



**ORIENTAL
HOLDINGS
BERHAD** (5286-U)

SUSTAINABILITY REPORT 2018

OUR VISION

Oriental Holdings Berhad aims to achieve sustainable business growth and enhance shareholders value.

OUR MISSION

We seek to be a highly competitive organisation through innovation, and achieve continuous improvements in our businesses.

OUR VALUES

- Our people are our valued business core.
- Our customers are our focus of excellence.
- Our business integrity is our commitment and responsibility.
- Our shareholders are our utmost important business relationship.
- Our dedication for continuous improvement is our core driving force.





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SUSTAINABILITY HIGHLIGHTS 2018



Biodiversity
Programmes
in Bangka region



Established
**Sustainability
Committee**



Surpassed 2017
**Economic Value
Generated**



70 TJ
Renewable energy consumed
across the Group



887
Training programmes in 2018



Zero
breaches with no substantiated
complaints on customer privacy



26%
of women employees

CORPORATE PROFILE



Oriental Holdings Berhad (OHB) is a diversified and global Group comprising 70 subsidiaries and 13 associated companies with business activities spanning countries from Malaysia, Singapore, Indonesia, Brunei, Australia, New Zealand, United Kingdom, Mauritius, Thailand, the People's Republic of China, and Vietnam. Our business activities cover seven core segments, represented in the next page:

56

years since its beginning as a private company

1963

OHB Founded

55

years of being listed on the Main Market of Bursa Malaysia Securities Berhad

1964

listed in Bursa's Main Market

2018

Asia Pacific Conglomerate



CORPORATE PROFILE (cont'd)

1 Automotive and Related Products

Kah Motor Company Sdn Berhad is the distributor for Honda vehicles in Singapore and Brunei and operates eight out of 90 of the Honda dealerships in Peninsular Malaysia and another dealership in Sabah. Kah Classic Auto Sdn Bhd currently is a dealer of Mitsubishi Motor Malaysia Sdn Bhd, providing sales and services of Mitsubishi branded vehicles through two key outlets and is looking to expand its dealership network in Mitsubishi and explore into other brands.

2 Plastic Products

The plastic segment is headed by its 60% subsidiary, Teck See Plastic Sdn Bhd, one of the oldest auto parts manufacturing companies in Malaysia. The plastic segment is a "one stop centre" which provides fully integrated services from contract research and development, design, prototyping, moulds manufacturing, material compounding, plastic injection, spray painting to final products assembly. It has in year 1991 established a Joint Venture with Hicom Holdings to support the National car project Proton and has since tied up with Kasai Kogyo Co, Ltd. of Japan, a tier one global supplier of interior trim modules for car manufacturers in Malaysia, Thailand and Indonesia.

3 Hotels and Resorts

The segment currently owns 10 hotels, four of which are in Australia, two in New Zealand and one each in Malaysia, Singapore, Thailand and United Kingdom. The segment will continue to acquire excellent properties to expand its hospitality operations and is keen to expand its business globally when the opportunity arises.

4 Plantation

The segment's operations in Indonesia currently comprises two matured plantations, one maturing while remaining five under development with 34,959 Ha* total planted area combined and three Crude Palm Oil (CPO) Mills in Bangka Island. The five companies are under development with over 50,600 Ha land bank in South Sumatra. To date, over 24,400 Ha of the concession area in South Sumatra has been acquired, over 10,600 Ha has been planted and the harvesting area is now over 5,378 Ha. The segment plans to plant about 1,000 to 2,000 hectares each year in the next two years. It has generated a healthy cash pile over the years and is still expanding. A fourth CPO Mill, the first for South Sumatra is targeted to be commissioned by beginning of 2020. The segment has a planted area of 4,810 Ha in Malaysia.

* Ha = hectares

5 Investment Holding

The segment comprises mainly investment in subsidiaries and other investments for recurring income.

6 Investment Properties and Trading of Building Material Products

Most of the business activities in the segment are in the supply of building materials. However, in 1994, Ultra Green Sdn Bhd was given a concession by the Melaka state government to reclaim a total of 1,125 acres in Klebang, Melaka. The Group has reclaimed 985 acres of sea off the Melaka coastline out of the concession area. Reclamation works are ongoing for the remainder of the concession area, which will provide valuable land bank for the Group. The land that acquired in Melbourne, Australia has started the construction of a mixed use of commercial complex and serviced apartments that first two floors for retail and commercial and the rest of five floors for serviced apartments – completed its first development project ahead of schedule, having obtained its Notice of Practical Completion and Occupation Permit on 9 April 2019.

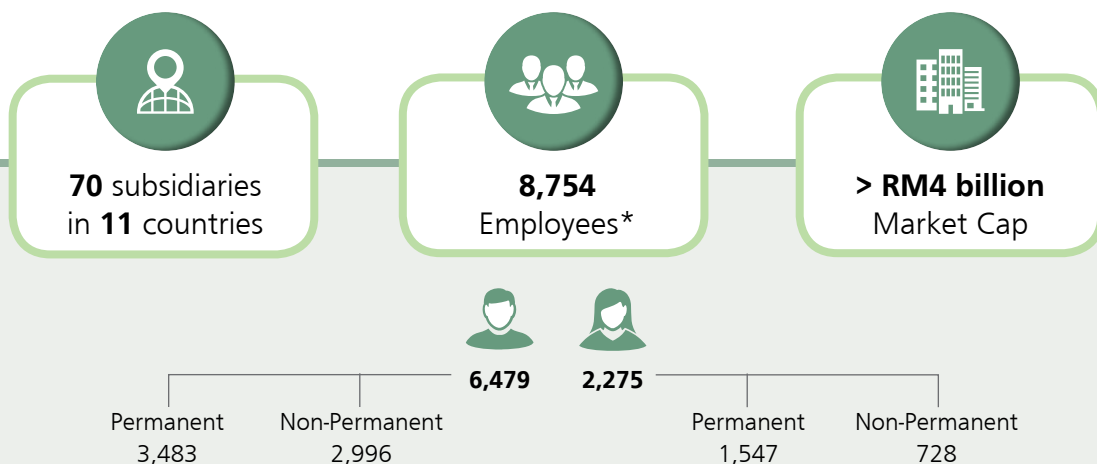
7 Healthcare

The new healthcare segment was launched following the acquisition of a nursing Nilam Healthcare Education Centre Sdn Bhd (NILAM)'s college in Melaka in April 2011 and the construction of the medical hub in August 2012 on the Group's reclaimed land at Klebang, Melaka. The medical hub was officially launched on 30 January 2015 as Oriental Melaka Straits Medical Centre (OMSMC). OMSMC is a 300-bedded medical hub comprising a nursing college and medical establishment. The eight levels medical unit is sited on 25 acres of the reclaimed land at Klebang, Melaka, just a mere 10 minutes from city centre. The management has also ventured into the retail pharmacy and transitional care center management in early 2019.



CORPORATE PROFILE (cont'd)

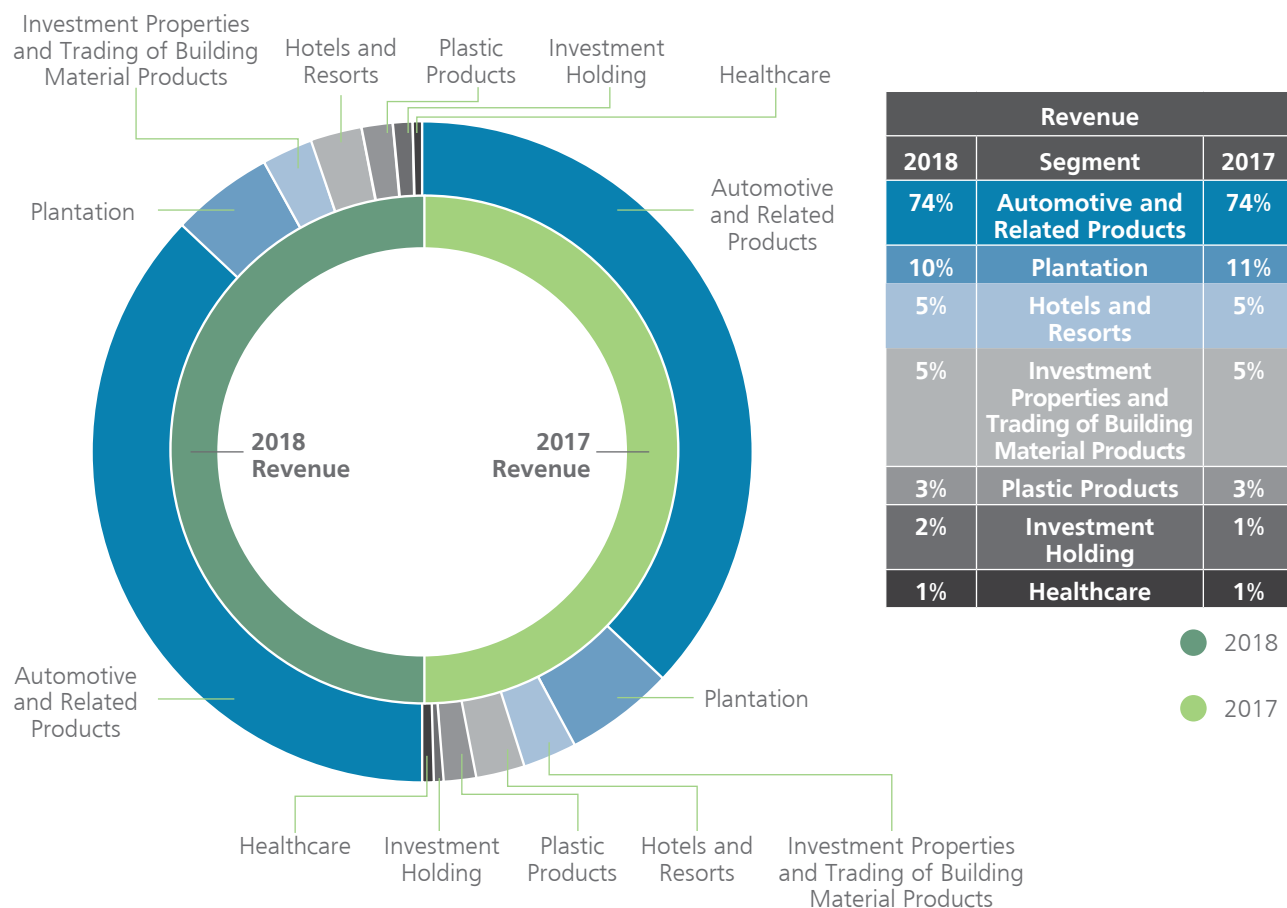
Our Market Presence



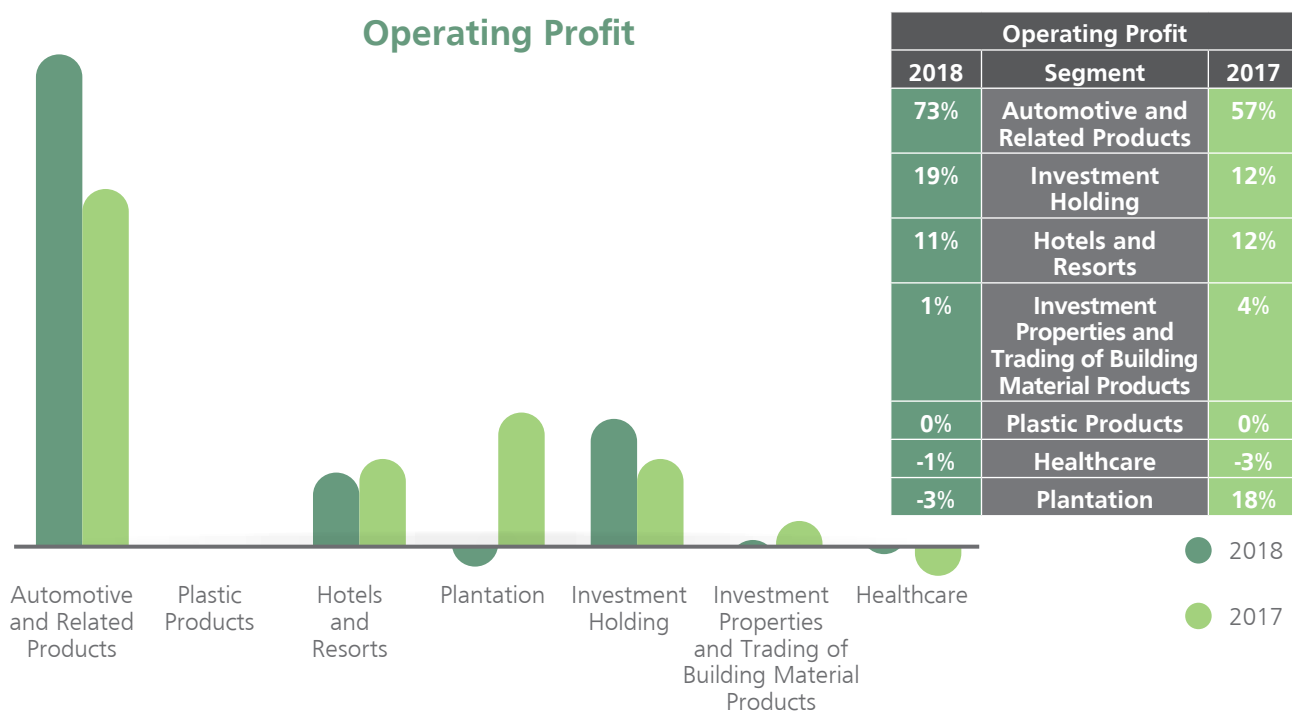
* Total number of employees only derived from the subsidiaries and branches of OHB Group.

FINANCIAL HIGHLIGHTS

Revenue



Operating Profit

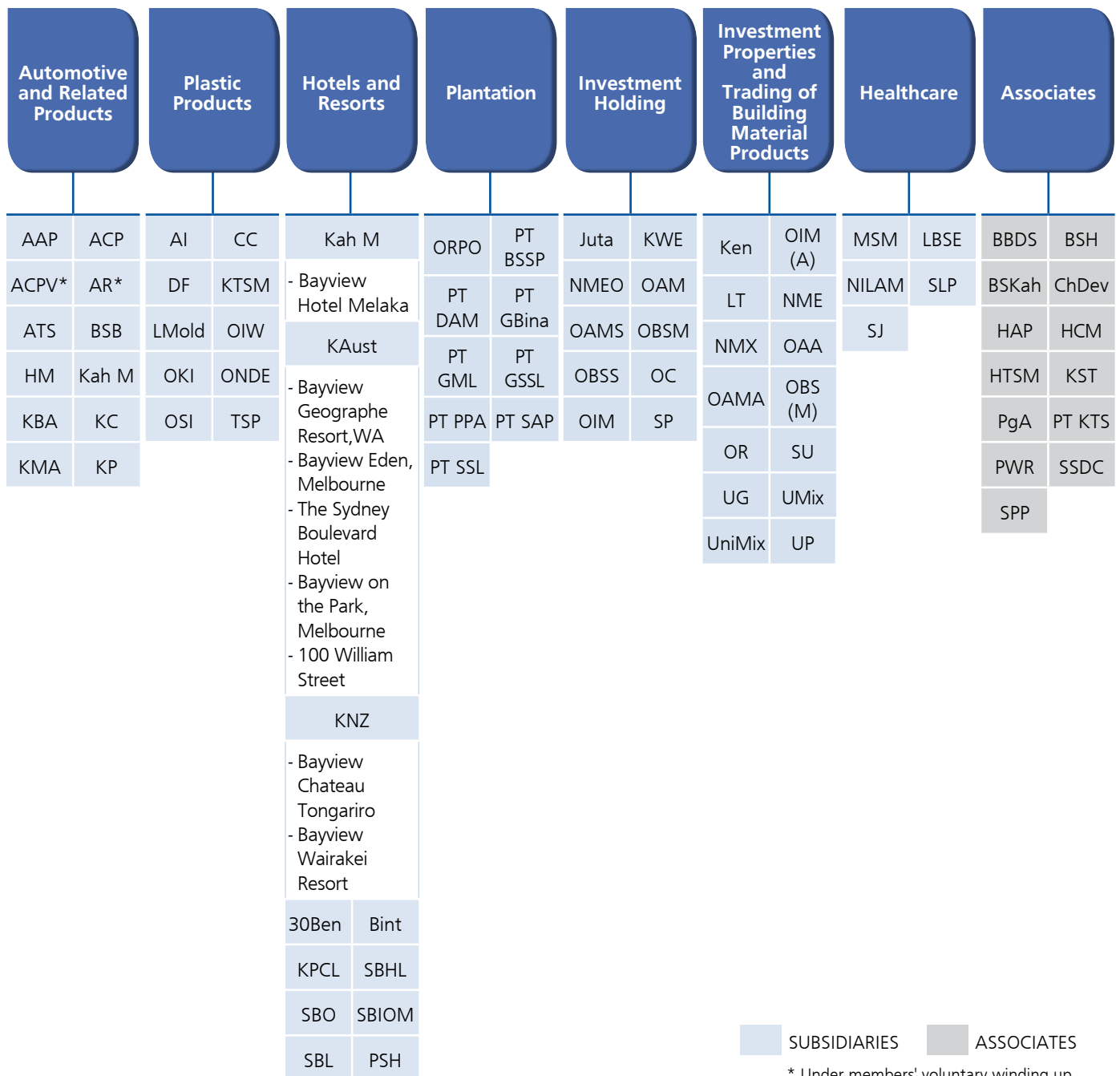


Note: Please refer to Financial Highlights of the Group in the Annual Report 2018.

GROUP CORPORATE STRUCTURE

Our Subsidiaries and Associates

ORIENTAL HOLDINGS BERHAD



■ SUBSIDIARIES ■ ASSOCIATES

* Under members' voluntary winding up.

Note: Refer to the Annual Report 2018 (note 33, 35 and 36 to the financial statements) for significant events during the financial year and significant events subsequent to the financial year end and information on the subsidiaries and nature of the business during the reporting period.

GROUP CORPORATE STRUCTURE (cont'd)

Our Subsidiaries and Associates

Automotive and Related Products	AAP	:	Armstrong Auto Parts Sdn. Berhad
	ACP	:	Armstrong Cycle Parts (Sdn.) Berhad
	ACPV	:	Armstrong Component Parts (Vietnam) Co., Ltd (Commenced members' voluntary winding up on 6 February 2017)
	AR	:	Armstrong Realty Sdn. Bhd. (Commenced members' voluntary winding up on 28 September 2018)
	ATS	:	Armstrong Trading & Supplies Sdn. Bhd.
	BSB	:	Boon Siew (Borneo) Sendirian Berhad
	HM	:	Happy Motoring Co. Sdn. Bhd.
	Kah M	:	Kah Motor Company Sdn. Berhad
	KBA	:	Kah Bintang Auto Sdn. Bhd.
	KC	:	Kah Classic Auto Sdn. Bhd.
	KMA	:	KM Agency Sdn. Bhd.
	KP	:	Kah Power Products Pte. Ltd.
Plastic Products	AI	:	Armstrong Industries Sdn. Bhd.
	CC	:	Compounding & Colouring Sdn. Bhd.
	DF	:	Dragon Frontier Sdn. Bhd.
	KTSM	:	Kasai Teck See (Malaysia) Sdn. Bhd.
	LMold	:	Lipro Mold Engineering Sdn. Bhd.
	OIW	:	Oriental Industries (Wuxi) Co., Ltd.
	OKI	:	PT Oriental Kyowa Industries
	ONDE	:	Oriental Nichinan Design Engineering Sdn. Bhd.
	OSI	:	Oriental San Industries Sdn. Bhd.
	TSP	:	Teck See Plastic Sdn. Bhd.
Hotels and Resorts	30Ben	:	30 Bencoolen Pte. Ltd.
	KNZ	:	KAH New Zealand Limited
	KAust	:	KAH Australia Pty Limited
	Bint	:	Bayview International Sdn. Bhd.
	KPCL	:	Kingdom Properties Co. Limited
	SBHL	:	Silver Beech Holdings Limited
	SBIOM	:	Silver Beech (IOM) Limited
	SBO	:	Silver Beech Operations UK Limited
	SBL	:	Suanplu Bhiman Limited
	PSH	:	Park Suanplu Holdings Co., Ltd.
Plantation	ORPO	:	Oriental Rubber & Palm Oil Sdn. Berhad
	PT BSSP	:	PT Bumi Sawit Sukses Pratama
	PT DAM	:	PT Dapo Agro Makmur
	PT GBina	:	PT Gunungsawit Binalestari
	PT GML	:	PT Gunung Maras Lestari
	PT GSSL	:	PT Gunung Sawit Selatan Lestari
	PT PPA	:	PT Pratama Palm Abadi
	PT SAP	:	PT Surya Agro Persada
	PT SSL	:	PT Sumatera Sawit Lestari

GROUP CORPORATE STRUCTURE (cont'd)

Our Subsidiaries and Associates

Investment Holding	Juta	: Jutajati Sdn. Bhd.
	KWE	: Kwong Wah Enterprise Sdn. Bhd.
	NMEO	: North Malaya Engineers Overseas Sdn. Bhd.
	OAM	: Oriental Asia (Mauritius) Pte. Ltd.
	OAMS	: OAM Asia (Singapore) Pte. Ltd.
	OBSM	: Oriental Boon Siew (Mauritius) Pte. Ltd.
	OBSS	: OBS (Singapore) Pte. Ltd.
	OC	: Syarikat Oriental Credit Berhad
	OIM	: Oriental International (Mauritius) Pte. Ltd.
	SP	: Selasih Permata Sdn. Bhd.
Investment Properties and Trading of Building Material Products	Ken	: Kenanga Mekar Sdn. Bhd.
	LT	: Lipro Trading Sdn. Bhd.
	NME	: North Malaya Engineers Trading Company Sdn. Bhd.
	NMX	: North Malaya (Xiamen) Steel Co., Ltd.
	OAA	: Oriental Asia (Aust.) Pty. Ltd.
	OAMA	: OAM (Aust) Pty. Ltd.
	OBS (M)	: Oriental Boon Siew (M) Sdn. Bhd.
	OIM (A)	: OIM (Aust) Pty. Ltd.
	OR	: Oriental Realty Sdn. Bhd.
	SU	: Simen Utara Sdn. Bhd.
	UG	: Ultra Green Sdn. Bhd.
	UMix	: Unique Mix (Penang) Sdn. Bhd.
	UniMix	: Unique Mix Sdn. Bhd.
	UP	: Unique Pave Sdn. Bhd.
Healthcare	LBSE	: Loh Boon Siew Education Sdn. Bhd.
	MSM	: Melaka Straits Medical Centre Sdn. Bhd.
	NILAM	: Nilam Healthcare Education Centre Sdn. Bhd.
	SLP	: Star Life Pharma Sdn. Bhd. (Incorporated on 22 January 2019)
	SJ	: Star Joy Sdn. Bhd. (Incorporated on 23 January 2019)
Associates	BBDS	: Bukit Batok Driving Centre Ltd.
	BSH	: Boon Siew Honda Sdn. Bhd.
	BSKah	: B. S. Kah Pte. Ltd.
	ChDev	: Chainferry Development Sdn. Berhad
	HAP	: Honda Autoparts Manufacturing (M) Sdn. Bhd.
	HCM	: Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
	HTSM	: Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
	KST	: Kasai Teck See Co., Ltd.
	PgA	: Penang Amusements Company Sdn. Berhad
	PT KTS	: PT Kasai Teck See Indonesia
	PWR	: Penang Wellesley Realty Sdn. Berhad
	SPP	: Southern Perak Plantations Sdn. Berhad
	SSDC	: Singapore Safety Driving Centre Ltd.



EXECUTIVE CHAIRMAN'S MESSAGE

"Our Appreciated Stakeholders,

We are delighted to share Oriental Holdings Berhad's third year Sustainability Report. Each year we monitor and measure our sustainability initiatives across our Group, through economic, environmental and social indicators, and we are proud to highlight the improvements over time. We hope that our report delivers a fair and balanced view of our position and performance on identified material matters."

As a growing conglomerate in the region, we understand the responsibility we have in driving sustainability. This is due in large part to the influence we have through our diverse and varied business portfolio and value chain. At OHB, we are firm believers that through a sustainable approach to our operations we ease the identification of risks, better enabling us to minimise risks, and even developing them into opportunities.

EXECUTIVE CHAIRMAN'S MESSAGE (cont'd)



Our Governance

At OHB, we continuously improvise in order to adapt to new business needs and challenges. We ensure our operations comply with local business and corporate governance legislation, while also striving to achieve industrial best practices from a governance stance. We closely align our Group business governance with the Malaysian Code on Corporate Governance, Bursa's Listing Requirements, Securities Commission Act as well as other relevant local laws based on the location of our subsidiaries.



Our People

As one of our most important stakeholders, we strive to nurture and grow our employees together with our business. This is a fundamental tenet of our Group, and we are willing to invest in individuals to assist them expand their skills and potential. Thus, for year 2018 we recorded an 8-hour average training hours per employee, which totals to more than 50,000 hours spent on training across all our subsidiaries. Besides providing trainings to expand knowledge, we believe in recognising the continuous efforts of our employees, regardless of age, race, gender, religion, marital status and family responsibilities or disability.



Our Environment

As we continue to develop regionally, our direct impact on the environment correspondingly increases. We recognise the importance of reducing our environmental footprint. We strive to adopt best practices in our daily operations through accounted processes and continuous monitoring, while expanding our sustainability initiatives globally. A key achievement in 2018 was achieving 19% of our energy consumptions from renewable sources. From a biodiversity perspective, we have continued to minimise negative impact in all our subsidiaries. We aim to continue this momentum by significantly increasing our investment and effort on environmental initiatives.

We strive to embody our corporate vision, mission and values through our commitment to sustainability, and it is my sincere hope to present a meaningful and aspirational report that highlights this objective.

Thank you.

Datuk Loh Kian Chong
Executive Chairman



AWARDS AND RECOGNITION

1



3



2



- Award for HIV & AIDS Prevention Programme (P2-HIV & AIDS) 2018 (Platinum Category)** – PT Gunung Maras Lestari was awarded a Platinum category from the Indonesian Ministry of Manpower in 2018 for its achievements as an active company in the prevention and control of HIV and AIDS in the workplace.
- Certificate of Appreciation for Best Cost (94Ki Q1 – Q3)** – Kasai Teck See (Malaysia) Sdn Bhd received a Certificate of Appreciation for Best Cost Award (94Ki Q1 - Q3) on 7th February 2018 from Honda Malaysia Sdn Bhd in recognition of its performance in cost reduction efforts and the award was presented in Honda Malaysia Supplier Conference on 27th April 2018.
- Customer Satisfaction Excellence DCSIP Wave 1 GOLD Central Award 2018** - Kah Classic Auto Sdn Bhd was awarded Gold/Best in Central Region during the first half (Wave 1) of Mitsubishi Motors Malaysia Fiscal Year 2018 for the Dealers Customer Satisfaction Index Programme (DCSIP).

ABOUT THIS REPORT



“As a responsible organisation with diverse business segments, we aim to ensure the highest standards of governance are cultivated and practised across our entire global operations. We believe this will ensure the long-term growth of our business in a way that is beneficial to the communities we currently operate in. We strive to integrate sustainability into our business strategy and daily operations – a culture we believe drives competitiveness and increases value for both our shareholders and stakeholders.”

We are proud to present our third standalone sustainability report, produced by Oriental Holdings Berhad with reference to the Global Reporting Initiatives (GRI) Standards. Building on a strong foundation of corporate governance, sustainability principles permeate the decisions and actions we undertake to ensure responsible business practices across the Group’s entire operations chain, manage the environmental impact of our operational activities, provide a safe and inclusive workplace for our employees, and meet the needs of society as a whole regardless of where we are. We will continue to report annually on our approach, performance and progress based on the three pillars of sustainability – Economic, Environmental and Social. The views of our internal and external stakeholders have been taken into account for determining issues that the Group considers material. Please refer to the GRI Content Index, which can be found at the back of this sustainability report, outlining where each material issue is discussed in detail.

ABOUT THIS REPORT (cont'd)

Our Reporting Approach

This report has been prepared to meet the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The content of this report is based on the reporting principle as defined by GRI Standards, which include:

- Stakeholder Inclusiveness: capturing our stakeholder's expectations and concerns;
- Sustainability Context: presenting our performance in the wider context of sustainability;
- Materiality: identifying and prioritising the key sustainability issues that our Group encounters;
- Completeness: reporting all sustainability topics that are relevant to our Group, and influence our stakeholders.

This report references the following GRI Standards:

- GRI 201 Economic Performance 2016
- GRI 302 Energy 2016
- GRI 304 Biodiversity 2016
- GRI 307 Environmental Compliance 2016
- GRI 401 Employment 2016
- GRI 404 Training and Education 2016
- GRI 416 Customer Health and Safety 2016
- GRI 417 Marketing and Labelling 2016
- GRI 418 Customer Privacy 2016
- GRI 419 Socioeconomic Compliance 2016

Sustainability across Supply Chain

At OHB, we believe business sustainability is the chain of causation that impact our business creation. With operations across 11 countries, we have aligned our sustainability strategy towards identifying our business impacts on Economic, Environmental and Social (EES) and its integral relativity in our supply chain. Thus, we strive towards embedding sustainability practices across our supply chain.

Scope and Boundaries

Oriental Holdings Berhad has taken on the culture and practice of Sustainability Reporting since 2016 while 2018 report is our baseline year. This report refers to the sustainability performance and progress of OHB from all segments for the period from 1st January 2018 to 31st December 2018, unless otherwise stated. References to 'OHB', 'the Group', 'the Company' and 'we' refer to Oriental Holdings Berhad and its subsidiaries.

Membership of Associations

- Motor Traders Association of Singapore
- Singapore Business Federation
- Singapore National Employers Federation
- Singapore Hotel Association
- Association of Private Hospitals of Malaysia (APHM)
- Malaysian Society for Quality in Health (MSQH)
- Malaysian Healthcare Travel Council (MHTC)
- Bunbury Chamber of Commerce
- National Park Business Association
- Taupo Chamber of Commerce
- New Zealand Hotel Council
- NSW Business Chamber
- Australian Tourism Export Council
- Australian Hotel Association
- Malaysian Palm Oil Association (MPOA)

Availability

This report is publicly available online via our website www.ohb.com.my.

Feedback

We welcome your comments, thoughts and remarks, which can be directed to our headquarter:

Oriental Holdings Berhad,
1st Floor, 25B Lebuhraya Farquhar,
10200 Penang, Malaysia

Telephone: +604 2638590

Email: ir@ohb.com.my



STAKEHOLDER ENGAGEMENT

Our highly diverse stakeholders reflects the depth of our footprint within local reach of the global market. We have reached out and identified our stakeholders from all segments of our businesses. Through our in-house workshop performed at the Group level, we have identified seven groups of stakeholders who have the most direct impact and influence on OHB. To ensure the participation of all segments of our business across the region, we have taken a robust approach through the digital engagement with our stakeholders in order to identify their key sustainability concerns and expectations. These initiatives to engage with our stakeholders is crucial to OHB as it sets the scope and content for the sustainability report and showcases a unified vision that reflects OHB with its stakeholders. The table below illustrates a detailed account of our identified stakeholders groups. OHB's corporate communications will continue to engage with them on a regular basis in order to note their concerns and expectations moving forward.

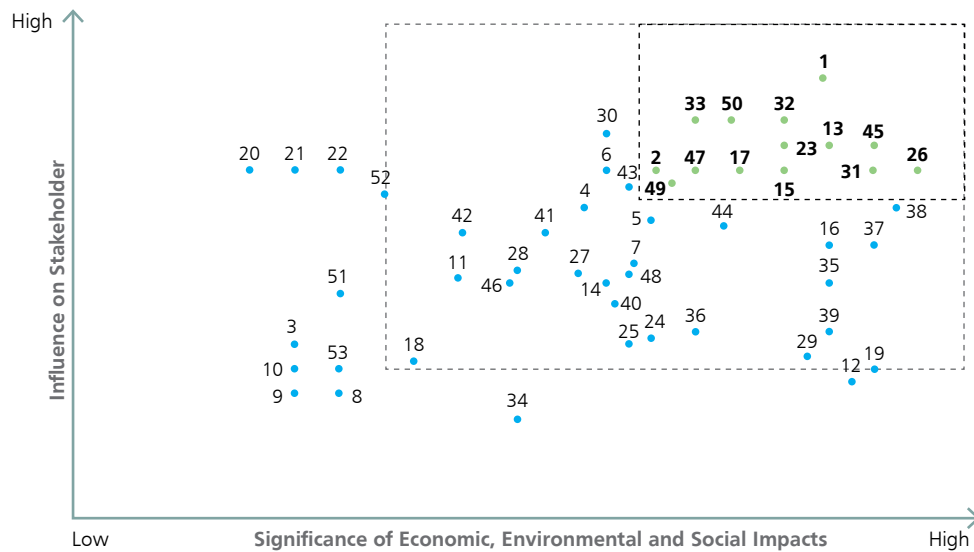
Stakeholders	Mode of Engagement	Frequency of Engagement	Stakeholder Concerns / Sustainability Issues	Expectations
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Briefing/Meeting Extraordinary General Meeting Performance Review Meeting with EXCO and Board Electronic Communication 	Annually As needed As needed Quarterly Quarterly As needed	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices Anti-Corruption Anti-Competitive Behaviour Energy 	<ul style="list-style-type: none"> Provide training and education to all employees Annual or periodical qualitative and quantitative goals and targets for all aspects
Media	<ul style="list-style-type: none"> Media events Advertising agent Press Interviews / Releases 	As needed As needed As needed	<ul style="list-style-type: none"> Economic Performance Marketing and Labelling 	<ul style="list-style-type: none"> Diversity in the representation of all employee categories (age group, gender, minority group etc.), and equal opportunity
Government	<ul style="list-style-type: none"> Income tax filing Annual Return GST/SST reporting Electronic Communication Local authorities 	Annually Semi-Annually Monthly/ Quarterly/ Bimonthly As needed As needed	<ul style="list-style-type: none"> Anti-Competitive Behaviour Occupational Health and Safety Environmental Compliance Marketing and Labelling Socioeconomic Compliance Economic Performance Indirect Economic Impacts Customer Health and Safety 	<ul style="list-style-type: none"> Safe disposal of effluents and waste from all operations that have the least impact on communities and biodiversity
Suppliers	<ul style="list-style-type: none"> Project Centric Supplier Audit Orders Placement Meetings Electronic Communication 	Regular As needed Monthly Daily As needed	<ul style="list-style-type: none"> Supplier Social Assessment Procurement Practices Supplier Environmental Assessment Marketing and Labelling Materials 	<ul style="list-style-type: none"> Establish robust sustainability governance and strategy across all business segments
Customers	<ul style="list-style-type: none"> Customer Feedback Questionnaire/Survey Social media Electronic Communication 	As needed As needed As needed As needed	<ul style="list-style-type: none"> Anti-Corruption Customer Health and Safety Customer Privacy Marketing and Labelling Local Communities 	
Employees	<ul style="list-style-type: none"> Monthly payroll Staff appraisals Training and product knowledge Management Meeting with Union Performance Review / Incentives Individual Development Programme Electronic Communication 	Monthly Annually Periodically Monthly Annually As needed As needed	<ul style="list-style-type: none"> Training and Education Employment Occupational Health and Safety Labour Management Relations Diversity and Equal Opportunity Freedom of Association and Collective Bargaining Non Discrimination Forced or Compulsory Labour Rights of Indigenous Peoples Human Rights Assessment 	
Local Communities	<ul style="list-style-type: none"> Community Engagement Programmes through Corporate Social Responsibility Responsible disposal of wastes and usage of energy efficient resources 	As needed As needed Monthly	<ul style="list-style-type: none"> Biodiversity Effluents and Waste Supplier Environmental Assessment Local Communities Socioeconomic Compliance 	



MATERIALITY

OHB's stakeholder engagement led to identifying 53 sustainability disclosures (disclosures). This list of disclosures has elevated our understanding of the significant influence our stakeholder has on our business. It has also led to an improvement in our approach to the impact that our businesses can have on material EES areas. In order to further define the scope of the report, the disclosures were further mapped on a matrix by our stakeholders.

This mapping matrix was created by looking at the priority level and significance of influence the stakeholder has on each disclosure against the impact that each disclosure has on EES. This exercise result in all disclosures being grouped into two primary segments - 14 disclosures were in the top priority segment with high influence on stakeholders' assessments and decisions and high significance of impacts on EES, and 39 disclosures in the emerging priority segment with medium/low influence on stakeholders and medium/low impact on EES. Based on the matrix established by the contribution of the stakeholders, the 14 top priority disclosures, which are approved by OHB's board, will be disclosed in the report. Kindly see the graph below for detailed information:



1 Direct economic value generated and distributed	31 Average hours of training per year per employee
2 Financial implications and other risks and opportunities due to climate change	32 Programmes for upgrading employee skills and transition assistance programmes
3 Defined benefit plan obligations and other retirement plans	33 Percentage of employees receiving regular performance and career development reviews
4 Proportion of senior management hired from local community	34 Diversity of governance bodies and employees
5 Infrastructure investments and services supported	35 Incidents of discrimination and corrective actions taken
6 Significant indirect economic impacts	36 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
7 Proportion of spending on local suppliers	37 Operations and suppliers at significant risk for incidents of forced or compulsory labor
8 Operation assessed for risks related to corruption	38 Incidents of violations involving rights of indigenous peoples
9 Communication and training about anti-corruption policies and procedures	39 Employee training on human rights policies or procedures
10 Confirmed incidents of corruption and actions taken	40 Operations with local community engagement, impact assessments, and development programmes
11 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	41 Operations with significant actual and potential negative impacts on local communities
12 Direct GHG emissions	42 New suppliers that were screened using social criteria
13 Energy consumption within organisation	43 Negative social impacts in the supply chain and actions taken
14 Energy intensity	44 Assessment of the health and safety impacts of product and service categories
15 Reduction of energy consumption	45 Incidents of non-compliance concerning the health and safety impacts of products and services
16 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	46 Requirements for product and service information and labelling
17 Significant impacts of activities, products, and services on biodiversity	47 Incidents of non-compliance concerning product and service information and labelling
18 Habitats protected or restored	48 Incidents of non-compliance concerning marketing communications
19 IUCN Red List species and national conservation list species with habitat in areas affected by operations	49 Substantiated complaints concerning breaches of customer privacy and losses of customer data
20 Water discharge by quality and destination	50 Non-compliance with laws and regulations in the social and economic area
21 Waste by type and disposal method	51 Benefits provided to full-time employees that are not provided to temporary or part-time employees
22 Transport of hazardous waste	52 Parental leave
23 Non-compliance with environmental laws and regulations	53 Minimum notice periods regarding operational changes
24 New suppliers that were screened using environmental criteria	
25 Negative environmental impacts in the supply chain and actions taken	
26 New employee hires and employee turnover	
27 Workers representation in formal joint management-worker health and safety committees	
28 Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	
29 Workers with high incidence or high risk of diseases related to their occupation	
30 Health and safety topics covered in formal agreements with trade unions	

Material disclosures for 2018

CORPORATE GOVERNANCE

Sustainability Committee Structure and Governance Statement

As a diversified Malaysian conglomerate, we recognise the responsibility we owe to our various stakeholders in delivering not only quality but also ethical and responsible services and products. We continue to strive towards embedding a culture of good corporate governance practices that align with the Malaysian Code on Corporate Governance (MCCG) and adherence to related industrial best practices. Our commitment to instilling good governance is catalysed by an extensive system of monitoring, meaningful policies, standard processes, training and effective communications. This has set the tone for better governance and performance throughout our organisation.

We govern our EES matters through a systematic governance structure. It is a strategic collaboration with our Board of Directors, Management and external stakeholders including shareholders. This holistic governance approach eases the process of identifying regulatory issues and risks, preparing risk mitigation strategies as well as evaluating any gaps between corporate governance standards and our own benchmark for corporate governance within the company.



Economic

We value the relationships we have fostered over the years, built strongly on the foundation of trust and values. We ensure all measures are in place towards supporting all aspects of sustainable economic growth. The mechanisms we have put in place such as codes of conduct all act as basis guides for our day-to-day business operations. We truly believe that our business will grow only when we uphold strong ethical principles and moral integrity.



Environment

As a conglomerate, we understand the environmental impact that arises from our diverse business activities. We constantly strive to reduce any impact from our operations. We proactively take constructive and progressive action towards developing data, mechanisms and processes to integrate and consider our environmental impact arising from our business strategies. We also consistently discuss environmental matters at management level to address the Group's environmental concerns.



Social

We strongly believe, prioritising the importance of keeping our people engaged and motivated is directly correlated to our growth and acts as a key driver in achieving our mission. We value a healthy and safe work place, which stimulates and positively supports our people to achieve outcomes in a safe manner, all contributing to operational effectiveness and business sustainability. We are committed to deepening our understanding of social issues and our responsibility to the localities where we conduct our business.

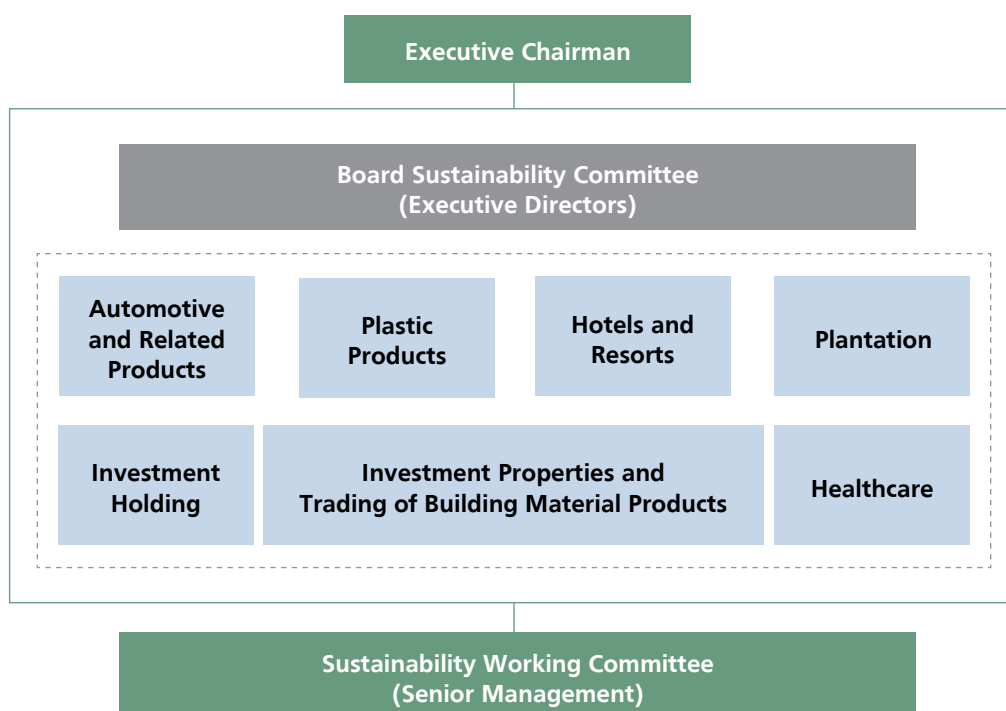


CORPORATE GOVERNANCE (cont'd)

We strive to maintain maximum visibility on environmental and social matters. This is materialised through a strong working team that monitors and discusses pertinent issues on a regular basis. In OHB, we link our risk matters to sustainability closely. Risk Management is important for the Group in order to identify and manage risks more effectively. By understanding the risks within our business procedures, we are able to assess the potential to mitigate or possibly transforming issues into opportunities. Generally, sustainability is perceived as a preventive overlay for risk management. Thus, our Board Sustainability Committee (BSC) is structured to support and link two key areas. The highest level where sustainability matters are considered is with the Executive Directors.

The BSC comprises the Executive Directors who are responsible to provide advice and assistance to the Board in monitoring the decisions and actions of management in achieving the Group's goal to be a sustainable organisation. The Sustainability Working Committee (SWC), consisting of the senior management, will assist the BSC to meet its oversight responsibilities in relation to the Group's sustainability initiatives and performance. The duties of the SWC include setting goals and targets for identified key sustainability matters as well as reviewing and making recommendations to the BSC on the Group's policies and practices. The SWC also strives to educate and bring awareness to the employees to be environmentally and socially responsible and work together to help the business progress in a sustainable direction.

OHB Group Governance Structure



CORPORATE GOVERNANCE (cont'd)

Sustainability Policy and Code of Ethics

We strive to ensure that good corporate governance is an integral part of our business. We believe that good governance is more than just a pursuit towards mere compliance to OHB. It translates into better business performance and creates more sustainable value for the Group. Our overall principles and practices are summarised below:

Adhere to the requirements of all laws and regulatory requirements, standards and better practices to which the Group subscribes and establishes.



Adopt **high ethical values** and ensure these practices are upheld across our business through our code of ethics and employee training programmes.



Establish and nurture open, honest and timely communications, and being **responsive to concerns**.



Establish a **comprehensive enterprise-wide risk management framework**, which includes a process to identify, evaluate and manage risks faced by the Group in its pursuit of its business objectives and strategies.



Establish **emergency response plans** to ensure official, coordinated and fully resourced response and control measures can be activated to meet the specific needs of all emergency situations within the site of our operations, communities and transportation routes in the event of an emergency.



Establish **shareholder's communication policy**, which allows the Group to effectively communicate with its shareholders, prospective investors, stakeholders and the general community, including maintaining a dedicated website, which facilitates easy access to corporate information, annual reports and Group announcements.



Establish **robust policies and procedures** to ensure the adequacy and integrity of the Group's internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.



CORPORATE GOVERNANCE (cont'd)

Corporate Governance models that OHB refers to include:

1. Malaysian Code on Corporate Governance (referred to herein as the Code or MCCG)
2. Bursa Malaysia Securities Berhad (Bursa Malaysia)'s Sustainability Reporting Guide (2nd Edition)
3. Bursa Malaysia's Main Market Listing Requirements (Listing Requirements)
4. Bursa Malaysia Corporate Governance Guide – 3rd Edition
5. Securities Commission (Amendment) Act 2015

The code sets out wide-range area of focuses, principles and specific recommendations to ensure that good corporate governance becomes an essential part of business ecosystem and culture.



The Malaysian Department of Environment (DOE) regulations (**Section 49a (1) of Environmental Quality Act 1974 – Act 127**) states that every scheduled waste generator is mandatory to have a certified Competent Person to carry out and manage scheduled waste activity. In response to this, Principal organised special training session for all dealers by region to support in complying with DOE's regulations. Dealers are required to appoint one scheduled waste personnel to attend the training and examination to be certified as a competent person for their dealership.

Source: Kah Motor Company Sdn Berhad

Code of Ethics

Oriental Holdings Berhad and its subsidiaries are dedicated to maintaining the highest integrity and standards of ethics. In the course of carrying out our roles and responsibilities in our business relationship with distributors, employees, customers, business contacts and society, we agree to remain committed to acting in accordance with the highest standards of excellence, honesty and integrity in every business activity.

Code of Ethics on External Environment

We shall be committed to preserving the environment and obeying the environmental legislation, acting with social responsibility and respecting human dignity.

Accordingly, we are required to be diligent, responsible and respectful in relations with authorities, clients, competitors, suppliers, members of the communities and all other individuals, companies and organisations with which the Company relates in the exercise of its regular activities. Covered Persons* must always seek to preserve the Group's good reputation, image and relations. We shall refrain from establishing commercial relations with companies that knowingly do not follow ethical standards compatible with those followed by the OHB Group.

Code of Ethics on Work Environment

Each of us has a responsibility to help provide a work atmosphere free of harassing, abusive, disrespectful, disorderly, disruptive or other non-professional conduct. Our Directors, Officers, Senior Management and employees seek to foster a work environment that is free from the fear of retribution or reprisal. We provide equal employment opportunities by recruiting, hiring, training and promoting applicants and employees without any discrimination on race, colour, religion, national origin, gender, age, ancestry, sexual orientation, disability, handicap or veteran status.



CORPORATE GOVERNANCE (cont'd)

Code of Ethics on Safe and Healthy Environment

OHB Group is committed to providing a drug-free, safe and healthy work environment for all Covered Persons, customers, business partners and visitors. Every Covered Person has a personal responsibility to support this commitment. Covered Persons are obliged to carry out their work in a safe manner, without causing harm to themselves or others, and to report any potentially unsafe or unhealthy situations immediately. They must observe and follow all safety and environmental regulations laid down in our operation instructions, including putting on the necessary safety equipment, where applicable.

Using or being under the influence of alcohol or illegal drugs while on the job, is strictly prohibited, and smoking is restricted to designated areas. Each of us is responsible for compliance with applicable health and safety laws and regulations.

Any environmental risks that may arise within our properties or from our operations shall be identified and managed in accordance with the applicable laws and regulations.

Code of Ethics on Fair Dealing with Others; Illegal or Questionable Gifts or Favours

We will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practices. We will not make materially false, misleading or unsubstantiated statements about our competitors or ourselves on internet message boards, blogs, social media sites (e.g. Facebook, Twitter and YouTube) or similar forums or by other means of communication. Covered Persons, as our representative, must adhere to these standards in a Covered Person's conduct on our behalf. Covered Persons shall not post information about us on the internet anonymously and shall only speak of us if authorised to do so.

Buying, selling and bidding on our behalf must be done on an "arm's length" basis. Covered Persons are not permitted to offer, give or solicit or accept any payment, gift, bribe, secret commission, favours or other business courtesies that constitute or could be reasonably perceived as constituting, unfair business inducements or that would violate laws or regulations or our other policies. Any questions regarding the appropriateness of offering, giving, soliciting, or accepting a gift or invitation shall be addressed to any of the respective companies' Human Resource Department.

The employee may retain gifts not exceeding RM500 in value per unit and on an annual cumulative basis. Gifts exceeding the threshold should be declared and may be kept if the "Gift and Hospitality Declaration Form" is completed and approved by the respective Executive Directors of subsidiaries. For gifts received in overseas, the higher of RM500 or same limit but denominated in local currency applies. As business lunches/dinners are accepted modes of hospitality, these need not be declared but care must be exercised while accepting such meals. These should be infrequent and non-lavish. The sole purpose must be for the enhancement of a business relationship and not for reciprocity.

**Note: Covered Persons consist of Directors, Officers, Senior Management and employees of OHB Group*

Compliance

The Group remains committed to the applicable laws and regulations set by the local authorities where our Group operates. Our country management representatives closely monitor regulated areas to avoid any non-compliance with local legislation pertaining to the environment and socioeconomic. We make a great deal of effort in complying with the requirements via stringent set of internal approaches in our operations. As of 2018, OHB has identified one non-compliance with socioeconomic laws and regulations and zero non-compliance with environmental laws and regulations. However, the non-compliance incidents were resolved within the reporting period.

Kindly refer to our subsequent chapters for more information on customer health and safety, and marketing and labelling compliance.



ECONOMIC



ECONOMIC (cont'd)



Key Highlights in FY2018

Identified

mitigation

measures for financial risk and opportunities identified due to climate change

91%

occupancy rate in 30 Bencoolen Pte Ltd, Singapore

Economic performance and business sustainability is embedded as part of OHB's

Sustainability Strategy

Contributed significantly to local economy through

Local Vendors



ECONOMIC PERFORMANCE

Why It Matters?

As a successful business, economic performance is the most basic way to gauge our performance. OHB is proud that our measured impact is significant with respect to the area of sustainability. We measure this through our contribution to the gross domestic product (GDP) of the countries we operate in as well as the overall economic growth we contribute to. Through positive performance, effective management and reinvestment in the business, we enhance our business sustainability and continually contribute a positive impact in the local communities we are a part of. This provides stable, long-term employment and income for workers, benefitting the community and economy. Our business invests in local talent through meaningful employment, working with us allows training in talent and skills that may reach far and wide towards positively improving economic prospects as a whole. The more positive the performance, the more employment opportunities we are able to offer. The continuous positive impact of OHB's economic performance flows into the local and national economies through various channels (e.g. salaries, wages, raw materials and etc.) enabling our business and the communities to function seamlessly. Through this, we hope to be a greater contributor to the countries' economic and social growth.

How We Approach It?

At OHB, we strive diligently at achieving our goals and targets in the space of economic performance without compromising our commitment to maintaining sustainable business practices while continuing to embrace and improve upon the sustainable practices across our businesses.

Automotive and Related Products

OHB's automotive segment consists of three subsegments: manufacturing, distribution and dealerships. Economic performance is a crucial aspect of the Group's business, as it is a key contributor to economic performance at both the local and national level. Any negative impact affects not only the profitable growth of the business but also the livelihood of employees as most of the workforce demographic is local. Some of the key initiatives taken in order to maintain stable economic growth and sustain long term employability are as follows:

- Exceeding sales key performance indicators (KPIs)
- Complying with local regulations
- Tightening loans approvals and encouraging high deposit to customers
- Providing good after-sales service
- To drive a robust and informed business strategy
- Sound practices to maintain retaining customers

All initiatives and KPIs are periodically reviewed by top management to ensure all goals and targets are met. Regular annual audits are performed by internal and external auditors.

Plastic Products

One of the key driving factors for this segment is its low operational cost and high profitability with sound reduce, reuse and recycle (3Rs) policies. This is the case because the material content is about 70% of production cost and substantial savings from reusing the rejected materials. At the operational level, quantitative goals and KPIs are set to achieve the desired objective of low purging and rejection percentage. The KPIs are reported to the central committee and benchmarked against peers within the Group.

ECONOMIC PERFORMANCE (cont'd)

Hotels and Resorts

Our generated economic value is the basis of the hotel business. It determines the sustainability of the business, profitability to the owners and employability of our staff. The generated economic value, profitability and the surrounding business environment directly determine the continuous direction of the business, which then flows to its operations, employees, and any other businesses that deal with the hotel.

The targeted economic value generated is monitored, scrutinised and evaluated on a monthly basis. The Head of Hotel is responsible for the performance of the hotel and meeting the targeted performance figures. Our financial and performance data is captured real time by the property management system and the revenue tool on a daily basis. These figures are used to evaluate business at the property and will be eventually shared with the head office. Financial figures from the previous year, current budgeted figures as well as local competitive figures and KPIs are used to measure the effectiveness of the hotel's business plan. Changes are continuously made as and when to improve any evaluated weaknesses and reinforce future opportunities.

The hotel performance is captured by the property management system, which is internally audited by the finance department as well as checked by the Finance Manager. The figures are then shared with the Hotel Group head on a monthly basis for further scrutiny as to any gaps in the respective hotel's practices. The hotels also go through an external audit yearly.

30 Bencoolen Pte Ltd (30Ben) in Singapore, for example, targeted to achieve an occupancy rate of 92.4% and one of their key targets is to achieve a good rating on Trip Advisor.

Plantation

As one of the economic performance's key segment, the plantation segment is set for long-term viability and survival of the business through incremental growth. The economic performance aspect of the plantation is overseen by the respective heads of departments on a yearly basis and approved by the plantation committee in headquarter. Plantation committee holds regular meetings to discuss the achievement of economic performance set by each department and reports to the Board periodically.

Investment Properties and Trading of Building Material Products

Rental income is one of the key aspects of investment properties segment and sales of building material products are the main source of income of trading of building material products segment. At this juncture, sustaining the properties are our key targets. Economic performance is set by respective heads of departments on a yearly basis and approved by the Management team. The management team holds periodical meetings and discusses the achievement of the economic performance targets set by each department and reports to the board.

Healthcare

The sustainability of business and the community surrounding the business are directly correlated and embodied through our healthcare segment. OHB's healthcare segment has adopted a sound operating framework with robust governance above and beyond the local authority regulations such as Ministry of Health (MOH), Malaysian Society for Quality in Health (MSQH), Ministry of Higher Education (MOHE) and Nursing Board Malaysia to ensure an economic performance remains accessible and positive. The segment strives to achieve its set quantitative and qualitative goals across its segment. The segment except our academic line undergoes evaluations on a KPI basis and are managed through internal and external audits. Findings from all the audits will be tabulated and further actions are taken to mitigate any identified issues.

Our Performance

Kindly refer to the economic performance of the Group in the Financial Highlights section of this report.

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Why It Matters?

As much as we do our best in operating our businesses in a smooth and seamless way, we do face challenges that interrupt our operations across all industries and segments. We also do our best to leverage on opportunities caused by natural disasters as well as find ways towards mitigating the challenges and risks that result from climate change.

How We Approach It?

OHB has its foot across countries with disruptive climate change towards our business and it has helped us to elevate our mitigations via various approaches across some of our business segments. We prioritise on leveraging the opportunities created by climate change and establishing mitigation plans for financial implications and risks caused by climate change.

Hotels and Resorts

One of the key economic performance growth reasons for tourism is due to longer dryer summer periods. However, there are negative impacts on costs associated with inclement weather patterns and one-off significant weather events. In the service residence and hotel industry, the climate change risks are relatively limited as for now. Our management is prepared to manage natural disaster scenarios. Insurance is also taken on the building. It is worth noting that the impact we have observed is minor to moderate in the short-term for profit and market growth. On the other end, for our New Zealand Chateau property these natural occurrences could be catastrophic. We have different segments in the market where we get our business - online, corporate, leisure, direct, via agents in different nationalities including China, Europe, South East Asia, Middle East, Australia. In the event, if one segment performs poorly, the other can pick up the shortfall. The segment has annual audits in place (Environment, Health and Safety, Systems and Process Assurance, Internal Audit) that are designed to mitigate such risks.

Every year there are a series of KPIs set internally. Operational expenditure and capital expenditure budgets are agreed between management company and managers. This includes also environmental impact goals and KPIs linked to bonuses. All staff are responsible including the residence manager, general manager (GM), area manager, country GM and the headquarter supporting team. Different responsible areas are laid out in each individual annual KPI. Quarterly risk management reviews are performed down to the subsidiary level by our Group internal audit.

Plantation

Climate change is affecting the growth and productivity of our plantation segment. It affects the crop for harvest, unstable water supply and forest fires. The risks and opportunities of climate change are monitored by the respective operating centres in Enterprise Risk Management (ERM). The ERM is then monitored by our Head Office Finance Department and the Research and Development Department as well.

Mitigation responses identified in ERM are taken by respective operating centres at the subsidiary level. All findings are reported to the top management at their respective operating centres. This is then further reported to the Plantation Committee. As a means to mitigate risk further, specific funds are allocated for identified mitigation actions.

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE (cont'd)

Our Performance

The table below illustrates in details the risk and opportunities identified across our business segments primarily focusing on their impact, financial implications, mitigation and cost of mitigating actions.

Risk/ Opportunity	Impact	Financial Implication	Mitigation	Cost of Mitigating Action
Automotive and Related Products				
Risk	Impact on business continuity and loss of sales revenue	Reduction in revenue as 80% of total sales revenue from a major customer	Source for new markets to increase in other sales (especially on export sales)	RM 200,000
Risk	Impact on overall product costing	Cost of materials contribute to about 80% of the total cost structure	<ul style="list-style-type: none"> Consolidation of local supplier's base for main components to have more negotiations power Develop new sources for key sole suppliers 	RM 50,000
Risk	Impact on: a) Response time/ inventory accuracy and safe workplace; and b) Constraints to bring in new products	N/A	<ul style="list-style-type: none"> Outsource/Consolidate of 3rd party warehouse Identify new factory to cater for new products 	High investment cost
Risk	Flooded factories unable to supply cars and parts	Unable to quantify, depends on the severity of the situation	Enhancement of labour-intensive services and other activities with lower reliance on products unable to be supplied	Unable to quantify
Risk	Increase in ride-sharing and reduction in private car ownership	Unable to quantify, depends on the severity of the situation	Reduce carbon footprint in automotive products by the distributor	Unable to quantify
Risk	Reduction in private car ownership and an increase in the use of public transport	Unable to quantify, depends on the severity of the situation	Expand into the ride-sharing market	Unable to quantify
Opportunity	There will be more opportunities for localisation of products due to change in government	Increase in sales	Engagement with Malaysia automotive industries and customers	N/A
Opportunity	Increase new products with incentives that are passed to customers, improve branding image with good "green" products that outshine competitors otherwise not viable to be made available without incentives due to high costs	Unable to quantify, may be below 10% of revenue but should gradually increase in the future subject to continuation of incentives and competition	Investments are mainly carried out by the distributor (the company is a dealer)	Depending on the distributor
Opportunity	Increase in window tint film sales	Potential revenue increase of up to 2% of revenue	Stricter implementation of sales by-product and higher sales incentives	Depending on the distributor
Opportunity	Increase in automotive repair and replacement services and products as well as increase in sales of additional insurance products	Unable to quantify subject to competition	Increase and upgrade after sales services facilities plus incentive given to promote the insurance products	Capital investment

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE (cont'd)

Risk/ Opportunity	Impact	Financial Implication	Mitigation	Cost of Mitigating Action
Hotels and Resorts				
Risk	Warmer day temperatures	Higher utility bill due to heavier air-condition usage (between 3% - 5% increase)	More efficient equipment operations	Depending on weather
Risk	Adverse weather conditions or during winter months such as frequent and severe storms and continuous wet weather	Reduction in approximate of 3% revenue due to a drop in tourist arrivals. Booking cancellations etc.	Preventative maintenance programme targeting potential weather impacts	RM 50,000
Risk	Warmer weather conditions during summer months increasing the risk of potential bushfire	Reduction in approximate of 5% revenue due to potential disruption to operation. Booking cancellations etc.	Business interruption insurance and preventative maintenance programme targeting to reduce impacts	RM 50,000
Risk	Reduction in snow line level for Chateau, reducing high winter season	Reduction in approximate of 5% revenue	Diversification in marketing activities	RM 50,000
Risk	Adverse weather conditions with a chance of serious condensed weather events	Increased expenditure of 5%	Preventative maintenance programme targeting potential weather impacts	RM 100,000
Risk	Adverse weather conditions impacting on travel during normal high season	Reduction in approximate of 3% revenue	Diversification in marketing activities	RM 20,000
Risk	Weather conditions impacting on guests ability to travel to hotels locations	Reduction in approximate of 1% revenue	Business interruption insurance	RM 20,000
Risk	The potential for increased likelihood of natural disaster impacting on the hotel's ability to operate	Complete closure of business	Natural disaster insurance	Not quantitative
Opportunity	Increased revenue through increased demand for tourists. Bayview Geographe Resort being a beachfront located resort, more outdoor, beach and water-based activities for guests	Increased revenue by 2%	Sales promotions through all available e-commerce platforms	RM 20,000
Opportunity	Be the first mover advantage and attract more customers through competitive pricing and promotion strategies	Increased revenue by 1%	Sales promotions through all available e-commerce platforms	RM 10,000

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE (cont'd)

Risk/ Opportunity	Impact	Financial Implication	Mitigation	Cost of Mitigating Action
Hotels and Resorts				
Opportunity	Increased summer high season	Increased revenue through the extension of high season good weather for trekking/walks	Increased revenue by 5%	RM 20,000
Opportunity	Increase in the number of sunny days	Increased revenue through food and beverages and golf	Increased revenue by 1%	RM 10,000
Opportunity	Reduced energy consumption	Higher ambient temperatures reducing the need for heating	Reduced energy costs by 1%	N/A
Plantation				
Risk	Unexpected high rainfall causes extended harvesting interval, flooding and delay in Fresh Fruit Brunches (FFB) evacuation, which contribute to higher content of Free Fatty Acids (FFA) in CPO	To sell CPO with high FFA at a discounted price, hence result in lower profit	Stringent CPO quality control, for example: 1. To expedite the delivery of FFB to palm oil mill 2. To process FFB according to First In First Out (FIFO) system	N/A
Risk	Shortage of barge due to high tides	1. Lower sales of CPO 2. The company may need to look for barge for CPO delivery Hence result in higher transportation cost and lower profit	To build additional CPO storage tanks	N/A
Risk	Long dry period causes severe damage and stress to the palm trees	Lower FFB production in term of yield per hectare, hence result in lower profit	A well-planned water management system	N/A
Opportunity	Unexpected high rainfall during the hot and dry season is good for the growth of oil palm trees	Expect an uptrend in yield after 30 months, result in higher FFB production in term of yield per hectare	Stringent CPO quality control, for example: 1. To expedite the delivery of FFB to palm oil mill 2. To process FFB according to FIFO system	N/A

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE (cont'd)

Risk/ Opportunity	Impact	Financial Implication	Mitigation	Cost of Mitigating Action
Investment Properties and Trading of Building Material Products				
Risk	Increase fuel consumption	Not quantifiable	Ongoing review of methods	Not quantifiable
Risk	Control supply by the supplier	The higher production cost of approximate 5%	Increase stock reserve	RM 50,000
Risk	Unable to have long term plan for production	Higher production cost due to often movement of plant	Effort to find a suitable area	RM 100,000
Risk	Reduction in profit margin	Reduction in approximate of 5% pre-tax profits	Research/reformulate to mitigate the cost	Not quantifiable
Risk	Disruption in logistic	The higher cost of recruitment and training	Improve working environment/benefits	Not quantifiable
Opportunity	Reduce transportation cost	The increment in pre-tax profit	Continue to look for strategic land	RM 50,000
Opportunity	Strictly 60 days term	Well cash flow position	Prompt payment to the supplier to enjoy a rebate	RM 100,000
Opportunity	Upgrading of skillsets	Higher selling price as proven quality sustain a competitive edge in the industry	Expand to focus on innovation and creativity	Not quantifiable
Opportunity	Quality workforce	Shorten delivery and invoicing period	Revamp the education system	Not quantifiable
Opportunity	Move towards a meritocracy system	To flourish and increase competency and competitiveness	Economic ecosystem	Not quantifiable

ENVIRONMENT



Key Highlights in FY2018

360.7 TJ

Total energy consumption

19%

of energy consumption are from renewable sources

Gold

Qualmark Sustainable Tourism Business Award for our Wairakei Resort in Lake Taupo, New Zealand

No

Significant direct and indirect negative impacts on biodiversity

Align

with Roundtable Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) & Indonesian Sustainable Palm Oil (ISPO) requirements on biodiversity



ENERGY

Why It Matters?

Energy is the lifeblood of any and all the businesses that OHB involved in. Regardless of the abundance of energy sources that are currently available to the Group as technological advancement makes deriving different sources of energy possible, we recognise it is our responsibility as environmental stewards and proponents of social responsibility to drive the ideals of sustainable development. This means we are committed to not only utilising energy in a responsible and sustainable manner but we also strive to continually innovate the way we manage energy consumption across our operations globally. By aligning this strategy to our localised day-to-day operations, we strongly believe we are able to further reduce our operational expenditure on energy through our conservatory practices and improved energy efficiency as we continue to expand our footprint in the marketplace.

How We Approach It?

According to the World Resources Institute, global Greenhouse Gases (GHG) emissions from energy use and production far outweigh emissions from other activities, which account for 72% of all emissions¹. While our operations in Malaysia and Singapore have contributed more than 85% of total revenue for the Group, we actively support Malaysia's and Singapore's national commitment to climate change as they put steps in motion towards achieving a 45% and 36% reduction on GHG from 2005 level by 2030. The Group also encourages our subsidiaries to adopt industry best practices and international standards in energy conservation and management, such as introducing renewable energy innovations to reduce our energy usage in fossil fuel.

Automotive and Related Products

While a majority of the Group's revenue derived from our automotive segment, we would like to highlight that the segment plays a significant role in championing our sustainable practices for the Group. Our automotive distribution, dealership and manufacturing businesses have moved forward their focus in energy on improving energy efficiency through energy conservation and management in their day-to-day operations.

Our automotive dealership business has continued to expand its footprint in Malaysia as the dealer of Honda and Mitsubishi cars and in both Singapore and Brunei as the distributor of Honda cars. In response to the increasing total electricity consumption due to the growth we achieved in our business, we are closely monitoring the electricity consumption at our showrooms and service centres on monthly basis with the aim to achieve cost saving from overall consumption reduction. We also strive to utilise more energy-efficient appliances (e.g. Light-emitting diode (LED) lightings, air conditioning and service centre equipment) to further improve our energy performance.

Guided by Armstrong Auto Parts Sdn. Berhad (AAP)'s Environmental Policy, our automotive manufacturing business strives to reach beyond compliance with the management of our electricity consumption. The Chief Manufacturing Controller and Plant Manager have taken the lead in driving the LED Lighting Initiative throughout AAP's operations since 2017. They are also tasked to monitor our energy consumption through our ISO 14001:2015 certified environmental management system. To further demonstrate our commitment to reducing our electricity consumption, we plan to invest RM30,000 in 2019 to upgrade our air conditioning system to a more environmental-friendly system.



Energy Management at Happy Motoring Co. Sdn. Bhd. (HM)

In addition to complying with Brunei Environmental Protection and Management Order, HM supports Government initiative in changing the ordinary energy meter to the smart prepaid meter. This year, HM efforts in energy conservation and management has achieved a remarkable result, with a 10% reduction on electricity bills as compared to 2017.



LED Lighting Initiative at AAP

AAP has commenced its LED Lighting Initiative in January 2017 to replace fluorescent bulb to LED bulb across its offices and manufacturing plants. As of November 2018, AAP has replaced more than 3,000 fluorescent bulb to LED bulb. It is estimated that AAP is currently enjoying approximately RM8,000 savings per month as a result of this initiative.

¹ <http://www.climatewatchdata.org/>

ENERGY (cont'd)

Plastic Products

We acknowledge that our plastic products segment is an inherently energy-intensive business. It is, therefore, we strive to foster best practices in energy management and reduce our energy consumption through continually improving the energy efficiency of our processes and equipment across our operations. Our subsidiary Teck See Plastic Sdn. Bhd. (TSP) achieved notable energy consumption reduction by optimising usage of its cooling towers and boilers. For example, TSP managed to reduce the total number of operating cooling towers from seven cooling towers to two cooling towers through piping modification.

Hotels and Resorts

To maximise energy efficiency at our hotels without compromising our commitment to our guests has always been an integral part of our operational strategy. We believe this is an exceptional opportunity for our hotels to not only uphold our responsibility towards environmental conservation but also materialising significant savings in our operational expenditure towards tackling climate change.

Our hotels have established energy-related policies and standard operating procedures (SOPs) to monitor energy consumption and improve energy efficiency wherever it is possible. In addition to annual internal audit to evaluate the effectiveness of our practices in energy management, our hotel in Thailand has followed ISO 14001:2015 for its environmental management system and has set individual KPIs for its employees in energy management.



Energy Management at Bayview Hotel, Melaka

Bayview Hotel has put in place SOPs to monitor its energy usage. Its operations are synced with off-peak hours to reduce maximum demand charges. Energy usage in heavy equipment such as chillers, air handling units and heating equipment are recorded on every shift and closely monitored by maintenance manager on a daily basis. A usage report will be submitted to the Hotel Head for review every day. Bayview Hotel also benchmarks its monthly energy usage against previous years' performance to identify any unjustifiable surges. Should there be any confirmed unjustifiable surges, a thorough investigation will be conducted to understand the root cause of the surge.

This year, Bayview Hotel experienced an increase of 8.5% in energy cost. However, we believe this is in line with the 13.5% growth in business revenue.

Plantation

At OHB, we acknowledge that the process of managing plantations and producing palm oil an energy-intensive exercise. In light of the rising concerns between palm oil and climate change, we strive to leverage effective GHG emissions management to achieve greater energy efficiency in our plantation segment. We also support the initiative of reducing reliance on fossil fuels by utilising renewable energy as the priority source of energy in both our plantations and palm oil mills in Malaysia and Indonesia.

As part of our journey towards sustainability in our plantation segment, we are committed to continue aligning with RSPO, Malaysian Sustainable Palm Oil (MSPO) and ISPO requirements on GHG emissions. This is supplemented by SOPs for handling GHG emissions for our plantations and palm oil mills. GHG emissions are monitored by our Segmental Heads and Sustainability Officers and will be reported to the top management at respective operating centres as part of our annual audit programme.



SOPs in Handling GHG Emissions at Plantation Segment in Indonesia

The SOP outlines details in role and responsibilities of managers and sustainability officers in our plantations and palm oil mills in regard to GHG emission management under six phases as shown below.



ENERGY (cont'd)

Investment Properties and Trading of Building Material Products

Our trading of building material products segment is committed to applying feasible new technology in order to improve its fuel efficiency for production as well as logistical vehicles. The management office at our subsidiary Unique Mix (UNI) monitors the operation of its machinery. To achieve better measures of energy efficiency in its machinery, UNI implements forecasting, load aggregation and rate analysis to coordinate internal production requirements and production schedules. UNI also tracks the operation of each truck through GPS navigation. Data such as fuel consumption, idle time, hard-braking as well as driving speed are recorded for fuel efficiency and optimisation purposes.

Healthcare

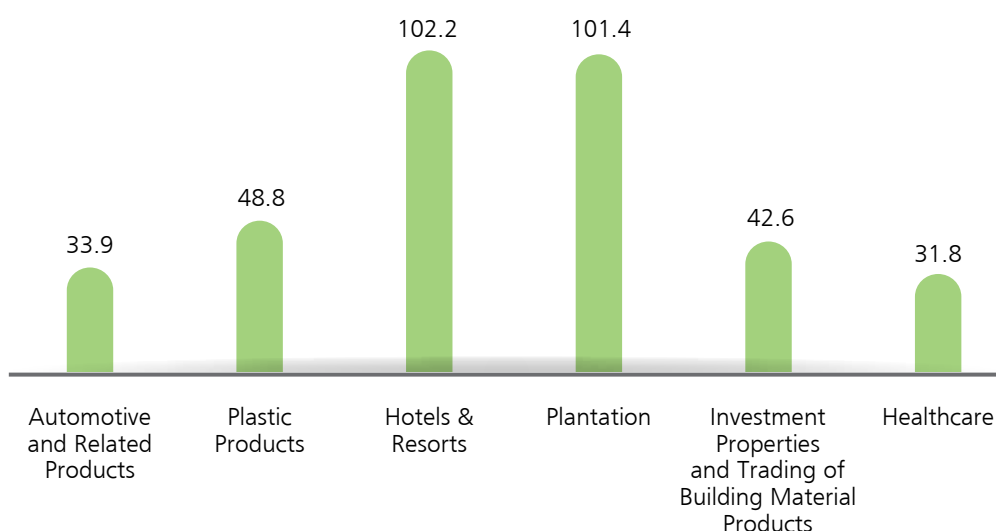
All our facilities at Melaka Straits Medical Centre Sdn Bhd (MSM) are required to operate year-round without disruption in order to maintain a high quality of healthcare services as well as a comfortable hospital environment for our employees, patients and visitors. This has had the undesired spillover effect of resulting in high-energy consumption and operational cost in our premises. We are therefore taking measures and striving to continually improve our energy performance through effective monitoring and energy efficiency initiatives with an annual energy reduction target of 2% for our hospital.

To strengthen our governance in managing our energy usage at MSM, we have established an Efficient Energy Management Committee alongside an Electrical Energy Management Policy that outlines MSM's commitment towards achieving operational excellence in energy management. We have additionally appointed an external energy manager in providing recommendations for energy saving initiatives at MSM. One of our energy savings initiatives is the overall replacement of inefficient lightings across our hospital to energy-efficient LED, a measure that has successfully reduced 68% of lightings consumption.

Our Performance

The Group has recorded total energy consumption of 360.7 TJ in 2018, of which 19% are sourced from renewable energy such as geothermal and wind energy. The top three segments for energy consumption are hotels and resorts, plantation and plastic products segments. OHB will continue to benchmark our energy performance against industry best practices and international standards while actively conducting energy efficiency and reduction initiatives across all our segments.

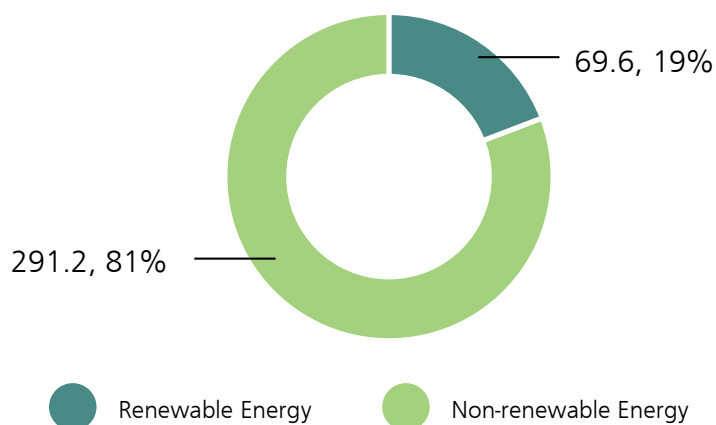
Total Energy Consumption in 2018 by Segment (TJ)



ENERGY (cont'd)

Our Performance (cont'd)

**Total Energy Consumption in 2018
by Energy Source (TJ,%)**



Achievement from Energy Reduction and Efficiency Initiatives

Our subsidiaries at OHB have embarked on several energy reduction and efficiency initiatives to improve our overall energy performance. Examples of initiatives and subsequent reduction achieved are tabulated below.

Segment	Subsidiary	Initiatives	Amount of Reduction
Automotive	AAP	LED Lighting Initiatives	603 GJ
Plastic	TSP*	Cooling Tower Optimisation	2,053 GJ
Plastic	TSP	Boiler Efficiency Optimisation	1,659 GJ
Healthcare	MSM	LED Lighting Initiatives	504 GJ

* TSP = Teck See Plastic Sdn. Bhd.



BIODIVERSITY

Why It Matters?

At OHB, our dedication towards achieving sustainable growth extends to maintaining and enhancing biodiversity in the vicinity of our operations. While some of our operations are located at within the proximity of high intrinsic value and conservation areas, we strictly prohibit any activities that will undermine the promise of our future generation in experiencing the luxury of an unblemished ecosystem and environment that we are currently enjoying. It is, therefore, the Group's goal to mitigate threats to the habitat of diverse species arising from our operations while continuing to preserve and promote the sustainable use of natural resources through targeted conservation initiatives.

How We Approach It?

As one of the largest conglomerates listed in Malaysia with a presence in more than 11 countries globally, we understand that our impact on environmental biodiversity varies according to the locality and the nature of our business. After understanding the degree of adverse impact each of our businesses could potentially have on the environment they operate in respectively, the Group will move forward with its response to biodiversity conservation by focusing on our hotels and resorts and plantation segments.

Hotels and Resorts

Operating without compromising the quality of the environment has always been the overarching approach we take into account when managing our hotels. We strongly believe that we are not able to thrive in the hospitality industry if we are part of the degradation of the ecosystem that made our hotels unique, beautiful and comfortable places to reside. This means we are committed to preserving the environment and adhering to the applicable environmental and biodiversity-related laws and regulations regardless of the location of our hotels.



Qualmark Gold Sustainable Tourism Business Award for Wairakei Resort in Lake Taupo, New Zealand



Owned by Tourism New Zealand and backed by leading industry organisations, Qualmark is New Zealand tourism's official quality assurance organisation aims to help businesses to become more sustainable from a people, planet and profit perspective.

Under the Sustainable Tourism Business Criteria, each business receives onsite evaluations against a series of criteria on four key areas i.e. Economic, Social & People, Environment & Culture and Health, Safety & Wellness. Businesses are awarded a Bronze, Silver or Gold award depending on their performance assessed by a Qualmark Tourism Business Advisor against the Sustainable Tourism Business Criteria.

One of our key milestones in our sustainability journey is our Wairakei Resort in Lake Taupo, New Zealand was awarded the Qualmark Gold Sustainable Tourism Business Award – the highest level achievable. A Gold Award recognises the best sustainable tourism businesses in New Zealand, with the delivery of exceptional customer experiences as an integral part of everything we do. The award also identifies our leadership in making the New Zealand tourism industry a world-class sustainable visitor destination.

The highlights of our efforts in biodiversity conservation are clearly displayed with our hotels in Australia and New Zealand, particularly in our Chateau Tongariro Hotel, which is surrounded by the Dual World Heritage Site of Tongariro National Park at the heart of New Zealand's North Island. High standards of care with extensive precautionary measures are deployed to maintain designated conservation land and ecosystem on it. Another example is our hotel in Western Australia whereby we take into account the extinction of endangered species such as Ring Tail Possums, Bobtails and other species that are native to South West region of Western Australia into our day-to-day operation.



BIODIVERSITY (cont'd)

Plantation

Malaysia and Indonesia are countries popularly recognised for the rich biodiversity of its tropical forests and jungles. While OHB has grown more than 39,000 ha of oil palm in these two countries, we are fully aware of our responsibility for managing our plantations in a sustainable manner. This means we proactively minimise our impact on the environment by aligning our practices with RSPO, MSPO and ISPO requirements on biodiversity, in addition to comply with the applicable statutory requirements. To further demonstrate our determination in adopting best practices to preserve the environment, our operations in Malaysia are in the midst of applying for MSPO certification.

Our practices in relation to biodiversity conservation are governed by a comprehensive suite of policies and procedures down to the subsidiary level. These policies outline clearly our principles towards no deforestation, peat and exploitation to prevent the extinction of protected species as well as to maintain terrestrial forests and peat areas in their natural state. A High Conservation Value (HCV) Management and Monitoring Programme will be subsequently developed by our respective plantations. These measures are consistently monitored by a dedicated sustainability department alongside the annual internal and external audits to ensure we are able to stand by our commitment to biodiversity conservation across all plantations.

Sustainability Policy in Bangka Region

Our plantation segment in Bangka Region established a Sustainability Policy that encompasses the following five key aspects. The environmental aspect includes peatland protection and management, no deforestation and biodiversity conservation.



HCV Management & Monitoring Programme in Bangka Region

Following our commitment in managing the economic, environmental and social aspects of our plantations in a sustainable manner, we have designed a HCV Management & Monitoring Programme for our plantations in Bangka Region based on the results of HCV assessment. The programmes and respective expected outcome are tabulated below:

No.	Programme	Expected Outcome
1	<ul style="list-style-type: none"> Protection of river flow and water quality Conservation of rare and river aquatic species 	<ul style="list-style-type: none"> Measure and monitor sedimentation and erosion on monthly basis All river banks are covered with erosion control plants/vegetation Conduct de-siltation to reduce the sediment deposition according to the planned programme Sediment trap is well functioned and maintained
2	Preservation of history and culture heritage	<ul style="list-style-type: none"> Conduct history and culture heritage identification annually Set up announcement board on history and culture heritage land upon land owner's permission
3	Conservation of forestry area to avoid the extinction of rare, endangered and threatened species as well as illegal logging	<ul style="list-style-type: none"> Protect habitats of rare, endangered and threatened species at all time Native vegetation is maintained

Our Performance

This year, we have complied with applicable regulations in relation to biodiversity conservation while consistently maintaining and enhancing the quality of natural habitats in the vicinity of our operations. The Group is not aware of any significant direct or indirect negative impact on the

biodiversity arising from our hotels and resorts and plantation segments in the reporting year. We will continue to sustain this achievement through the coming years and continually benchmark our biodiversity conservation practices against international standards and best practices.

SOCIAL



SOCIAL (cont'd)



Key Highlights in FY2018

8

Average training hours per employee

>50,000

Hours spent on training across subsidiaries

>50%

of OHB's new hires consisted of

Gen Z*

the youngest demographic in the workplace

* Gen Z - generation to be named and were born after 1995

KAH MOTOR

in Singapore signed

The Employer's Pledge of Fair Employment Practices under Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP")

Zero

Breaches with no substantiated complaints on customer privacy



EMPLOYMENT

Why It Matters?

OHB strongly believes that our global success spanning across five decades can be attributed to our exceptional pool of talent coming from all walks of life. We maintain the provision of equal opportunity as the key to embedding workplace diversity that creates a harmonious and healthy expansion of the Group. Here at OHB, we care for our own by allocating resources for personal and professional development of all employees. OHB Group firmly believes that cultural diversity within a safe, inclusive and respectful work environment is most essential in the nurturing of a mindful work-life balance.

How We Approach It?

Our Group-wide Code of Ethics lays down guidance and support for conducting business in a dignified, distinctive and responsible manner. We have adopted relevant codes and policies, such as fair treatment, human rights, non-discrimination, trade unions, minimum wage, as well as equality and diversity, across our business operations to ensure integrity, transparency and accountability in all our dealings with stakeholders. We are also committed to complying with all applicable laws, rules and regulations in the countries, which we operate in.

Automotive and Related Products

The automotive segment recognises the value of its employees as one of the most important components of its business operations. Thus, the segment is committed to investing in capacity building and nurturing talent to increase retention while also helping to develop the workforce of tomorrow.

Through collective bargaining agreements involving employee unions, associations and the Management, the automotive segment ensures that its employees receive fair treatment and equal access to opportunities irrespective of their background. The industry also strives for inclusivity as an employer, welcoming people from all walks of life, to encourage a progressive work environment that creates an environment that encourages happiness and professional growth for all employees.



Employment Practices at Kah Motor Malaysia and Singapore Operations

Kah Motor Malaysia Operations – one of our subsidiaries under our automotive segment, which operates nine Honda Dealerships in Malaysia, signed a collective bargaining agreement with the National Union of Transport Equipment and Allied Industries Workers of Malaysia on July 2018 to encourage its employees to participate freely in constructive dialogue with the Management.

In Singapore, Kah Motor signed The Employer's Pledge of Fair Employment Practices under TAFEP organisation to demonstrate its commitment in promoting a stimulating, fair and inclusive workplace.



The Five Key Principles of Fair Employment Practices by TAFEP Organisation in Singapore

1. Recruit and select employees based on merit regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
2. Treat employees fairly and with respect and implement progressive human resource management systems.
3. Provide employees with equal opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential.
4. Reward employees fairly based on their ability, performance, contribution and experience.
5. Comply with the labour laws and abide by the TAFEP.



EMPLOYMENT (cont'd)

Plastic Products

Moulding is the core operation of the plastic segment's business. Taking a leaf from this process, the vision of the segment is to flexibly and constructively shape the businesses we engage in around our employees, environment and the future. The segment strictly abides by the Group-wide Code of Ethics to ensure our stakeholders have trust in the business and the products it manufactures. It also recognises employee associations.

From an employees' first introduction to the facilities, the segment aims to induct every new person with an emphasis on personal safety, while also informing them of their entitlements and benefits as an employee of the plastic segment in the Group. Training is further provided on an ongoing basis to keep our employees updated with new advances in technology and new products. Individual self-development is also encouraged and the company actively supports ongoing training and other development activities.

The segment believes that a diverse workforce is a key component of a healthy professional ecosystem, and strives to keep its workplace free from any kind of discrimination. To develop a culture of creativity and proactivity at work, a reward and recognition mechanism has been put in place to recognise employees for high-level performance that facilitate the segment's pursuit of its strategic goals and objectives. A formal grievance redress mechanism is also in place to assist with resolving any conflicts or concerns raised by its employees.

Hotels and Resorts

Employees are our key internal stakeholders for the hotels and resorts segment. Their commitment and enthusiasm are essential for the segment's successful growth in the hospitality industry. The segment-level policies apply across all properties, which are managed locally and vetted by human resource. Where country-specific labour laws apply, compliance at each hotel or resort is overseen by their respective Human Resource managers.

In addition to Group-wide training programmes, the hotels and resorts segment proactively and regularly encourages the enhancement of professional knowledge and skills of our employees to sustain as well as elevate their competitive edge in order for our hotels and resorts segment to deliver the best possible experience for our guests across all properties.

Performance appraisal reviews are regularly conducted to improve productivity and professional development of employees. Internal communication and feedback channels, such as employee satisfaction surveys, ensure that our hotels and resorts segment understands and acknowledges the needs of its employees at all levels.



Employment Practices at KAH Australia Pty Limited (KA) and KAH New Zealand Limited (KNZ)

KA and KNZ, both operating in Australia and New Zealand respectively under the hotels and resorts segment, adopt no discrimination, no bullying and "open door" policies to encourage all of their employees to act in an ethical manner. Both subsidiaries also invest significantly in training and development to provide opportunities for employees at all levels.

In order to achieve their goals of meeting the industry standards, KA and KNZ aim to spend approximately 0.2 to 0.3 percent of their revenues, besides exploring available government funds related to training and development, to improve training effectiveness and eliminate gaps in their current training programmes.



EMPLOYMENT (cont'd)

Plantation

For our plantation segment, a number of cases regarding problematic working conditions were among some of the more salient issues that have been brought to our attention over the last few years. Although the plantation segment is confident that the working conditions are both fair and safe, the segment has taken a more focused approach to this area of concern. As responsible and attentive employers, the plantation segment has established SOPs for reporting any grievance to the Management of each workplace, allowing employees to raise concerns regarding workplace practices. It has also assigned designated Heads of Departments (HODs) and Sustainability Officers who are tasked with overseeing this area on a day-to-day basis and reporting to Management on a regular basis about monitoring, improvements and interventions to be made on where necessary.

This is supported by various policies governing key issues such as respect for human rights, particularly the prevention of exploitative labour practices and issues regarding minimum wage as well as equal opportunities and fair treatment. As part of the annual audit we undertake, both internal and external audits will be conducted at each workplace to identify risks and implement appropriate measures to address them. For the year in review, no cases concerning the issues we have highlighted have been either identified or reported.



Examples of Employment Practices at OHB's Plantation Segment

In Indonesia, our workers for the upstream operations (e.g. plantations and mills) are directly recruited without paying any fees to recruitment agencies. The plantation segment also seeks to ensure that its workforce is not subject to the unlawful withholding of wages, identification cards, passports, travel documents or other personal belongings without their consent.

Moreover, the segment periodically provides training programmes for its employees with the aim to identify and prevent exploitative practices and highlight areas that require improvement. These programmes cover workers' rights, human trafficking, and forced labour, and are often conducted through workshop and on-the-ground training format.

Investment Properties and Trading of Building Material Products

Our trading of building material products segment's commitment remains the same, i.e. to provide affordable, quality products and timely delivery for maximised customer satisfaction. In line with this, the segment strives to create a workplace where talented people from various backgrounds, beliefs, cultures, and ethnicities can come together to work successfully and synergistically as a team to ensure the growth potential and continuous innovation of this segment.

The segment has established and put in place employment, diversity, equality and fair treatment policies, as well as abides by the laws and practices that apply in the respective countries it operates in. It also focuses on raising employees' knowledge and skill levels through various training initiatives to ensure their professional development is never disregarded. Our segment also has in place a grievance procedure to ensure the prompt addressing and reasonable resolution of issues raised by our employees.



Employment Practices at Unique Mix (UNI)

UNI, OHB's subsidiary in Selangor, considers the adherence to applicable laws and regulations (e.g. the Malaysian Employment Act 1955 and the Employment [Termination and Lay Off Benefits] Regulations 1980) to be a fundamental principle underpinning its business activities.

Healthcare

The healthcare segment recognises that quality of care and service for the patients is the core of what it does. Thus, the segment aims to develop its employees, whose competencies are fundamental to the operational effectiveness as well as to drive innovation and organisational excellence. This is essential for addressing any important skill gaps, particularly for qualified healthcare professionals. As part of its strategy to attract and retain quality talent, the healthcare segment has also formalised recruitment practices, employee benefits, payroll processes and disciplinary guidelines in its policies with the aim of fostering a happy, healthy and cohesive workforce.



EMPLOYMENT (cont'd)

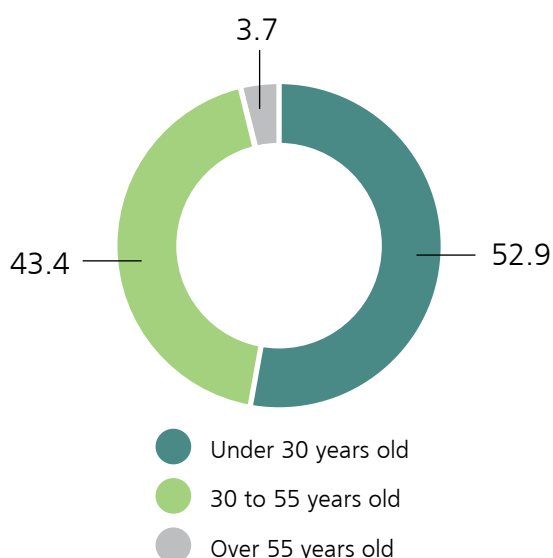
Our Performance

As a diversified organisation with several business segments, OHB acknowledges diversity and inclusion as part of a vital component for continued growth and responsible workplace practices. As much as our strength relies on the differences that our diverse workforce brings, we also seek to bridge the gap and cultivate greater understanding between employees of different backgrounds and generations.

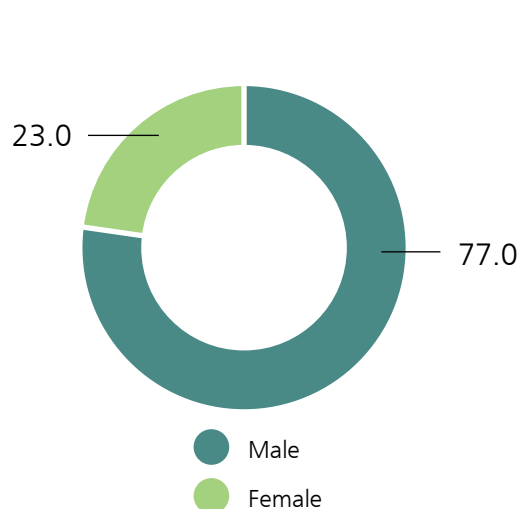
Throughout the reporting year, we have developed and implemented numerous initiatives to drive stronger engagement and reduce the turnover rate among employees as well as attract and retain talented and highly skilled professionals in the organisation. The total number of new hires and employee turnovers for OHB during the reporting year are presented in the following charts.

Total of OHB's New Hires in 2018

Total New Hires by Age (%)

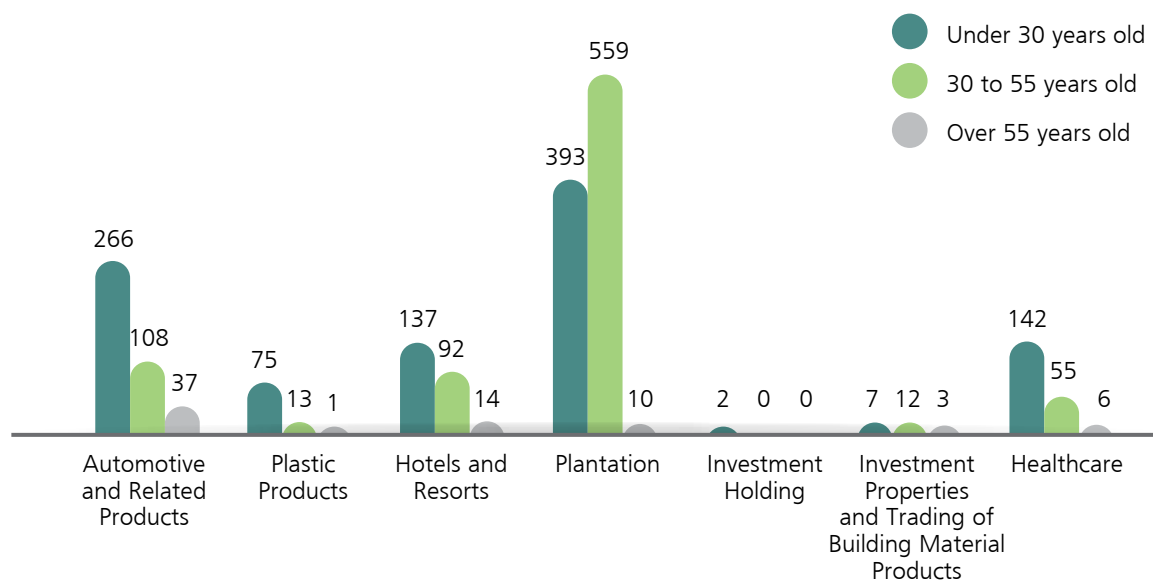


Total New Hires by Gender (%)



Breakdown of OHB's New Hires by Business Segments in 2018

Total New Hires by Age (Number)

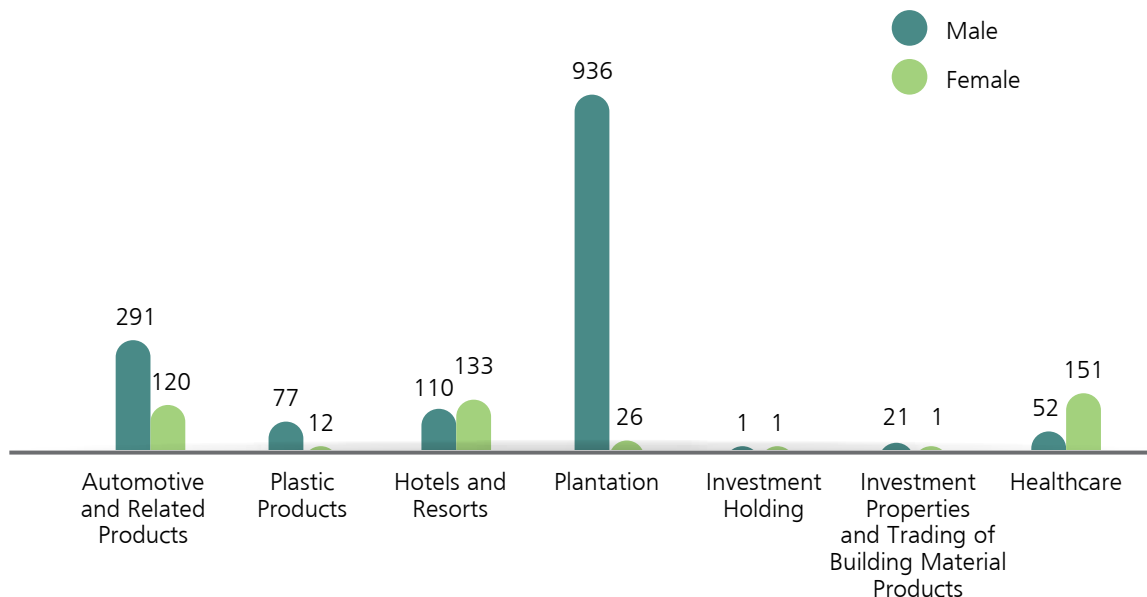


EMPLOYMENT (cont'd)

Our Performance (cont'd)

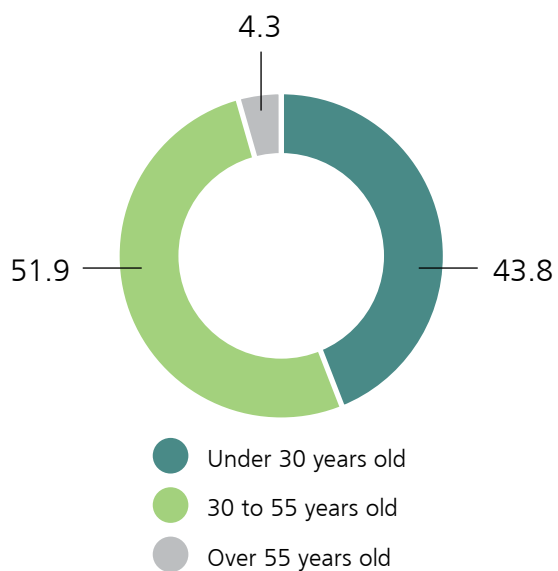
Breakdown of OHB's New Hires by Business Segments in 2018

Total New Hires by Gender (Number)

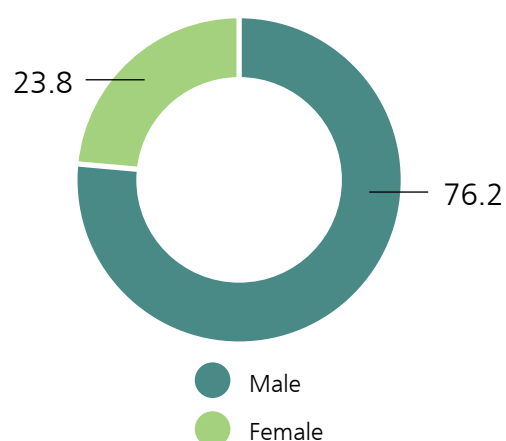


Total of OHB's Employee Turnover in 2018

Total Employee Turnover By Age (%)



Total Employee Turnover by Gender (%)

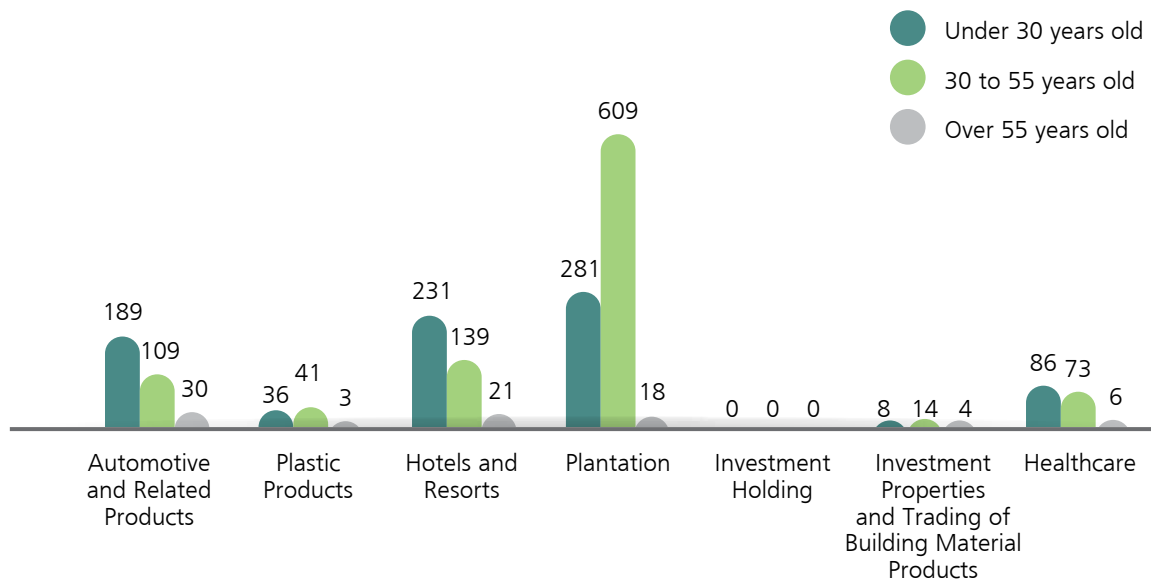


EMPLOYMENT (cont'd)

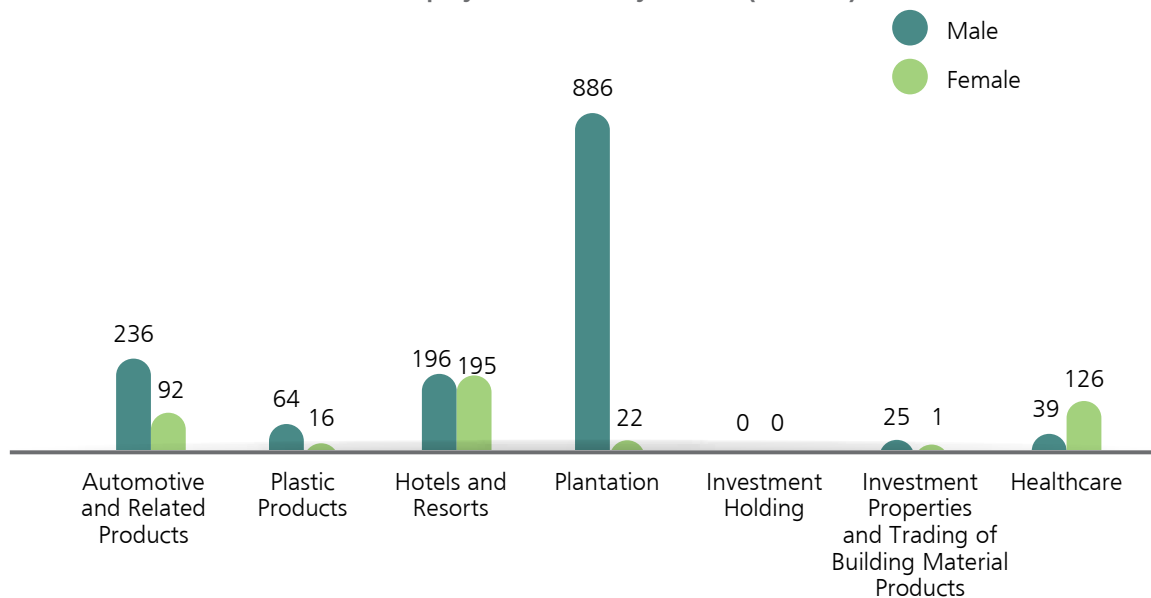
Our Performance (cont'd)

Breakdown of OHB's Employee Turnover by Business Segments in 2018

Total Employee Turnover by Age (Number)



Total Employee Turnover by Gender (Number)



TRAINING AND EDUCATION

Why It Matters?

At OHB, we have 8,754 employees across seven main segments and this requires a strong and highly skilled workforce for our Group's success. Ensuring the quality of our employees' professional competency and job satisfaction is of great importance to the Group. Combining this with our organisational productivity and quality products and services, we are able to achieve not only for our profitability but achieve a sustainable and positive workforce that will ensure long-term success for our stakeholders, both external and internal.

Through training and development, our employees are able to develop their skills and hone their competency within their respective roles. We are committed to maintaining a high level of skill amongst our employees, and believe that providing training has a positive and long-term impact on our employees. This is both in terms of our employees' personal perspective, which includes increased levels of job satisfaction and loyalty, and from a professional standpoint, through increased skills, either technical or soft skills, which will contribute to increase productivity and job confidence.

How We Approach It?

In 2018, we have conducted numerous different training programmes across all our subsidiaries within the Group. Employee training at OHB is conducted both internally and externally, based on the topic and expertise required. Due to the many industries we operate in, the training that our staff undergo is varied and differs from one subsidiary to the next. Kindly refer to the following section for details of training programmes conducted for the seven business segments throughout the reporting year.

Automotive and Related Products

Our automotive subsidiaries are primarily involved in the sales and services industry. Therefore, the particular training programmes provided are strongly emphasised in terms of sales and service skills as well as the enhancement of product knowledge. The benefits of increased service level and technical product knowledge has increased customer confidence in our business. Additionally, soft skills training assists in providing our employees with the

tools and self-assurance to strengthen their relationships with the clients. We also recognise that employees' level of job satisfaction and loyalty are tangible benefits derived from the training provided based on feedback received during reviews.

To measure and evaluate the need for training programmes as well as their successful translation tailored towards the automotive segment, several procedures have been utilised, including obtaining external evaluations by contractors, and management evaluation of employees.



Training and Education at AAP

AAP is an OHB subsidiary that encourages the expansion of employees' knowledge base through educational training programmes. AAP has set a clear training target of one day per person per year, which they have surpassed by 100% on average.

Plastic Products

The plastic segment aims to create an appreciative workplace where all employees are able to develop and excel in the long-term. To do so, the segment fosters employees' skills and knowledge through various training programmes to help them reach their full potential. Regular and open feedback for the training programmes serves as a foundation for employees' development. As a result, development measures that address the segment's needs and the employees' potential can be defined. Some of the methods of delivering training to the employees include internal and external training as well as on-the-job learning. An example to improve employee performance by Teck See Plastic Sdn Bhd, one of OHB subsidiaries, is through setting KPIs on a monthly basis to help the segment to systematically identify and improve individuals' development plans within the company.



TRAINING AND EDUCATION (cont'd)

Hotels and Resorts

The hotels and resorts segment under OHB considers training as highly important to ensure optimum business operations efficiency. As a service-based industry with a large ratio of client-facing employees, improving our work quality and efficiency, as well as increasing staff satisfaction are imperative. The management actively participates in mentoring staff internally for mobilisation opportunities within the organisation as well, using training as a method to enable this process.

Across different subsidiaries, differing targets have been set, including setting annual training calendars, establishing the number of programmes and sessions per year per employee, as well as the ratio of revenue to allocate on staff training. In order to evaluate the success of the training programmes conducted, the hotels and resorts segment studies retention rates and analyses customer satisfaction feedback data.



Training Target at Bayview Hotel, Melaka

Bayview Hotel has reaped the benefits of training, which include good quality service as well as a boost in staff morale. The subsidiary has set target of one training per quarter, and has achieved this within the reporting period for a majority of its staff. Bayview Hotel is also one of the few subsidiaries that have achieved a higher average training hours for female employees compared to male employees.

Plantation

The training of staff in the plantation segment is vital to our operations as competent staff are able to identify gaps and mitigate the weaknesses of the business practices as well as proactively address them. This segment has a higher safety risk as well as potential incidence of accidents compared to other segments due to the physical demands and the reliance on industrial equipment in the working environment. We also encourage training our employees to make certain that the stringent regulations such as RSPO, MSPO, and ISPO standards and policies are adhered to throughout all processes. Our HR staff are also sent to attend industry-related and administration relevant training, to ensure our Group's policies, such as our Equal Opportunity and Treatment in Employment policies are managed up to the standard required.

Our goals with regard to training include employee retention, yearly training programmes for employees as well as an overall decrease in occupational accident rates. In order to measure and evaluate the effectiveness of the training undertaken by employees, we annually audit our SOP on 'Employee Recruitment, Training and Welfare Facilities' which lists are monitored by all our Segmental Heads and Sustainability Officers.



TRAINING AND EDUCATION (cont'd)

Investment Properties and Trading of Building Material Products

Our subsidiaries in the trading of building material products segment prioritise employee training and development to increase employee technical competency as well as product quality control. Overall segment targets include improving the quality of our products as well as the cost per sales of products, and measures such as ISO 9001 training have been conducted for employees to increase efficient management. From an employee standpoint job satisfaction, professional growth opportunities and loyalty are key benefits that training can provide to employees, which lead to benefits to OHB.

Specific hours have been set per employee over several focus areas of training, and a target of under 10% employee turnover per year has been set, in addition to an annual one new hire goal. In order to ensure the success of training, we conduct ISO audits and have made corrective actions as a mandatory process for non-compliant findings.

Healthcare

The healthcare segment of the Group includes medical service facilities as well as a medical education centre. Due to the demanding and technical nature of the medical industry, the healthcare subsidiaries place a great focus of our training towards educating our employees. These days, medical advancements occur rapidly, with new technologies and methodologies constantly being developed. Training is therefore crucial for ensuring our staff are kept up-to-date with these developments, and in order for them to deliver the best services possible to our clients, both in the form of patients as well as students.

At our healthcare facilities, we have set a 10-hour annual training target for our employees, which we are proud to report this achievement within the reporting period. At our educational facility, staff training targets are regulated by the MOHE with Continuing Professional Development (CPD) requirements.

We conduct regular internal audits to ensure that our staff at the healthcare facilities are able to comply with the stringent regulations set by the MOH. We also strive to ensure that the staff at our education centre, which is governed by MOHE, are well trained and able to deliver programmes as regulated by the Malaysian Qualification Agency (MQA).



Training Target at Nilam Healthcare Education Centre Sdn Bhd (NILAM)

NILAM, our healthcare education centre places great focus on training their staff. This is to ensure good quality teaching to future nurses, as well as to comply with the Nursing Board regulation of achieving a CPD target of 35 points per annum for lecturer to renew their Annual Practitioner's Certificate (APC).

Our Performance

In relation to employee training for the reporting period, OHB has obtained training hours from mostly local subsidiaries, and several locations in the Asia Pacific Region. More than 50,000 hours were recorded for training hours across the seven segments that these subsidiaries represented.

The average training hours per employee per year are 8 hours, with the average training received by male employees at 9 hours and female employees 7 hours. Females, on average, receive 19% less training than their male counterparts in the Group.

Across the same companies, the average training hours received within the reporting period for executive category employees was 10 hours, while non-executives received 8 hours of training, highlighting that more emphasis was given to training executives.

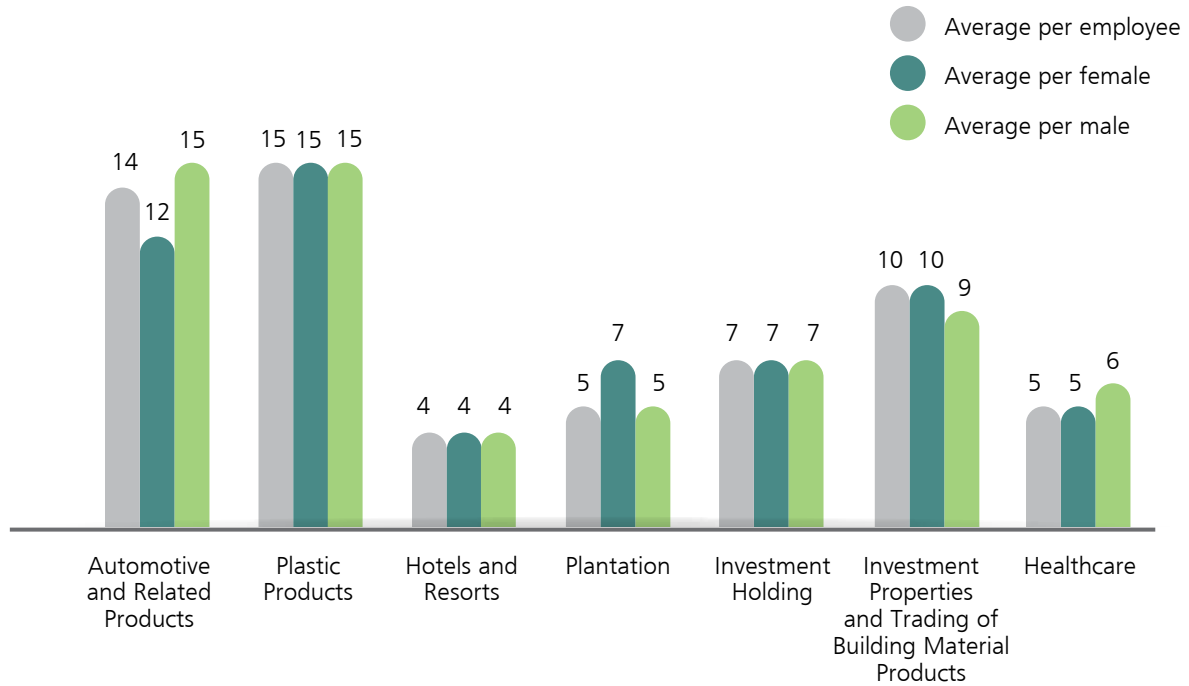
When examining the differences in employee training received by subsidiary segments, it can be noted that different industries have a differing emphasis on providing training for their employees.



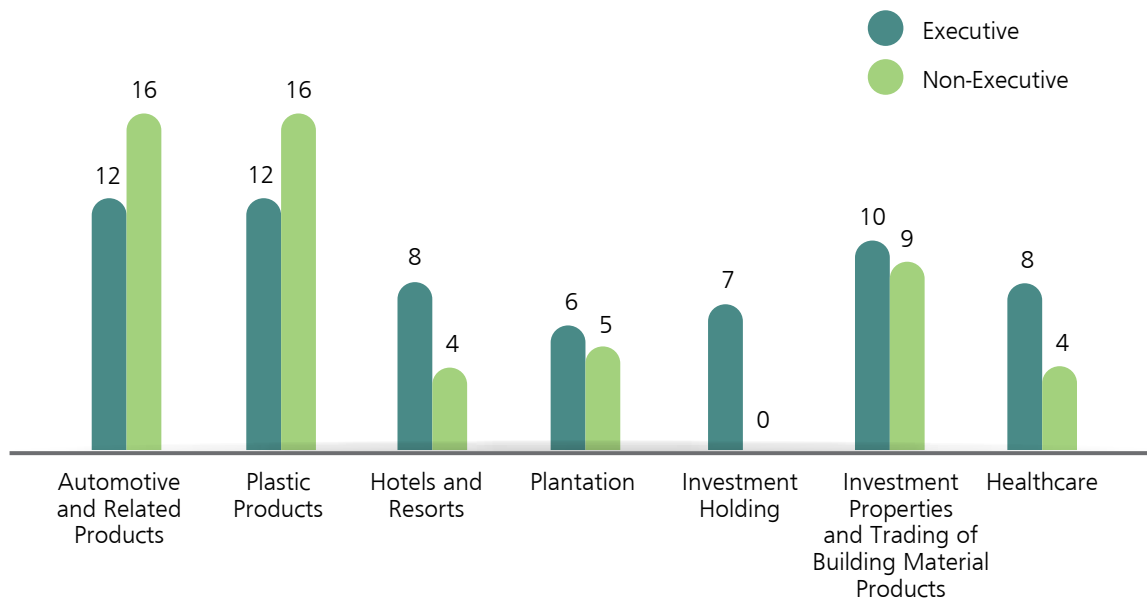
TRAINING AND EDUCATION (cont'd)

Our Performance (cont'd)

Average Training Hours per Employee Gender across Business Segments in 2018



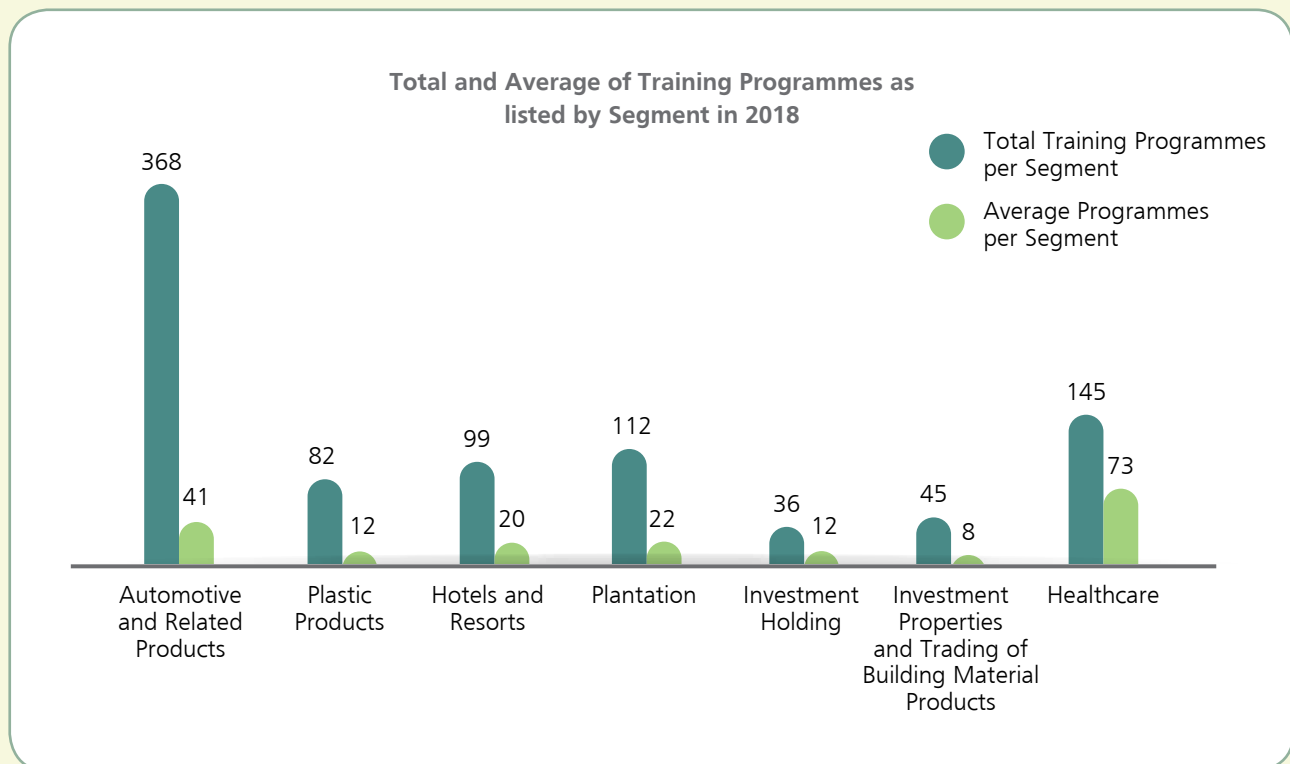
Average Training Hours per Employee Category across Business Segments in 2018



TRAINING AND EDUCATION (cont'd)

Our Performance (cont'd)

The total training sessions conducted across the Group were 887 sessions for the reporting period of 2018 covering programmes such as employee's technical knowledge, organisational process-related training, health and safety related training etc.



The figure above highlights the breakdown of training conducted by each segment in totality and on average. The entities with the highest amount of training provided were from the automotive and healthcare segments, this applies both in totality and on average.

In addition to the training and education, the Group is committed to the engagement and development of all its employees. Thus, our employees are subject to annual performance reviews to ensure they receive career development opportunities. Moving forward, we will continue to evaluate our performance and career development strategies from time to time to improve the performance review processes of the Group, which we believe will positively impact job satisfaction, employee retention and loyalty.

CUSTOMER HEALTH AND SAFETY

Why It Matters?

Emphasis on Health and Safety is a very important consideration for OHB. We value a healthy and safe working environment, which stimulates and supports our people towards achieving goals and targets in a safe manner, thereby contributing to overall operational effectiveness. We have implemented a Workplace Health and Safety (WHS) System which ensures that our businesses are compliant and updated with the Work Health and Safety Act and regulations leading to an environment and systems of work which is free, as far as practicable, from risk of injury or disease for our guests as well as employees.

How We Approach It?

Automotive and Related Products

Customer health and safety matter is subject to governing laws and regulations; if a company fails to comply, it may be found liable to offences criminal and civil. We, therefore, place great emphasis on the importance of ensuring the health and safety of customers using our products. This allows us to uphold our brand reputation as well as enables good customer retention.

A 100% compliance with required regulation is directly linked to long-term business survival by ensuring that any detectable defects are addressed systematically and effectively. E.g., airbag failures causing deaths worldwide resulted in a global recall of the products for cost-free replacements to the customers. A negative perception in this area may affect business continuity as a whole, which can result in a negative impact on business growth and eventually become a threat to long-term survival. Non-compliance affects the confidence of stakeholders and trust and support in the community and society. This is an unacceptable compromise for the Group as we strive to uphold a good reputation and image of the Group.

The automotive segment has set a clear quantitative and qualitative goal and target for achieving zero incident of injury and ill health resulting from their product and/or services.

The manufacturing segment of the business has adopted several policies including ISO 14001:2015 ensuring zero incidences of injury and/or ill health. There is monthly Environment, Health and Safety (EHS) audits conducted to ensure health and safety compliance is implemented correctly by the safety leader. Some of the set goals in the manufacturing segment are as follow:

- Zero incident rate
- Zero number of first aid incident
- Zero number of the reportable case
- Zero number of the non-reportable case
- Zero number of fires in the manufacturing plant

In addition to that, a budget has been allocated for new health and safety equipment. A defibrillator and stretcher for Emergency Response Team (ERT), which is planned for 2019, is one example.

The internal audit and external audit (Department of Occupational Safety and Health (DOSH), Fire and Rescue Department of Malaysia) will perform periodical audits to ensure all facilities and business entities comply with the regulations.

Plastic Products

Customer health and safety is a vital aspect for this segment due to its high influence on building customer's confidence, establishing long term business relationship and fulfilling regulatory requirements. One of the key initiatives in respect to this aspect is compliance to Occupational, Health and Safety (OSH) policy. The organisation's commitment towards matters regarding OSH is to give all the Employees, Customers and Contractors who enter the premises a safe and healthy environment. The scope is to provide a safe and healthy workplace for all employees. The management initiatives are as below.

- To provide proper Personal Protective Equipment to all employees, on a need basis
- To provide medical surveillance to all employees, on a need basis
- To carry out an assessment on all activities, in order to reduce or eliminate the potential hazards

The segment goal for this aspect is to achieve zero accident at all department level. Funds are allocated through the Human Resource Development Fund (HRDF) for training and development. The organisation evaluates the above-specified management approaches through our internal audit and our annual external audit.

CUSTOMER HEALTH AND SAFETY (cont'd)

Hotels and Resorts

Our hotels maintain strict compliance with the gazetted Health and Safety laws by government and regulatory bodies as failure affects not only the reputation of the hotel but that of the associated Group as a whole. It may also incur compounds or summonses which could at best cost us financially or at worst, a suspension of business' operating license. Our most important immediate concern is that failure to comply could cause potential physical harm or even death.

The segment does have a safety and health policy, which is enforced by the in house Occupational Safety and Health Administration (OSHA) Committee and Human Resources. The safety and health committee, which consists of department heads and employees, is chaired by the Hotel Head with quarterly in-house inspections, meetings and audits. The hotels undergo consistent inspection and safety ratings by the enforcement agencies such as DOSH, Health Department and Fire Department. We also engage external compliance experts to assist with the checking of certain equipment and facilities. This is on top of our internal OSHA committee, which vets the quality of the processes, and also checks by our HR department to ensure our employee adhere to applicable statutory requirements.

Work-related accidents are reported to DOSH, which is mandatory. Head of the WHS board is the Human Resources Manager. The department reports to the HODs, GM, and the WHS representative. The WHS Officer meets with Health Safety Representatives (HSRs) and HODs on a regular basis and assists them on various aspects of training staff on safe work practices. HSRs and Department heads are responsible for the identification of potential risks and hazards and they must be reported promptly.

Our maintenance department plays a crucial role in rectifying any issue reported. The WHS Officer ensures that HODs conduct Tool Box Meetings regularly with their respective teams in which various issues are discussed to make team members aware of safe working practices, avoid hazardous practices and identify any potential areas that could be improved. Identification of the hazardous materials in the workspaces are monitored internally by chemical companies engaged by the hotels. Chemical substances are stored, handled and signed as required by law. The Group proudly holds under its name places great value on a healthy and safe working environment, for both our employees as well as our guests.

Accidents and incidents are entered in the Duty Manager's Log Incident Reports forms are created for each incident regardless of the nature of the incident. All HODs are required to ensure this is completed for every single incident and reported to HR and GM who will then review and act accordingly.

We consistently carry out internal safety and health audits for improvements and monitoring. Also over the years, the feedback that we have acquired from enforcement agencies have improved with almost no reported accidents or health hazards. The safety and health committee, which consists of HODs and employees led by the Hotel Head, is responsible for Safety and Health regulatory compliance.

We place great importance in ensuring matters relating to customer health and safety are well maintained and that unforeseen incidents do not occur at our hotels and resorts. This is important in terms of retaining our customers; uphold the hotels' reputation and image as well as that of the Group.

The hotels & resorts segment is constantly monitoring and holding managers responsible to meet specific standards (Systems and Process Assurance (SPA), International Organisation for Standardisation (ISO), Environment, Health and Safety (EHS), etc.). Some of the planned targets are as follow:

- 1) Potential reduction in the number of accidents
- 2) Potential reduction in downtime and associated costs
- 3) Demonstration of legal and regulatory compliance
- 4) Demonstration to stakeholders of our commitment to health and safety
- 5) Better management of health and safety risk now and in the future
- 6) Potential reduced public liability insurance costs

CUSTOMER HEALTH AND SAFETY (cont'd)

Plantation

The plantation segment has zero tolerance to customer safety and health. All products (e.g. crude palm oil and crude palm kernel oil) that are to be delivered to buyers (customers) must meet the safety and health requirements as stipulated in the sales and purchase agreement. There is an SOP for reporting any grievances to the management at respective operating centres. There will be a discussion if there is any incident of non-compliance concerning the customer health and safety during the management review at respective operating centres. The top management at respective operating centres monitors all aspect pertaining to customer health and safety and reports to Plantation Committee at Head Office. On quarterly basis, members of Plantation Committee will make visits to respective operating centres and carry out meetings with the Technical Advisor (at Estate) and the Mill Advisor (at Mill) to evaluate the effectiveness and performance during the reporting period, if there is any feedback and complaint received.

Investment Properties and Trading of Building Material Products

The trading of building material products segment believes that customer health and safety is directly related to upholding the company's reputation by providing the best possible products at a reasonable price. The segment targets to maintain zero complaints on company products and services pertaining to customer health and safety. Quality Control (QC) Engineers work closely with the production and sales department on ensuring this aspect of the product lifecycle is fully adhered to and meets the standards required. Training of QC, Sales and other related areas conducted to improve knowledge of products and services. Customers may approach Sales on any grievances and the team will meet to discuss the issues and present an answer/solution on the issue. All grievances and action taken would be recorded for reference purposes. Further refinement where needed will be taken as necessary to solve the matter to ensure customers' satisfaction.

One of the segment qualitative goals and targets is to ensure our products are in adherence with the Malaysian Construction Development Standards Quality control at all times. The Malaysian Construction Development Standards Quality control approves the standards for production by confirming required specifications, conducting visual and measurement tests and communicating the required adjustments to the production supervisor so that the goods are produced in a safe manner.

Healthcare

Providing quality healthcare and assisting with achieving better overall community health is the driving force for the healthcare segment. A compromise in patient health and safety could potentially lead to legal proceedings, which can result in a catastrophic financial and reputational loss to the Company. We have put in place a Hospital Occurrence Reporting (HOR) and learning system to report any deviation from expected outcome or processes.

The Clinical Risk Manual is being developed. It includes new policies on Handling Medicolegal Risk, Hospital Risk Management and Sentinel Event Review. In addition, Infection Control and Quality and Patient Safety Policies have all been established at the subsidiary level. On the academic side of healthcare, as a way of improving trustworthiness among sponsors and major stakeholders, the institution has complied with the MOHE (Act 555), MQA.

The healthcare segment tracks and reports on 66 sets of Performance Indicator against a set goal and submits the corresponding report to the MSQH to maintain our MSQH accreditation status. Corrective and preventive action must be taken if a department fails to achieve its target.

There is an ongoing Hand Hygiene education, IV Phlebitis and audit programme to better educate healthcare professionals of procedures and developments to ensure that current practice complies with safe practice listed in written policies. Our infection control nurses have started a PVC Care Bundle Project for all nurses and an ongoing hand hygiene education and compliance audit programme for all departments to ensure safe care to a patient is taken seriously across the board.

The audit results are presented to the management and relevant meetings held every month. The Quality Assurance Executive monitors all MSQH submission and the Infection Control Nurse monitors all infection control programme. Both employees report to the Chief Clinical Officer and the Quality and Patient Safety Committee, which is chaired by a consultant.

Our Performance

During the reporting period, OHB has recorded one incident relating to non-compliance resulting a warning in "Notis Arahan Kerja" and the incident has since been resolved within the reporting period.

MARKETING AND LABELLING

Why It Matters?

OHB believes that consistent and quality marketing and labelling via our corporate communications is a key area that drives our corporate identity and brand awareness, whether it is on a local or global level. Without proper marketing, prospecting and scoping demand for our products would become an insurmountable challenge. With this in mind, our Group takes the relevant laws and regulations pertaining to marketing and labelling very seriously.

How We Approach It?

There are financial and reputational risks at stake with regard to non-compliant marketing and labelling, particularly if relevant laws and regulations are not adhered to. The impact is directly linked to the sustainability of our business. The Consumer Protection Act 1999 requires us to provide accurate and correct information to consumers and stipulates that Principals are required to only sell authorised products. Similarly, compliance with the Price Control Act, adherence to the recommendations and suggestions from the Land Transport Department, compliance to the MOH, etc. remain of utmost importance to OHB.

Thus, all business segments across the Group are tasked with doing to the best of their abilities to maintain a zero non-compliance with regulations concerning the product and services information and labelling.

Automotive and Related Products

Marketing and labelling go beyond advertising in the automotive segment and has significant regulatory compliance to adhere to build consumer trust as well as to demonstrate our genuine quality products. Some of the related regulations are the Consumer Protection Act 1999 and the Price Control Act. The senior management oversees the compliance of marketing and labelling at their respective companies. The controls are monitored and evaluated by external and internal auditors.

Plastic Products

In plastic products segment, we supply either raw material or intermediate products used by customers in the production of final products. Thus, we are more concerned with the proper labelling of our supply that meets customer's specification. Other than the aforementioned, there is minimal impact nor relation to marketing and labelling.

Hotels and Resorts

All hotels level collaterals, write-ups and descriptions are proofread and standard clauses and terms are inserted. Final approval of materials pertaining to marketing and labelling is done by Hotel Head. Website and Internet Booking Engine (IBE) information is vetted by the Hotel Group Head Office. Bayview International Corporate guidelines drive the policies, processes and standard operating procedures.

A series of policies and procedures on marketing and labelling has been established and they are expected to be followed and complied with across the segment. The segment is committed to ensuring that all information, which is shown or displayed in any of the hotel's media/collaterals, is met or the customer must be offered an equal or better alternative. This is a given commitment to our customers at any time. We commit to complying with relevant legislation and fully deliver what we promise in the marketing materials.

Guest feedback is our best indicator. Complaints are verified and legitimate shortfalls on the hotel's side are dealt swiftly to ensure that the guest is satisfied. All complaints related to the product will be referred to the GM for further action. Some of our hotels set achieving higher hotel rating as annual KPIs.

All matters pertaining to marketing and labelling are handled by GM/HODs and financial controller, with any further escalations, are ultimately referred to the Hotel Head. We monitor our guest reviews and feedback through our Reputation Tool. All below average comments are discussed during daily operational meetings, issues raised by customers are checked, and if valid, it will be dealt with as soon as possible. In addition to this, audits are performed by external auditors and OHB's internal audit team.

An annual budget is set aside for Sales and Marketing materials as well as training programmes.

MARKETING AND LABELLING (cont'd)

Plantation

The plantation segment complies with relevant laws and regulations to maintain transparency in information and labelling on products and services. The management at respective operating centres manages this aspect with instruction and approval from the marketing department in headquarters. Evaluation of compliance to laws and regulations pertaining to marketing and labelling is monitored and reviewed by Segmental Heads and Sustainability Officers and reports to the top management. This disclosure is part of the overall annual audit programme.

Investment Properties and Trading of Building Material Products

Marketing and labelling is a key aspect of the trading of building material products segment. Given the nature of the business, some products might look similar but their physical properties can vastly differ and only through the information on the label can they be correctly identified. This might lead to rejection by customers and subsequently tarnishing OHB's reputation and loss of business. Thus, all employees across our quality control department and other relevant departments are trained on proper storage area and proper handling of equipment in order to achieve the set goal of 100% accuracy of goods delivered meeting specified requirements in our supply chain. In addition to that, our operations are ISO 9001 certified ensuring efficient and effective business processes. The Managing director, along with the quality control and production manager, is responsible for this regulatory aspect and ensures the set targets and goals are met.

The marketing of the business is part of the ISO biannual internal audit. To ensure consistency, as well as adherence to relevant laws, regulations, and quality control, at the ground level, some companies have in place an internal monitoring process via the Quality Test Cube report.

Healthcare

The healthcare segment defines marketing and labelling as an effort to market our products to the right customers at the right time so that customers who require healthcare treatment, services or screening may subscribe to the relevant health product and packages we offer. One of the most important parts of labelling is including the approved serial number (e.g. KKLIU0345/2018) in our marketing collaterals to the standards of Pharmaceutical Services Division, MOH Malaysia (KKLIU). The approval serial number is inserted on most of our flyers and promotion poster to display to our customers that our advertisement and marketing collaterals are compliant to the MOH standards.

One of the key initiatives in this segment to maintain compliance to all aspect of marketing and labelling is the establishment of media and press policy. This policy covers all local, national and foreign press media handling. All media press that is released will be prepared and vetted through by the hospital-branding department, reviewed and approved by the Chief Executive Officer (CEO). Relationship with press media further strengthen via frequent festive visits and event invitations. Marketing and labelling personnel reports to the Director of Business Development. Continuous Medical Educating initiatives are held to learn more about the product (Doctors and Medical Equipment) so that they can optimise their product knowledge and to craft more efficient marketing pitch.

All requests from the media for information regarding patients/hospital are directed to the Branding Department. Any violations are reported via the hospital incident report mechanism.

For the academic portion of the healthcare segment, the marketing and labelling disclosure is covered as part of the periodical audit from MOHE.

Our Performance

During the reporting period, OHB recorded one incident pertaining to non-compliance and received a warning. The incident has since been rectified and resolved within the reporting period. At the group level, we target to achieve zero non-compliance incident in the coming years.

CUSTOMER PRIVACY

Why It Matters?

OHB recognises that our commitment to serve our customers and business partners goes beyond the products and services that we offer and deliver to them. It also encompasses personal and confidential data that they have entrusted to us in respect of commercial transactions with the Group. As we proceed into new frontiers of the digital era, the amount of data we deal with and process in our day-to-day operations has significantly increased over time. We fully understand the growing concerns on data privacy worldwide and therefore we set customer privacy as our priority and undertake rigorous procedures at the earliest stage to protect data privacy across our operations. This will ultimately contribute towards enhancing customer confidence and strengthen the corporate reputation and brand image for the Group in the long term.

How We Approach It?

We acknowledge the importance of establishing effective personal data protection and compliance framework in streamlining our data privacy practices across our operations in all parts of the world. We outlined our overarching approach towards protecting data privacy in the Group in our Personal Data Protection Policy. All commercial transactions with all our subsidiaries, including those outsourced to third party service providers and cross-border data transfer, are required to align their processes of collecting, recording, safekeeping, distributing and disclosing of personal data with the seven personal data protection principles as defined in the policy. In addition to the Group's Personal Data Protection Policy, we refer to respective available data privacy or protection legislation of the countries, which OHB operates in.



Examples of relevant legislations that applied to OHB

1. Personal Data Protection Act (PDPA) 2010 - Malaysia
2. Medical (Amendment) Act 2012 - Malaysia
3. Private Healthcare Facilities and Services Act 1998 and Regulations 2006 - Malaysia
4. Personal Data Protection Act 2012 - Singapore
5. General Data Protection Regulation - European Union (EU)
6. Privacy Act 1988 - Australia
7. Privacy Act 1993 - New Zealand

Automotive and Related Products

Our automotive segment is committed to ensuring all proprietary and confidential information of the company, customers and suppliers are kept securely at all time. This is evidenced by our commitment to achieving zero complaints and penalties for data privacy across the segment.

To ensure our customers are eased in handing over their personal information to us, we first obtain their consent to process their personal information via Personal Data Protection Notice at the point of signing the booking form. The notice informs our customers on personal data that we collect from them and the purpose for which we process their personal information. It also details out third parties such as auditors, lawyers, regulators, etc. that we may disclose their personal data on a need-to-know basis. All customer information is securely kept within the purview of our administrative department whereas confidential information between the Company and our business partners will be closely monitored by the HODs.

Plastic Products

Our priority to achieve continued customer satisfaction in the plastic products segment extends to safeguarding personal data and confidential information that our customers have entrusted to us. While we are committed to delivering the highest quality of products to our customers, we strive to continually adhere to rigorous customer privacy practices at all times across our operations.



CUSTOMER PRIVACY (cont'd)

Hotels and Resorts

Providing peace of mind with regard to customers' data privacy is part of the exceptional hotel experiences we offer to all our hotel guests. This means we align our hotels' data privacy practices, regardless of the locations we are situated in, with all applicable statutory requirements. We strongly believe it will ultimately solidify the trust between the Group and our customers that has been built since OHB expanded its footprint into the hospitality industry.

Our hotels in Malaysia have privacy policies that follow the PDPA 2010 in all guest information documents such as registration and our website. All guest information is saved automatically without the need for manual actions or processes in the hotel servers under our Property Management System. We do not share any guest information with any party apart for hotel registration and payment purposes.

We abide by Australia and New Zealand Privacy Act, as we believe customers' confidence is vital for our business continuity. We put in place a robust password-protected system to protect customers' key details, including credit card information. Each month passwords are changed to ensure that this information remains private and is not accessed by those without authority to do so. With the aim to achieve zero breaches in data privacy, we regularly train our employees on handling customer information, updating their knowledge on legislative requirement changes and conduct annual reviews on our systems.



Data Privacy at Park Suanplu Holdings Co., Ltd. (PSH)

Our hotel in Thailand aligns its data privacy practices with the European Union's General Data Protection Regulation. The regulation aims to protect the rights of EU citizens regarding their personal data stored and used by businesses around the world.

Plantation

All operating centres under our plantation segment are prohibited from sharing customer data with third parties without explicit consent. While adhering strictly to laws and regulations in relation to customer privacy, we regularly revise the customer agreements if there are concerns of customer privacy and losses of customer data upon request. Should any complaints concerning data privacy be identified, there will be a discussion during the management review in each operating centre.

Investment Properties and Trading of Building Material Products

Our subsidiary Simen Utara has issued a data privacy notice in both English and Bahasa Malaysia pursuant to the requirements of the PDPA 2010 for customers who intend to purchase building materials from us under a credit account or provision of a guarantee to us. Customer consent is obtained in the credit application form as stated in the notice before any credit background search with a credit rating agency.

CUSTOMER PRIVACY (cont'd)

Healthcare

Our responsibility to protect the interest of individuals with regard to access of information as well as data privacy has always been an integral part of our healthcare segment's strategy towards becoming the leader in value-based, high-quality healthcare services provider in the region. We are committed to handling customers' privacy with the highest level of care including strong security measures, transparency and accountability. This level of care extends to everyone who collects uses or has access to patients' personal information and health records without exception. Any patients' personal information and health record can only be released with customers' consent or as required by the local authorities.



Our Healthcare Segment Data Privacy Related Policies

1. Data Protection Policy
2. Patient and Family Rights Policy
3. Privacy and Confidentiality of Medical Records Information
4. Patient Complaint / Grievance Policy
5. Archives and Record Management

Data Privacy Controls at Melaka Straits Medical Centre Sdn Bhd (MSM)

At MSM, we have deployed several controls to ensure our practices are fully complied with all internal requirements and relevant local regulations. Examples of data privacy controls at MSM are:

1. Conduct internal audit
2. Compile a list of system users and identify resigned employees
3. Compile a list of system accessibility and functions assigned
4. Update periodically on the user functions as per their job scope after receiving approval by their head of department
5. Upkeep user request form
6. Conduct data privacy briefing in monthly orientation programme for new recruits

Following our commitment towards safeguarding our customers' privacy at all times, we have established a comprehensive suite of policies to build a robust and effective data governance framework that complies with the PDPA 2010 across our operations. This is complemented by periodic audits on our systems (Electronic Medical Record, Medisys and Encore Med Appointment System) and process reviews to ensure that we are able to stand by our promise to our customers. Any grievances and queries from patients, caregivers or patient's next-of-kin on customer privacy at MSM will be collected by our HR department via customer surveys and feedback and will be handled and evaluated promptly by our Patient Relations Department.

Our Performance

Our efforts in safeguarding data privacy across the Group have translated into satisfactory results this year. We have maintained zero breaches with no substantiated complaints filed against us on customer privacy. Moving forward, we will continue benchmarking our data privacy practices against industry best practices and international standards to uphold our commitment towards protecting data privacy for all our customers and business partners.



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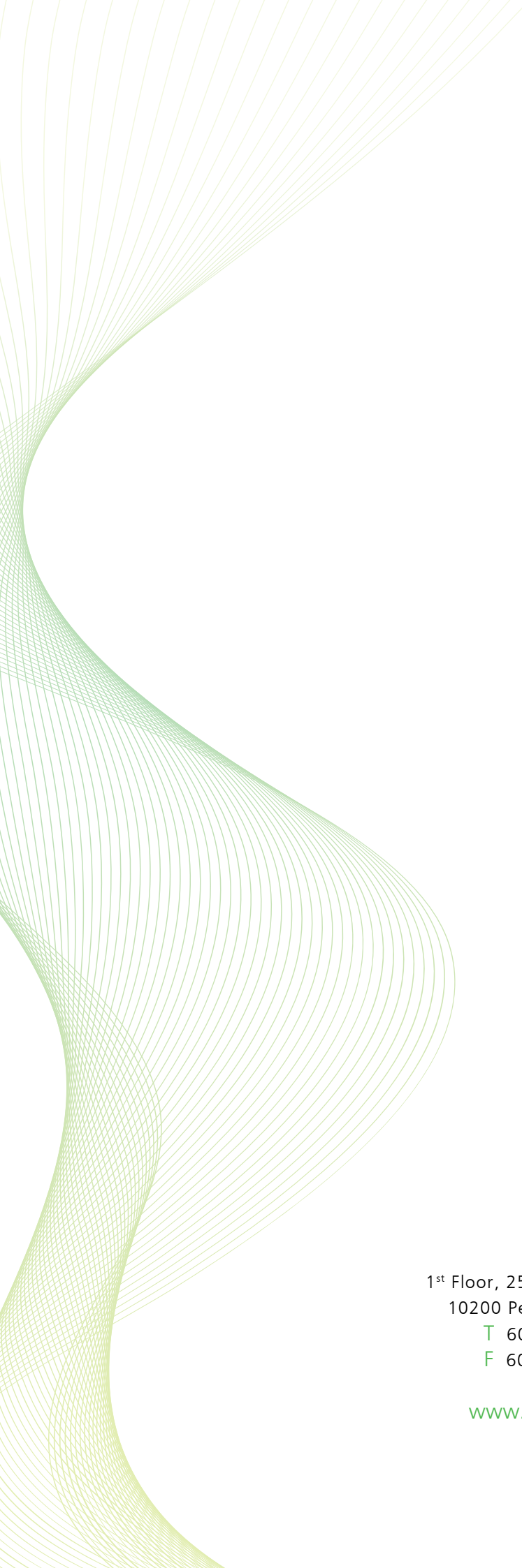
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