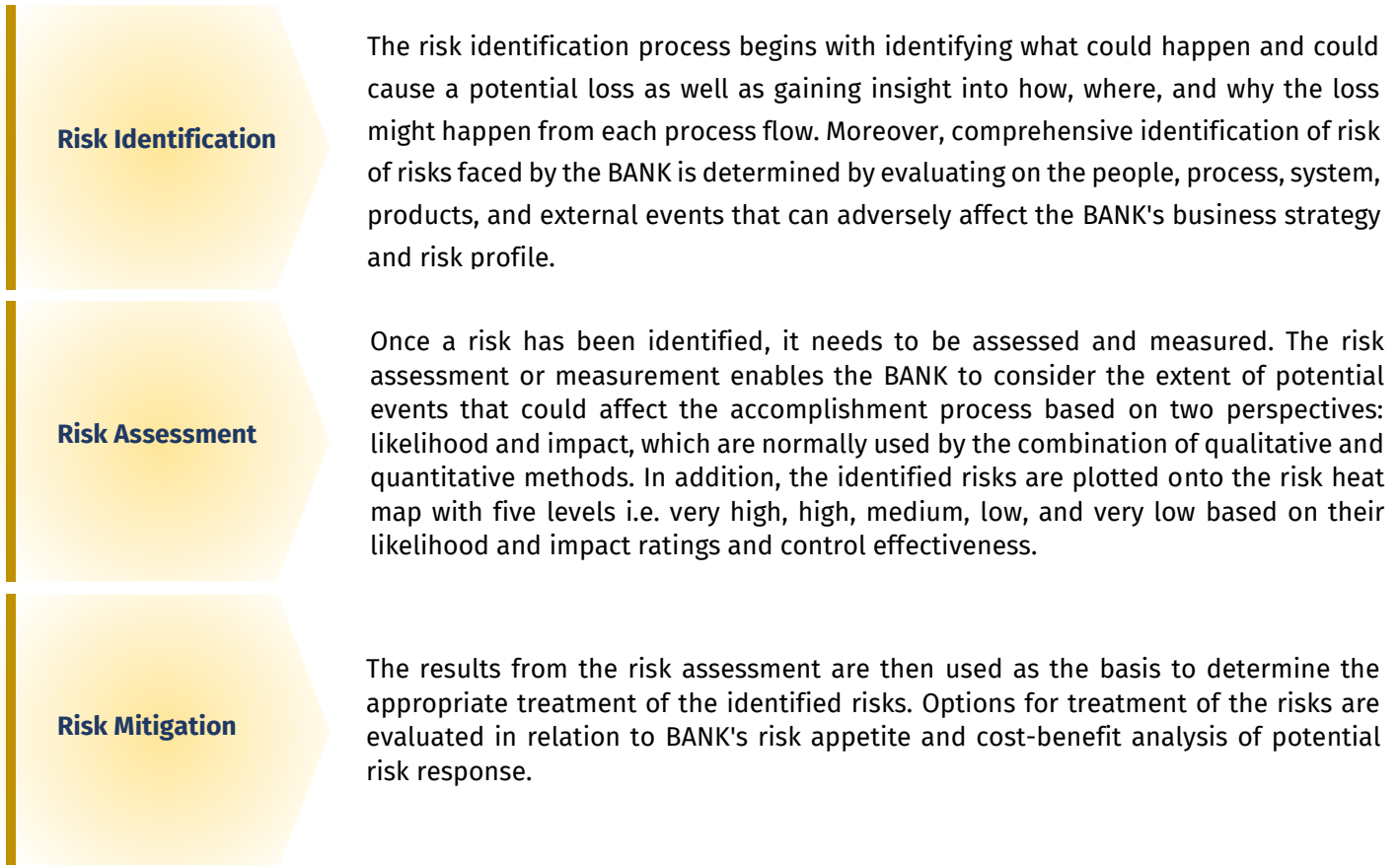
Third lines roles

The internal audit forms as the third line roles are responsible for providing an independent review and performing regular post checking on the business and operations activities. It reviews implementation of policies, procedures as well as the effectiveness and adequacy of risk management.



Risk Management Process

ACLEDA BANK has a process in place for managing risks that includes risk identification, assessment, monitoring, and reporting.



Four type of risk mitigation options:

- **Risk Acceptance**
The impact of risk is very low or because of the potential benefits bigger than the risk; therefore the BANK can accept the risk.
- **Risk Reduction**
The impact of risk on the BANK is high and the BANK is able to take measures to solve the problem effectively and low cost; therefore, the BANK chooses this method to reduce risk.
- **Risk Transfer**
This is where the risk is such a high impact on the BANK due to lack of expertise to manage, high management cost and significant loss; therefore, the BANK can transfer the risk to another party such as buying insurance.
- **Risk Avoidance**
This is where the risk is such a very high threat to the business or over the BANK's current risk appetite that may lead to stop of operations/systems, high management costs, no risk transfer solutions are available; therefore, the BANK can choose the risk avoidance strategy.



Risk Categories within the BANK



Credit Risk



Strategic Risk



Market Risk



Information Technology Risk



Capital and Liquidity Risk



Compliance and Regulatory Risk



Operational Risk



Political Risk



Reputational Risk



Social Risk



Environmental Risk

Promote Risk Culture and Risk Awareness

Fostering a risk culture within a Bank is essential for effective risk management. The BANK continuously enhances employees' engagement in risk management by recognizing that it is the responsibility of all employees. Moreover, instilling risk awareness in a BANK is crucial for establishing a culture that prioritizes risk management, therefore, the BANK has put and implemented some measure to promote risk culture such as:

- Conduct Material Risk Assessment annually in order to manage the BANK's risks effectively and to identify the risk before it occurs and minimize the potential risk properly and in a timely manner.
- Determine the Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRI) as tools and methods that ACLEDA BANK uses for closely monitoring and assessing various aspects of all business function risks.
- Incorporation of proper risk assessment for all products and services that the BANK would like to offer to the customers for preventing all potential risks and taking proactive actions in advance precisely and on a timely manner
- E-learning around risk topics is conduct to all employees on an annual basis to assure that all employees develop risk awareness in their day-to-day responsibilities.



ABOUT THIS REPORT

The BANK publishes its Sustainability Report on a yearly basis to engage with stakeholders and provide transparency regarding the BANK's impact on the economy, environment, individuals, and society in terms of performance and business operations.

This report is ACLEDA BANK's Sustainability Report and covers the 2024 financial year. The report boundaries cover ACLEDA BANK Plc. ("the BANK") and its subsidiaries (collectively referred to as "the Group") performance during January 1 - December 31, 2024.

Economic & Governance Information,

Performance of the Group and the BANK that are consistent with our 2024 Annual Report.

Environmental Information,

Reporting boundaries

Direct GHG emissions and indirect GHG emissions have been reported by ACLEDA BANK, its branches and subsidiaries where ACLEDA BANK has operational control and through which ACLEDA BANK conducts its Banking and Finance business or provides services in support of such business.

Greenhouse Gas Emission (GHG)

The Greenhouse Gas Emission indicated in the report are from ACLEDA BANK's operation and activities and is calculated based on the reference rates of Intergovernmental Panel on Climate Change 2006 (IPCC) and greenhouse gas protocol.

All GHG emission figures are in metric tons of carbon dioxide equivalents (CO₂e).

Calculation Method

1. The calculation of Scope 1 GHG direct emissions is based on fuel consumption (by weight or quantity), e.g., the quantity of gasoline/petrol and diesel multiplied by its emission factors.
2. The calculation of Scope 2 GHG indirect emissions is based on the quantity of purchased electricity multiplied by grid emission factors.
3. The calculation of Scope 3 GHG indirect emissions is applicable for category 06-Business Travel by airplane only.



Social Information,

Number of ACLEDA BANK Employees

Employees are workers under employment contracts with ACLEDA BANK PLC.; they are classified into five groups, as below:

1. Top Management Level: Includes President & Group Managing Director, and Group Chief Officers.
2. Middle Management Level: Includes Head of Division, Head of Department, and Branch Manager "A"
3. First-Line Management Level: Includes Deputy Head, Assistant Head, Branch Manager "B", VP & BM "C", Manager of Unit, and Assistant Manager of Unit.
4. Skilled/Technical Staff: Includes Group Specialist, Group Engineer, Group Vault, Staff, and Clerk.
5. Unskilled Staff: Includes Driver, CSA / Cleaner.

The above employees are also classified in accordance with the employee contracts as "Undetermined Duration Contract".

Data collection on number of employees (headcount) was collected at the end of the reporting period.

MAPPING TO SERC'S SUSTAINABILITY DISCLOSURE

In May 2024, the Securities and Exchange Regulator of Cambodia (SERC) issued the Prakas of sustainability disclosure by requiring listed companies to disclose about the environment, social, and governance by starting from 2026. The below is mapping ACLEDA BANK's sustainability report to all 31 specific items of information relevant to ESG.

	Description	Reference
Operation Information	1. The Listed Entity's business model	<ul style="list-style-type: none"> About ACLEDA BANK PLC. Page 06-11
Sustainability Governance	2. Actions and means the Listed Entity has specifically incorporated any of the Sustainable Development Goals into its corporate strategy or its governance, management or operational processes.	<ul style="list-style-type: none"> Sustainability Strategy, Page 13
	3. The key risks that the Listed Entity has identified to its operations from climate, environmental and corporate social matters, whether over the short, medium or long term.	<ul style="list-style-type: none"> Materiality Assessment, page 22
	4. Risk management operations - the processes used by the Listed Entity to identify and manage its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> Materiality Assessment, page 24 Risk Management, Page 76
	5. The strategy or plan that the Listed Entity has for addressing its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> Materiality Assessment, page 25-26
	6. Governance of risk - the governance and reporting processes used by the Board of the Listed Entity in its oversight of its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> ESG Governance, Page 18
	7. Key metrics, indicators and measurements used by the Listed Entity to monitor and assess its climate, environmental and corporate social risks.	<ul style="list-style-type: none"> Our Environmental Performance, Page 40-41 Our Social Performance, Page 64-66
	8. Any targets used by the Listed Entity to manage these climate, environmental and corporate social risks, and actual performance against those targets.	<ul style="list-style-type: none"> ESG Targets & Performances, Page 19-20
	Corporate Social impacts	9. Training hours provided per employee.
10. The Injury and fatality rates of the listed entity.		<ul style="list-style-type: none"> Our Social Performance, Page 65
11. The policy or commitment of the Listed Entity in relation to the prevention of child and forced labour.		<ul style="list-style-type: none"> Customer Protection, Page 45 Employment Practice, Page 63
12. The policy of the Listed Entity for addressing complaints, including employee complaints.		<ul style="list-style-type: none"> Customer Protection, Page 45-46
13. The policy of the Listed Entity in relation to corruption and bribery.		<ul style="list-style-type: none"> Governance & Business Ethics, Page 69-70

	14. The policy of the Listed Entity to enable confidential whistleblowing.	<ul style="list-style-type: none"> • Governance & Business Ethics, Page 70
	15. The proportion of women on the Board and, separately, in the senior management of the Listed Entity.	<ul style="list-style-type: none"> • Our Social Performance, Page 64
	16. The composition of the total workforce by gender.	<ul style="list-style-type: none"> • Our Social Performance, Page 64
	17. The policy of the Listed Entity to promote gender diversity.	<ul style="list-style-type: none"> • Employment Practice, Page 62-63
	18. Description of any policy of on the collaboration with local communities and indigenous people.	<ul style="list-style-type: none"> • Customer Protection, Page 45 • Community Participation & Social Engagement, Page 52-57
Environmental Impacts	19. Description of any policy on reduction of any negative impacts of the business activities of the Listed Entity on the environment.	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 28-31
	20. A description of any significant impacts that the business activities of the Listed Entity may have on the environment.	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 28-39
	21. The total water withdrawn by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
	22. The proportion of wastewater generated, treated, and recycled by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
	23. Total solid waste from operations associated with the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 41
	24. The proportion of solid waste recycled or recovered by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 41
Climate Impacts	25. Description of any policy on reduction of any negative impacts on the climate.	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 30-31
	26. The significant impacts that the business activities of the Listed Entity may have on climate.	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 34-35, 39
	27. Total energy consumed by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
	28. The proportion of renewable energy consumed by the business and operations of the Listed Entity.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
	29. Total energy produced by the Listed Entity, and the proportion of renewable energy produced.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
	30. Scope 1 Greenhouse gas emissions associated with the Listed Entity's business and operations (direct emissions).	<ul style="list-style-type: none"> • Our Environmental Performance, Page 41
	31. Scope 2 Greenhouse gas emissions associated with the Listed Entity's business and operations (indirect emissions).	<ul style="list-style-type: none"> • Our Environmental Performance, Page 41

MAPPING TO UN SDGs

Goals	Targets	Reference
1. No Poverty	1.4 Equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	<ul style="list-style-type: none"> • Financial Inclusion & Literacy , Page 47
2. Zero Hunger	2.3 Double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge and financial services	<ul style="list-style-type: none"> • Financial Inclusion & Literacy, Page 48-49
3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines.	<ul style="list-style-type: none"> • Employment Practice, Page 61-62 • Community Participation and Social Engagement, Page 55
4. Quality Education	4.3 Equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	<ul style="list-style-type: none"> • Employment Practice, Page 62-63 • Human Resources Development, Page 58-60
	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> • Human Resources Development, Page 58-60 • Community Participation and Social Engagement, Page 52-54
	4.6 Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy.	<ul style="list-style-type: none"> • Community Participation & Social Engagement, Page 52-53 • Financial Inclusion and Literacy, Page 51
	4.7 Learners acquire the knowledge and skills needed to promote sustainable development.	<ul style="list-style-type: none"> • Human Resources Development, Page 58-60 • Financial Inclusion and Literacy, Page 51 • Community Participation & Social Engagement, Page 52-54
5. Gender Equality	5.5 Ensure women full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none"> • Employment Practice, Page 62-63 • Financial Inclusion and Literacy, Page 51
6. Clean Water and Sanitation	6.1 Equitable access to safe and affordable drinking water for all.	<ul style="list-style-type: none"> • Employment Practice, Page 61
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 36-41
7. Affordable and Clean Energy	7.2 Increase substantially the share of renewable energy.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 40
8. Decent Work and Economic Growth	8.2 Higher levels of economic productivity through diversification, technological upgrading and innovation.	<ul style="list-style-type: none"> • Financial Inclusion & Literacy, Page 49-50

	8.3 Decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> • Financial Inclusion & Literacy, Page 47-50
	8.5 Full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	<ul style="list-style-type: none"> • Employment Practice, Page 62-64
9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.	<ul style="list-style-type: none"> • Employment Practice, Page 61-63
	9.3 Increase the access of small-scale industrial and other enterprises to financial services, including affordable credit.	<ul style="list-style-type: none"> • Financial Inclusion & Literacy, Page 47-50
10. Reduce Inequalities	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<ul style="list-style-type: none"> • Employment Practice, Page 62-63 • Financial Inclusion & Literacy, Page 51
11. Sustainable Cities and Communities	11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 28-29, 38
12. Responsible Consumption and Production	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> • Our Environmental Performance, Page 29
13. Climate Action	13.2 Integrate climate change measures into policies, strategies and planning	<ul style="list-style-type: none"> • Customer Protection, Page 43-45
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> • Environment & Climate Change Risk, Page 28-35 • Human Resources Development Page 60
14. Life Below Water	14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	<ul style="list-style-type: none"> • Customer Protection, Page 43-45
15. Life On Land	15.a Increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	<ul style="list-style-type: none"> • Customer Protection, Page 43-45
16. Peace, Justice and Strong Institutions	16.4 Strengthen the recovery and return of assets and combat all forms of organized crime.	<ul style="list-style-type: none"> • Data Security & Customer Privacy, Page 71-73 • Risk Management, Page 74-77
	16.5 Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none"> • Governance & Business Ethics, Page 69-70
17. Partnerships for the Goals	17.1 Strengthen domestic resource mobilization to improve domestic capacity for tax and other revenue collection.	<ul style="list-style-type: none"> • Community Participation & Social Engagement, Page 57
	17.16 Complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals	<ul style="list-style-type: none"> • Customer Protection, Page 43-46 • Financial Inclusion and Literacy, Page, Page 48-51 • Data Security & Customer Privacy, Page 71-73



The Bank you can trust, the Bank for the people!

HEADQUARTERS

Building N° 61, Preah Monivong Blvd., Sangkat Srah Chak, Khan Doun Penh,
Phnom Penh, Kingdom of Cambodia.

Tel: +855 (0)23 998 777 / 430 999 | Fax: +855 (0)23 430 555

E-mail: acledabank@acledabank.com.kh

Website: www.acledabank.com.kh

P.O. Box: 1149 | SWIFT Code: ACLBKHPP

Call Centre (24/7):

Tel: +855 (0)23 994 444, +855 (0)15 999 233

E-mail: inquiry@acledabank.com.kh