



**ORIENTAL  
HOLDINGS  
BERHAD**

196301000446 (5286-U)

# Sustainability Report **2021**



## 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.

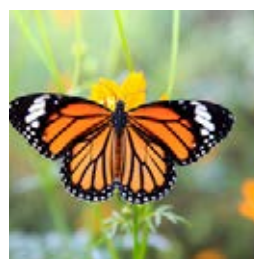


## OUR VALUES

- 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 2021



**Adherence to  
ISO 45001:2018  
standards**  
within  
automotive  
segment



Hotels in  
New Zealand  
were awarded  
with **Qualmark  
Gold and  
Silver Award**



**Zero  
incidents of  
corruption  
and bribery**  
across  
business  
operations



**Zero incidents  
of non-  
compliance**  
with applicable  
environmental  
regulations



**RM2.4  
million** worth  
of **medical  
equipment**  
donated to  
the country's  
healthcare  
providers





## CORPORATE PROFILE



Oriental Holdings Berhad (OHB) is a multi-disciplinary and multi-sectoral global conglomerate with a legacy that spans decades.

Founded on 24 December 1963 as a private limited company, and listed on the Main Board of Bursa Malaysia Securities Berhad on 10 March 1964, we have since become a major regional player with 71 subsidiaries and 13 associated companies across 11 countries.

Today, our businesses encompass commercial, industrial and consumer markets, with a presence spanning Malaysia, Singapore, Indonesia, Brunei, Australia, New Zealand, the United Kingdom, Mauritius, Thailand, the People's Republic of China and Vietnam. Meanwhile, our assets total RM10.4 billion with total equity attributable to stockholders of the Company of RM6.8 billion, while our cash and cash equivalents totalled RM5.0 billion as of 31 December 2021.

Sharing a focus on generating long-term value for economies, the environment, and people, our seven business segments are:



## CORPORATE PROFILE (cont'd)



### 01/ Automotive and Related Products

Kah Motor Company Sdn Bhd distributes Honda vehicles in Singapore and Brunei, also operating eight out of the 93 Honda dealerships in Peninsular Malaysia and a dealership in Sabah. Kah Classic Auto Sdn Bhd is a dealer of Mitsubishi Motor Malaysia Sdn. Bhd. focusing on sales and servicing of Mitsubishi-branded vehicles through its sole outlet at Jalan Ipoh, Kuala Lumpur. Kah Bintang Auto Sdn Bhd commenced the used car sales business in June 2019 with expansion into an online search portal focusing on automotive which went live on 30 November 2020 concurrent with onboarding of participants followed with marketing and advertisements to the public from January 2021.

The Group's automotive segment activities also include providing specialised original automotive parts to both the Original Equipment Manufacturer (OEM) and Replacement Equipment Manufacturer (REM) markets, leveraging long-standing collaborations with key technical partners.



### 02/ Plastic Products

Headed by its 60% subsidiary, Teck See Plastic Sdn. Bhd., one of the oldest auto parts manufacturing companies in Malaysia, the Group's plastic segment is a "one-stop centre" boasting fully integrated services from contract research and development, design, prototyping, mould manufacturing, material compounding, plastic injection and spray painting to final products assembly.

In 1991, it entered into 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.



### 03/ Hotels and Resorts

The Group owns 9 hotels: three in Australia, two in New Zealand and one each in Malaysia, Singapore, Thailand and the United Kingdom. The Group operates all hotels and resorts on its own except for Somerset Park Suanplu in Thailand (managed by The Ascott Limited) and Thistle Holborn The Kingsley Hotel in the United Kingdom (managed by Guoman). The Group's portfolio also includes Bayview International Sdn. Bhd., which oversees operations, marketing and promotional activities for Bayview hotels and resorts worldwide.

In 2021, our hotels in New Zealand were awarded the Qualmark Gold and Silver Award, demonstrating our commitment to quality, safety and environmental standards.



### 04/ Plantation

The segment's operations in Indonesia comprises a total planted area span 37,148 Ha\* consisting of three matured plantations with planted area span 24,304 Ha in Bangka Island and a further five plantations currently under development with planted area span 12,844 Ha covering a concession of 52,377 Ha in South Sumatra. The segment has a total of four Crude Palm Oil (CPO) mills, three are in Bangka Island and one is in South Sumatra.

To date, over 24,560 Ha of the concession area in South Sumatra has been acquired, over 12,844 Ha has been planted and the harvesting area is now over 10,261 Ha. The segment plans to plant about 800 to 1,200 Ha annually and is actively expanding aided by a healthy cash balance. In addition, the segment has a planted area of 4,794 Ha in Malaysia.

\*Ha = hectares

## CORPORATE PROFILE (cont'd)



### 05/ Investment Holding

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



### 06/ Investment Properties and Trading of Building Material Products

In 1994, Ultra Green Sdn Bhd acquired a concession from the Melaka state government to reclaim a total of 1,125 acres of the waterfront at Klebang, Melaka. To-date, the segment has reclaimed 985 acres of the total concession area and reclamation work for the remainder of the concession area will commence once all relevant approvals are in place.

The segment also ventured into the real estate investment in Australia since 2014 to provide long term recurring income and capital appreciation. The segment owns two commercial properties in the Central Business District of Melbourne, as well as a commercial complex comprising a block of service apartments and retail space which it developed at Burwood East to the south-east of Melbourne.

Key activities carried out under the trading of building materials segment include the manufacturing of steel wire, distributing and trading of cement, and supply of concrete related products and building materials to the property and construction industry.



### 07/ Healthcare

The Group's healthcare segment activities comprise operating a medical centre, a nursing college and an integrated lifestyle retail pharmacy.

The segment was initiated with the acquisition of a nursing college in Melaka in April 2011, followed by the construction of the medical hub in August 2012 on the Company's reclaimed land in Klebang, Melaka. Launched in January 2015, Oriental Melaka Straits Medical Centre (OMSMC) is the flagship hospital for the Company's healthcare segment and has since become a leading tertiary hospital in the state.

In March 2020, the segment founded its first lifestyle retail pharmacy outlet in Melaka. The pharmacies, along with the hospital, offer a variety of extended healthcare services to meet the evolving needs of the community. The official opening of the 2nd branch in Bagan Specialist Centre was held on 8 February 2022.

In March 2021, the segment also incorporated a wholly-owned subsidiary named Oriental Medical (Segamat) Sdn Bhd, through the Company's direct 52% owned subsidiary, Melaka Straits Medical Centre Sdn Bhd.

## CORPORATE PROFILE (cont'd)

### Our Market Presence



**71** subsidiaries  
in **11** countries



**8,457\***  
Employees



**> RM3.3 billion**  
Market Capitalisation

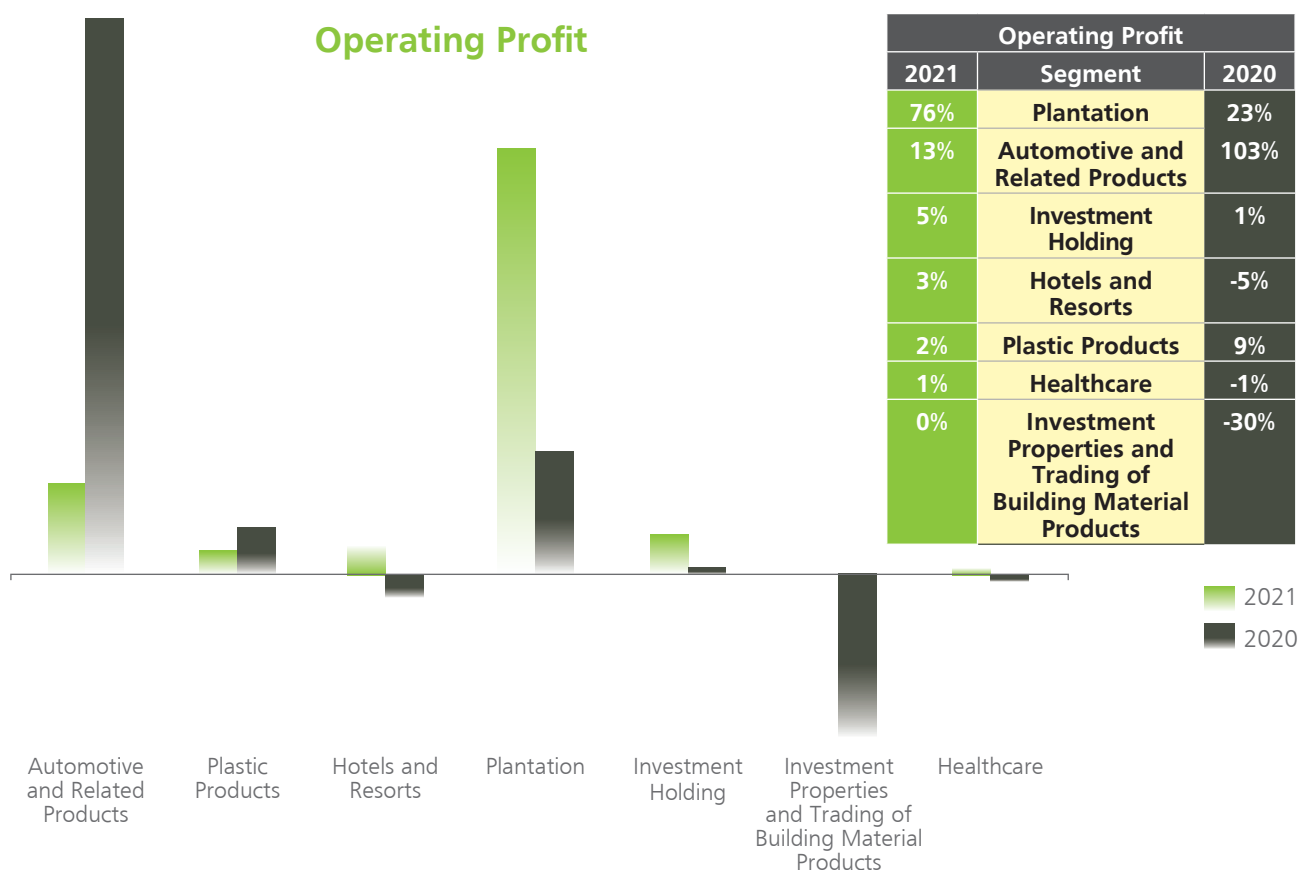
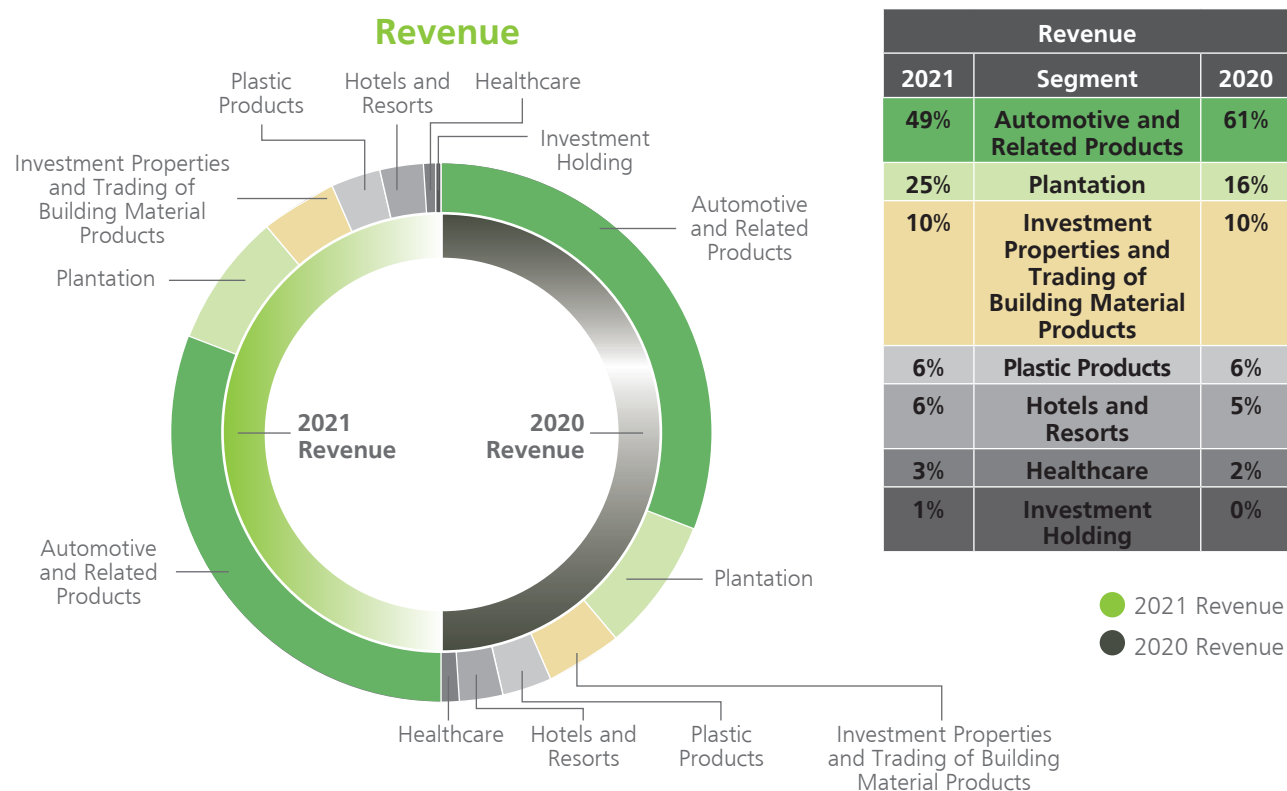
\* Total number of employees are only derived from the holding company (OHB), its subsidiaries and branches.

#### Employees by Nationality

Australia	76	Indonesia	4,415	Singapore	249
Bangladesh	146	Japan	9	Sri Lanka	9
Brunei	28	Malaysia	3,119	Thailand	58
China	12	Nepal	28	United Kingdom	7
Fiji	7	New Zealand	113	Vietnam	7
India	105	Philippines	13	Others	56



## FINANCIAL HIGHLIGHTS



Note: Please refer to Financial Highlights of the Group in the Annual Report 2021.

# GROUP CORPORATE STRUCTURE

## Our Subsidiaries and Associates

### ORIENTAL HOLDINGS BERHAD

Automotive and Related Products		Plastic Products		Hotels & Resorts		Plantation		Investment Holding		Investment Properties and Trading of Building Material Products		Healthcare		Associates	
AAP	ATS	AI	CC	Kah M		ORPO	PT BSSP	Juta	KWE	Ken	ACP	MSM	LBSE	BBDS	BSH
ACPV*	HM	DF	KTSM	- Bayview Hotel Melaka		PT DAM	PT GBina	NMEO	OAM	NME	LT	NILAM	OMS	BSKah	ChDev
BSB	KP	LMold	OKI	KAust		PT GML	PT GSSL	OAMS	OBSM	OAA	NMX	SLP	SJ	HAP*	HCM
KAHA	Kah M	ONDE	OSI	- Bayview Geographe Resort, WA		PT PPA	PT SAP	OBSS	OC	OBS (M)	OAMA			KST	HTSM
KBA	KC	TSP		- Bayview Eden, Melbourne		PT SSL		OIM	SP	OR	OIM (A)			PgA	PT KTS
KMA				- The Sydney Boulevard Hotel				SOAM		UG	SU			SPP	PWR
				- 100 William Street						UniMix	UMix			SDDC	
											UP*				
				KNZ											
				- Chateau Tongariro Hotel											
				- Wairakei Resort Taupo											
				SBO	30Ben										
				PSH	Bint										
				KPCL	SBL										
				SBIOM	SBHL										

■ SUBSIDIARIES ■ ASSOCIATES

\* Under members' voluntary winding up.

Note: Refer to the Annual Report 2021 (notes 34 and 35 to the financial statements) for significant events during the financial year and information on the subsidiaries and nature of the business during the reporting period.

## GROUP CORPORATE STRUCTURE (cont'd)

### Our Subsidiaries and Associates (cont'd)

Automotive and Related Products	AAP	: Armstrong Auto Parts Sdn. Berhad
	ACPV	: Armstrong Component Parts (Vietnam) Co., Ltd (Commenced members' voluntary winding up on 6 February 2017)
	ATS	: Armstrong Trading & Supplies Sdn. Bhd.
	BSB	: Boon Siew (Borneo) Sendirian Berhad
	HM	: Happy Motoring Co. Sdn. Bhd.
	KAHA	: Kah Agency 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.
	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 (cont'd)

<b>Investment Holding</b>	<b>Juta</b>	: Jutajati Sdn. Bhd.
	<b>KWE</b>	: Kwong Wah Enterprise Sdn. Bhd.
	<b>NMEO</b>	: North Malaya Engineers Overseas Sdn. Bhd.
	<b>OAM</b>	: Oriental Asia (Mauritius) Pte. Ltd.
	<b>OAMS</b>	: OAM Asia (Singapore) Pte. Ltd.
	<b>OBSM</b>	: Oriental Boon Siew (Mauritius) Pte. Ltd.
	<b>OBSS</b>	: OBS (Singapore) Pte. Ltd.
	<b>OC</b>	: Syarikat Oriental Credit Berhad
	<b>OIM</b>	: Oriental International (Mauritius) Pte. Ltd.
	<b>SOAM</b>	: Selasih OAM Sdn. Bhd.
	<b>SP</b>	: Selasih Permata Sdn. Bhd.
<b>Investment Properties and Trading of Building Material Products</b>	<b>ACP</b>	: Armstrong Cycle Parts (Sdn.) Berhad
	<b>Ken</b>	: Kenanga Mekar Sdn. Bhd.
	<b>LT</b>	: Lipro Trading Sdn. Bhd.
	<b>NME</b>	: North Malaya Engineers Trading Company Sdn. Bhd.
	<b>NMX</b>	: North Malaya (Xiamen) Steel Co., Ltd.
	<b>OAA</b>	: Oriental Asia (Aust.) Pty. Ltd.
	<b>OAMA</b>	: OAM (Aust) Pty. Ltd.
	<b>OBS(M)</b>	: Oriental Boon Siew (M) Sdn. Bhd.
	<b>OIM(A)</b>	: OIM (Aust) Pty. Ltd.
	<b>OR</b>	: Oriental Realty Sdn. Bhd.
	<b>SU</b>	: Simen Utara Sdn. Bhd.
	<b>UG</b>	: Ultra Green Sdn. Bhd.
	<b>UMix</b>	: Unique Mix (Penang) Sdn. Bhd.
	<b>UniMix</b>	: Unique Mix Sdn. Bhd.
	<b>UP</b>	: Unique Pave Sdn. Bhd. (Commenced members' voluntary winding up on 31 December 2021)
<b>Healthcare</b>	<b>LBSE</b>	: Loh Boon Siew Education Sdn. Bhd.
	<b>MSM</b>	: Melaka Straits Medical Centre Sdn. Bhd.
	<b>NILAM</b>	: Nilam Healthcare Education Centre Sdn. Bhd.
	<b>OMS</b>	: Oriental Medical (Segamat) Sdn. Bhd.
	<b>SLP</b>	: Star Life Pharma Sdn. Bhd.
	<b>SJ</b>	: Star Joy Sdn. Bhd.
<b>Associates</b>	<b>BBDS</b>	: Bukit Batok Driving Centre Ltd.
	<b>BSH</b>	: Boon Siew Honda Sdn. Bhd.
	<b>BSKah</b>	: B. S. Kah Pte. Ltd.
	<b>ChDev</b>	: Chainferry Development Sdn. Berhad
	<b>HAP</b>	: Honda Autoparts Manufacturing (M) Sdn. Bhd. (Commenced members' voluntary winding up on 2 August 2021)
	<b>HCM</b>	: Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
	<b>HTSM</b>	: Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
	<b>KST</b>	: Kasai Teck See Co., Ltd.
	<b>PgA</b>	: Penang Amusements Company Sdn. Berhad
	<b>PT KTS</b>	: PT Kasai Teck See Indonesia
	<b>PWR</b>	: Penang Wellesley Realty Sdn. Berhad
	<b>SPP</b>	: Southern Perak Plantations Sdn. Berhad
	<b>SSDC</b>	: Singapore Safety Driving Centre Ltd.



## EXECUTIVE CHAIRMAN'S MESSAGE



**Dear Stakeholders,**  
**"It is with great pride and delight that we present to you the sixth edition of Oriental Holdings Berhad's annual Sustainability Report.**

This is the third year that the world is grappling with COVID-19, and we at OHB have been able to respond to the pandemic with great agility, never wavering from a focus on the long-term and the commitments we have made to our people, our communities and the countries in which we operate.

During this challenging period, we have maintained continuous dialogue with our stakeholders, empowering greater understanding of the role that we can play as a global conglomerate. At the same time, we have implemented business-critical measures across our operations and throughout our supply chains to offset the destructive nature of the pandemic.

This is another demonstration that sustainability at OHB goes beyond lip service. After all, we operate in an increasingly interconnected world made more complex by multi-faceted challenges such as climate change. As such, our actions have ripple effects on communities, natural environments, and economies hence a proactive and considered approach is not just beneficial but necessary.

We hope that this report sheds light further on the various initiatives that we are spearheading to ensure the sustainability of our business in changing times, and to sustain the positive impact that we generate."

## EXECUTIVE CHAIRMAN'S MESSAGE (cont'd)



### Our Governance

Maintaining effective processes and procedures is central to our sustainability as a global conglomerate spanning 71 subsidiaries in 11 countries. In everything we do, our guiding aim is to develop and execute business strategies that meet the specific needs of the segment and subsidiary in question while also aligning with the values and overarching direction of the Group.

This approach which combines big picture thinking with detailed engagement extends to our sustainability strategy. Guided by the Group's Economic, Environmental and Social commitments, management teams within our segments are empowered to engage with relevant stakeholders including their local communities, suppliers, customers and more, in turn suggesting initiatives to our headquarters which can deliver value and mitigate against potential negative impacts.

Throughout this report, our approach to sustainability governance forms a recurrent theme, enabling us to remain agile to needs and potential impacts, deliver sustainable economic value and be a good example to other organisations.

### Our People

Our people are the foundation of our success, driving the continuous improvement of our businesses. It is therefore our role as employers to provide work environments that are safe, healthy, stimulating and full of opportunities for personal and professional growth.

With the COVID-19 pandemic bringing forth new challenges for employers, we have responded swiftly and decisively, implementing comprehensive guidelines which protect the wellbeing and safety of our workforce while minimising the impact of the crisis on our business bottom line. This includes resources for mental health, which has become a particularly pressing concern in the wake of the pandemic.

At the same time, our commitment to empowering career and professional development remains undimmed. Through the many training and upskilling avenues made available, our employees have every reason to see OHB as their foundation for long-term growth and career progression, thereby enhancing the human capital at our disposal.

All of this is supported by an inclusive culture that embraces diversity and meritocracy, meaning that employees are rewarded not for who they are but what they bring to the table.

## EXECUTIVE CHAIRMAN'S MESSAGE (cont'd)



### Our Environment

Over the preceding years and decades, the spectre of climate change has evolved from a distant danger to a clear and present reality. It threatens the livelihoods of our people, the health of our planet and the vitality of our business. In short, action is essential.

Cognisant of how climate change has evolved consumer and regulatory demands, our segments are working proactively - actively monitoring changing government policy, investing in energy efficient technology, adopting eco-conscious practices, and working collaboratively with their customers, suppliers and communities to create positive impact. By acting decisively, we not only help to mitigate climate change but enhance our reputation as a progressive, environmentally friendly and future-oriented organisation.

I urge you to read about our initiatives under “Financial implications and other risks and opportunities due to climate change” to learn about what we are doing and for a deeper understanding of just how intertwined environmental action and long-term business sustainability is for us at OHB.

### Final Remarks

Looking to the future, the world has reason to believe that the worst of the pandemic is behind us, and that a return to full economic activity is just around the corner. While we remain cautiously optimistic of recovery, we are well-aware of the inconceivable change the pandemic has brought to economies and livelihoods around the world. It has made the task of leadership significantly more challenging yet all the more purposeful as the importance of doing right by our employees, the community at large and the environment becomes even more perceptible. By the same token, we remain tremendously thankful that these exceptional times have accelerated the adoption of new ways of working, brought about a stronger collective sense of camaraderie among our people and have made us more agile, resilient, and prepared for what lies ahead.

While we continue to navigate this ever-changing competitive landscape and embark on our pursuit of strategic growth, we will continue to be on the lookout on how we can best integrate the economic, environmental and social aspects of sustainability into our business strategy and stakeholder engagement.

Lastly, we acknowledge the fact that our continued success could not have been made possible if not for the unwavering support, trust, and contribution of all the stakeholders we have had the honour of working in tandem with. As an invaluable ally to our Group, we hope that you will continue to join us in this journey towards a stronger, better, and more balanced future.

Thank you.

## AWARDS AND RECOGNITION



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The recognition that our Group received during the reporting period exemplify our commitment to exemplary sustainability practices across the Economic, Environmental and Social (EES) spectrum.

1. **JK Wire's 2021 - Best Quality Performance Award**  
- Armstrong Auto Parts Sdn Bhd
2. **Karakuri Awards from Denso**  
- Armstrong Industries Sdn Bhd
3. **Best Cost Award from Supplier Conference 2020-2021**  
- Dragon Frontier Sdn Bhd
4. **Qualmark Gold Award (Wairakei) & Qualmark Silver Award (Chateau)**  
- KAH New Zealand Limited
5. **Hotel Weka's Environmental Certification (Chateau)**  
- KAH New Zealand Limited
6. **Department of Labour Protection and Welfare Award**  
- Park Suanplu Holdings Co., Ltd.



## AWARDS AND RECOGNITION (cont'd)



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7. **Pencegahan Dan Penanggulangan COVID-19 Di Tempat Kerja (Prevention and Measure in Handling COVID-19 at Workplace)**
  - PT Bumi Sawit Sukses Pratama
8. **Kelas Usaha Perkebunan (Tahap Operational) - Kelas II / Baik**
  - PT Gunungsawit Binalestari
9. **Penghargaan Kepada PT. GML - POM Atas Prestasinya Sebagai Perusahaan Dengan Panitia Pembina Keselamatan Dan Kesehatan Kerja (P2K3) Terbaik Kategori Perusahaan Industri Pengolahan Periode Tahun 2021**
  - PT Gunung Maras Lestari
10. **Pilar-Pilar Sosial Tingkat Kab. Bangka (Peduli Kesejahteraan Sosial) 2021**
  - PT Gunung Maras Lestari
11. **Perakuan Pematuhan Standard (Bahan Binaan) CIDB Recognition**
  - Unique Mix (Penang) Sdn Bhd
12. **International Children's Day**
  - Melaka Straits Medical Centre Sdn Bhd

## ABOUT THIS REPORT



**“As a truly global organisation, our actions have an impact across a very wide area and scope - affecting economies, the livelihoods of people and the health of natural environments. Therefore, it is our responsibility to stand for best practices in sustainability, where our impact is determined not solely by the direct business dealings we carry out but through the standards we demand of our suppliers, business partners and beyond.”**

In line with this, we have integrated sustainability as a central part of our governance and everyday business processes. We seek to set an example of how a global, multi-sectoral conglomerate should act, and show that our actions can maximise our potential as a Group and that of the communities and natural environments we serve.

Therefore, we proudly present our sixth Sustainability Report produced in reference to the Global Reporting Initiatives (GRI) Standards, outlining our deep commitment to sustainability principles across our seven key sustainability material matters. Each of the material matters identified signifies a pillar of our sustainability aspirations, with the initiatives and actions taken under each borne out of continuous dialogue between the Group and our valued stakeholders.

## ABOUT THIS REPORT (cont'd)

### Our Reporting Approach

This report has been prepared in alignment with the Bursa Malaysia Securities Berhad Main Market Listing Requirements, with content in reference to the GRI Standards. The report also covers the following key principles as guided by the GRI Standards:

- Stakeholder Inclusiveness: capturing our stakeholders' 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 which influence our stakeholders.

The disclosures within this report are aligned with specific GRI Standards covering the following material matters:

- GRI 201 Economic Performance 2016
- GRI 205 Anti-Corruption 2016
- GRI 307 Environmental Compliance 2016
- GRI 401 Employment 2016
- GRI 403 Occupational Health and Safety 2018
- GRI 404 Training and Education 2016
- GRI 406 Non-Discrimination 2016

### Sustainability across Supply Chain

We have a responsibility to set a positive and progressive example across our supply chain. In addition to ensuring that we stand for best practices in sustainability, we continue striving to improve the sustainability of our supply chains by adopting sustainability practices that ensure the value generated as a result of our business activities is shared equitably and inclusively.

### Scope and Boundaries

This report refers to the sustainability performance and progress of OHB across all segments for the period of 1 January 2021 to 31 December 2021, unless otherwise stated. References to 'OHB', 'the Group', 'the Company' and 'we' refer to Oriental Holdings Berhad and its subsidiaries.

Note: The performance data for this year's report excludes the data from one subsidiary from the Hotels and Resorts business segment. This is due to limited access to the data compiled caused by the restrictions in place in managing the COVID-19 pandemic.

The management acknowledged that even though the data omitted is deemed insignificant, such data will be incorporated in our next annual disclosure in order to facilitate subsequent performance data review and comparison.

### Restatement of Information

No restatement of information was noted for the current reporting period.

### Membership and Associations

- Association of Private Hospitals of Malaysia
- Australian Hotel Association
- Brunei Automobile Traders Association
- Building Materials Association of Malaysia
- Business Events Industry Aotearoa
- Busselton / Margaret River Tourism Association
- Busselton Chamber of Commerce
- Commercial Accommodation Providers Taupo
- Employers and Manufacturers Association
- Federation of Malaysian Manufacturers
- Honda Malaysia Suppliers Club
- Hospitality New Zealand
- Kelab Vendor Perodua Malaysia
- Malaysian Employers Federation
- Malaysian Plastics Manufacturers Association
- Malaysian Automotive Association
- Malaysian Healthcare Travel Council
- Malaysian Palm Oil Association
- Gabungan Pengusaha Kelapa Sawit Indonesia
- Melaka Tourism Association
- Malaysian Special Tooling and Machining Association
- National Park Business Association
- National Ready-Mixed Concrete Association of Malaysia
- National Trades Union Congress
- NSW Business Chamber
- Qualmark New Zealand
- Singapore Business Federation
- Singapore Hotel Association
- Singapore National Employers Federation
- Steel Wire Association of Malaysia
- Taupo Chamber of Commerce
- The Malayan Agricultural Producers Association
- Tourism Australia Association
- Tourism Export Council New Zealand
- Tourism Industry Aotearoa
- Toyota Suppliers Club Malaysia
- Ultimate Membership - Australia's South West
- Western Australia Tourism Association

### Availability

This report is publicly available online via our website [www.ohb.com.my](http://www.ohb.com.my).

### Feedback

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

Oriental Holdings Berhad,  
1<sup>st</sup> Floor, 25B Lebuhr Farquhar,  
10200 Penang, Malaysia  
Telephone: +604 263 8590  
E-mail: [ir@ohb.com.my](mailto:ir@ohb.com.my)

## STAKEHOLDER ENGAGEMENT

Our stakeholders play an important role within our overall sustainability agenda. Their continuous input informs our materiality process, while their knowledge of issues pertaining to specific industries, localities and challenges guides our formulation of impactful action plans. We therefore prioritise regular engagement with stakeholders across and at all levels of our large business footprint.

As detailed in last year's Sustainability Report, the pandemic necessitated a shift in the mode by which we engage with our stakeholders, accelerating a move towards the use of virtual platforms. Even as restrictions have been lifted, however, we have continued to use virtual platforms in the year under review as they offer us the opportunity to reach a wider range of individuals and groups with a relatively low environmental impact.

The table below outlines our approach to engaging with our stakeholders, and the concerns and expectations raised by each group. Moving forward, we will continue to observe and monitor our engagements with these stakeholders through the support of our corporate communications team.

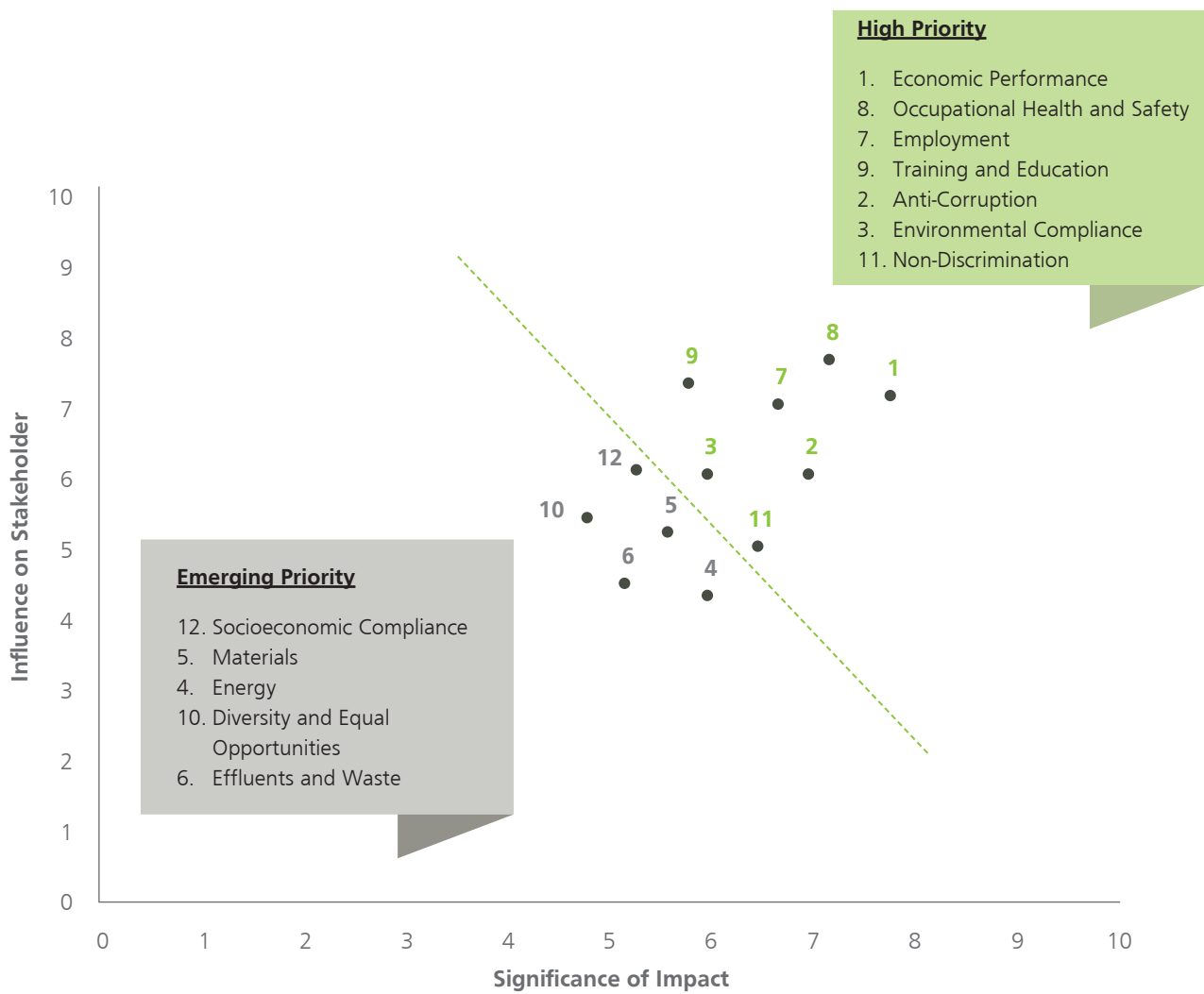
Stakeholders	Mode of Engagement	Frequency of Engagement	Stakeholder Concerns / Sustainability Issues	Expectations
Shareholders and Investors	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Briefing / Meeting</li> <li>Extraordinary General Meeting</li> <li>Performance Review</li>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



## MATERIALITY

By cross-referencing and analysing the actual and potential impact of each of our shortlisted sustainability matters on 1) our business operations, 2) our stakeholders, a Materiality Matrix was developed in line with the methodology outlined by the GRI Standards framework, as shown below.

Based on the outcome of this exercise, seven sustainability material matters were classified as High Priority and the balance five as Emerging Priority. The seven High Priority matters were approved by OHB's Board and are disclosed in detail within this report.



# CORPORATE GOVERNANCE

## Sustainability Governance at OHB

OHB is cognisant of the fact that in order to achieve sustainability, we must be rigorous with our governance framework and approach. To us, building a sustainable future means taking a leading role in ensuring the integrity of our business foundation while we support the sustainable creation of EES value for all stakeholders.

Towards that goal, the Group remains committed at adopting the highest standards of corporate governance in our operations, with our overall governance framework conforming and aligning with the following guidelines:

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 Berhad's Corporate Governance Guide (4th Edition), and
4. Bursa Malaysia's Main Market Listing Requirements (Listing Requirements).



With the guidelines in scope, our governance model is robust and well-equipped to embed good corporate governance within the day-to-day operations of our business segments, leading to a considerate and respectful culture at OHB. Guided by our EES objectives below, our sustainability strategies are hinged upon our long-term outlook for the Group and its ideal sustainability ambitions.

### ECONOMIC



We constantly review our business practices and focus on creating long-term sustainable growth for our stakeholders. We deliver economic performance that is underpinned by good corporate governance and high ethical standards. We ensure compliance with various national laws in Malaysia, Indonesia, Singapore, Australia, New Zealand and other overseas markets where we have operations and business activities.

### ENVIRONMENT



We strive to adopt best practices in our daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate our environmental footprint. We work with our stakeholders to enhance awareness, promote environmental practices and utilise operational processes that do not adversely affect the environments in which we operate.

### SOCIAL



We consider our people to be our most valued resource and take great care in managing and developing talent to ensure our people are supported and protected at the workplace. We also strongly believe that our success and growth should be mirrored in local communities where we conduct our business. We thus endeavour to give back to our local communities in ways that are meaningful as well as impactful.

## CORPORATE GOVERNANCE (cont'd)

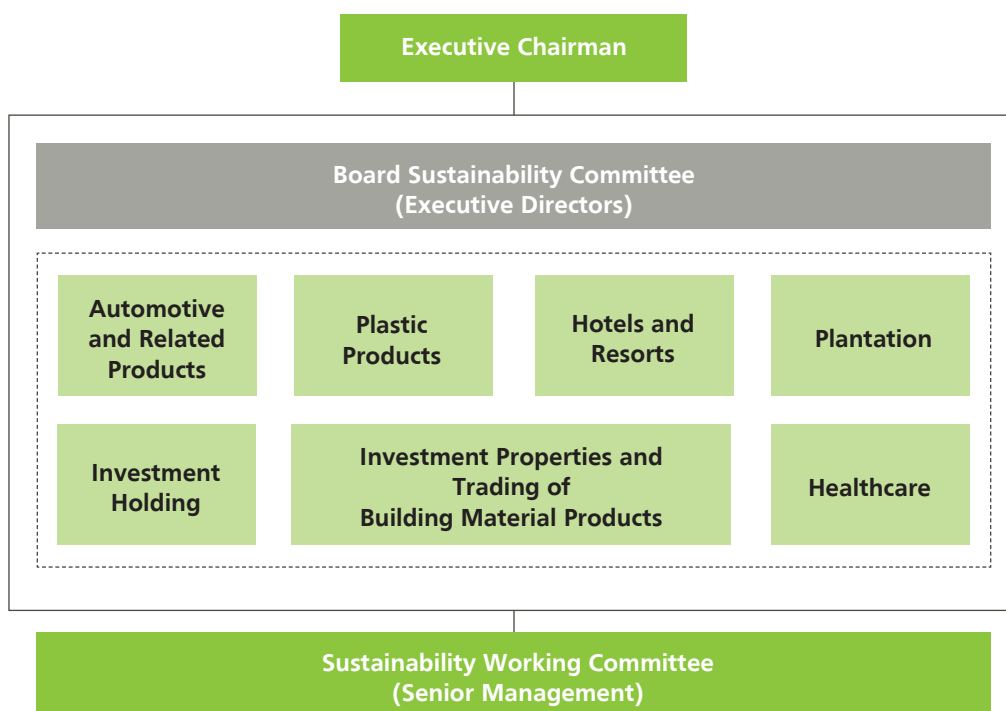
### Sustainability Governance Structure

Our sustainability directives stem from the head of our organisation, with the Board of Directors (Board) setting the tone and maintaining responsibility for our overall business conduct. Led by our Board Sustainability Committee (BSC), which comprises of the Executive Directors that oversee our seven business segments, it holds the responsibility of providing oversight and guidance in the formulation and direction of our corporate strategies and policies.

In order to achieve greater efficiency to our approach, the BSC is supported by our Sustainability Working Committee (SWC), which consists of Senior Management personnel. The SWC is tasked to review and set EES goals and targets for identified key sustainability matters and to oversee the progress of OHB's efforts towards these matters.

Our quarterly Executive Committee (EXCO) meeting provides a regular communicative platform for the BSC to highlight and deliberate any matters relating to our sustainability approach and reporting.

### OHB Group Governance Structure



## CORPORATE GOVERNANCE (cont'd)

### Sustainability Policy, Code of Ethics and Compliance at OHB

In support of our governance structure, we constantly advocate and portray our sustainability objectives and direction into our business environment through the integration of policies and procedures. This approach further supports the Group in ensuring compliance on EES related matters as well as promote continuous improvements over our business operations. In general, our Sustainability Policy forms the basis of our long-term sustainable business plan based on the following key considerations:

	<b>Adhere to the requirements</b> of all laws and regulatory requirements, standards and better practices to which the Group subscribes and establishes,
	Adopt <b>high ethical values</b> 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 <b>responsive to concerns</b> ,
	Establish a <b>comprehensive enterprise-wide risk management framework</b> , which includes a process to identify, evaluate and manage risks faced by the Group in the pursuit of its business objectives and strategies,
	Establish <b>emergency response plans</b> 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 a <b>shareholders communication policy</b> , 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, and
	Establish <b>robust policies and procedures</b> 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)

### Code of Ethics

Our dedication to maintaining the highest standards of ethical business conduct has led the Group to be constantly conscious when engaging with our stakeholders on the utmost level of trust, transparency and objectivity. In view of guiding our organisation in achieving this objective, we have adopted a constructive approach towards our ethical codes, which were ideally developed to cater for the various risks and opportunities from the operational and environmental aspect of our operations.

#### ***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 our 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.

#### ***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 the operational 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 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 for us if authorised to do so.



## CORPORATE GOVERNANCE (cont'd)

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 the any of the respective companies’ Human Resource Department.

### ***Code of Ethics on Fraud***

Where an employee, officer, Senior Management or Director has concerns, or receives information about any fraud in connection with the affairs of the Group, it is their equal responsibility to report those concerns or information.

Let it be known that OHB does not tolerate fraud in any of its business conducts. Therefore, the Company finds it imperative to implement a formal policy for all reporting and investigation of fraud and has proceeded to document it on the **Whistle Blowing Policy**.

### ***Code of Ethics on Gratification, Bribery and Corruption***

OHB Group takes a zero-tolerance approach towards any form of bribery and corruption. Covered Persons are prohibited from, in any circumstances, directly or indirectly, accept or obtain, or agree to accept or attempt to obtain, from any party, for themselves or for any other party (including their family members), any form of bribery or gratification as an incentive or a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to the Company’s affairs or business, or for showing or forbearing to show favour or disfavour to any party in relation to the Company’s affairs or businesses.

Covered Persons must also refrain from any activity or behaviour that could give rise to the perception or suspicion of any corrupt conduct or the attempt thereof. Promising, offering, giving or receiving any improper advantage in order to influence the decision of the recipient or to be so influenced may not only result in disciplinary action but also criminal charges.

If the Covered Persons have made or received any payment, which could be misconstrued as bribery and corruption, Covered Persons shall immediately report to the Company.

A “bribe” or a “gratification” is any gift, payment, benefit or other advantage, pecuniary or otherwise, offered, given, or received in order to secure an undue or improper result, award, decision, benefit or advantage of any kind. A bribe need not involve cash or another financial asset, it can be any kind of advantage, including the unpaid use of corporate services or property, loan guarantees or the provision of employment to the family or friends of people with whom OHB deals.

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

## Compliance

The Group remains committed to applicable laws and regulations set forth by local authorities where our Group operates. Our country management representatives closely monitor regulated areas to avoid any non-compliance with local legislations. We ensure we fulfil these requirements by setting a much more stringent set of internal requirements for our operations. We take a great deal of effort in complying with said requirements.



**ECONOMIC**

# ECONOMIC PERFORMANCE

## Why It Matters?

Sustained and positive economic performance is central to our ability to create value and deliver positive impact across the EES spectrum as it frees the funds necessary to reinvest in our workforce, our communities and in the betterment of our environment.

The need for such investments have become greater than ever due to the enduring effects of the COVID-19 pandemic, and we have stepped up our commitment in turn. During the year in review, we have made significant reinvestments to expand our business portfolios, take advantage of new market opportunities and mitigate pandemic impacts. These investments have stimulated economic growth and contributed to gross domestic product (GDP) in the countries where we are present while also creating employment opportunities and empowering improved livelihoods across our business footprint.

## How We Approach It?

Our approach balances the need for continuous growth with the maintenance of sustainable business practices governed by high ethical standards. The specific sector-level strategies we have implemented include:

### Automotive and Related Products

Across the segment's three sub-segments of manufacturing, distribution and dealerships, common practices ensure that we stay abreast of the latest market conditions and competitive dynamics, providing us with the means to defend our existing positions and leverage new business opportunities.

Our teams continuously monitor monthly sales revenue, conducting regular reviews with the management team to ensure alignment with internal targets and projects, and to address any ongoing concerns and feedback. This is augmented by a rigorous risk monitoring and assessment process, conducted annually, which considers the risk of:

- 1) Loss of dealership
- 2) Adverse changes in Government policies directly relating to the Automotive trade and/or non-national cars (e.g. import and excise duties)
- 3) Recession and its impact on economic activities

Controls are established and updated to mitigate against the impact of such risks. For instance, to counter the risk of loss of dealership, our teams maintain strong relationships with principals, adhere strictly to dealership guidelines and place emphasis on achieving the performance required of a top dealer.

Manufacturing risks will be mitigated by maintaining our high standards in terms of quality, cost and delivery within our daily operations. Our performance against these standards is monitored in monthly operational key performance indicators (KPI) reports and reviewed in both monthly manufacturing EXCO team meetings and daily operations team meetings. Operational and financial audits - conducted externally by our appointed auditors, internally by the OHB internal auditor and through a third-party system audit - further inform and strengthen our strategies to ensure the effectiveness and efficiency of our operations and the accuracy of our financial disclosures. Audit findings are reflected in EXCO presentation papers which are submitted quarterly.

### Examples of Subsidiary Level Quality Focused Initiatives

At the subsidiary level, KPIs pertaining to market share, customer satisfaction and other key metrics are set by the business segment and aligned with the standards set by principal, with these KPIs closely monitored and regularly audited by principals.

As a key example of these processes, Kah M monitors and tracks the Dealer Customer Service Index (containing 5 key attributes) and Standard Service Transaction (19 key attributes) against principal's consumer-powered benchmarks, driving relevant improvements to service quality on a continuous basis.

Meanwhile, AAP has been certified for IATF 16949 compliance by external certification bodies on a yearly basis. Due to the pandemic and its associated movement control orders, the external audit was further delayed to January 2022.

## ECONOMIC PERFORMANCE (cont'd)

At a broader, industry-level scale, we remain abreast of changes to market dynamics and trends, regularly reviewing analysis reports from sources including the Malaysian Automotive Association (MAA) statistic review, Paul Tan's Automotive News website, and country-specific national automotive policies, responding appropriately and in a timely nature to policy changes based on directives issued by top management.

For HM specifically, we are working closely with Honda Japan to plan production in order to capitalise on the directives contained in Brunei's National Automotive Policy pertaining to vehicle safety and the nation's target of 60% Electric Vehicle (EV) sales by 2035.

As a result of our processes, we have been able to provide stable and long-term employment to our employees, the majority of whom are hired from localities in the vicinities of the relevant operation. The stability of the employment we provide benefits both local communities and the economies of our countries of operation at large. In turn, our sustained economic performance results in significant economic value distributed to national Governments in the form of monthly taxes paid.

### Plastic Products

Economic value generated is a key metric of performance within the Plastic segment. To drive consistent performance standards, regular evaluations are carried out by Central Management including monthly reviews of overall company performance. Performance criteria considered includes sales, rejections, key component cost ratio, stock ageing, debtors' collections and budget management over the preceding two months. Detailed benchmarking amongst our subsidiaries and of our segment against major competitors in the plastic marketplace is also carried out, with sales level, gross profit margin and net profit margin ratio as key factors considered.

In addition, Central Management which consists of General Managers, monitor product-level information including output, rejection rate, analysis and countermeasures on rejected goods from customers. Meanwhile plant-level performance is monitored and gauged based on the incidence of delivery defects and late deliveries, the plant's accident rate, Overall Equipment Effectiveness (OEE) and the progress made on any value-adding or cost reduction initiatives.

To aide performance monitoring and improvement, monthly presentations are prepared by operations and finance team members with areas covered including monthly and YTD profit/loss, profit/loss forecasts, stock ageing, headcount, sales, progress against KPIs and OEE (machine loading and spray capacity loading). With clear targets set for cost reduction, namely a purging rate of 0.3% and a rejection rate of 1%, improvement plans are put in place by the management or the relevant department in the event that these targets are not reached.

### Hotels and Resorts

In the Hotels and Resorts segment, economic performance is driven chiefly by fulfilling our customers' expectations. Therefore, it is towards this imperative that our various initiatives across employee training, service standard improvement and operational improvement are effective.

To begin with, we work on multiple fronts to drive the highest standards in service quality, managing operating and labour costs without compromising on the welfare standards we offer our employees. While the severe downturn precipitated by the pandemic affected our ability to sustain full staff benefits, these business decisions were well communicated to and understood by our workforce.



*Donation at Baan Dek Ramindra (School for Blind and Redundant Disabilities Children) (PSH)*



## ECONOMIC PERFORMANCE (cont'd)

Meanwhile, we have continued to offer our employees robust training programmes which improve their competency and knowledge in key areas, including by way of training for new employees across the departments and refresher trainings delivered through Toolbox Meetings. Employees are also kept abreast of customer feedback and reviews in order to drive continuous improvement in service standards.

Considering the crucial role that such customer feedback plays, our hotel reputation management system includes TrustYou, with comments reviewed daily by the departments and remediations swiftly put in place wherever necessary. All feedback is additionally reviewed by either the Duty Manager or the General Manager of the entity in question.

The Hotel Managers and Heads of Department of each entity play a crucial role in ensuring satisfactory financial results and long-term performance. They are responsible for enforcing strict control points and performance targets, and leading regular senior management meetings to discuss pricing, promotions, advertisement, and channel distribution techniques. Based on the conclusions of these meetings, financial resources are allocated to improve operations, such as through procuring new technologies, innovating service offerings, undertaking marketing projects, carrying out website enhancements and more. In each case, due consideration is given to the locality and needs of entities, as well as the required budget to carry out the initiative in question.

Most recently, KA and KNZ carried out improvements to lift lobbies, guest rooms and amenities in their properties, while investing in new technologies which empower their employees to improve efficiency and customer service standards.

Ultimately, by aligning strategic investments and operational changes to the core objective of customer satisfaction, aided by effective technology to better collate feedback, our Hotels and Resorts segment is well placed to weather any further pandemic impacts and deliver sustained value in the long-term.

### Plantation

As one of the Group's key segments, the plantation segment is managed by the Plantation Committee, which is based at the Group's headquarters. The committee holds regular meetings to discuss the segment's economic performance, systematically evaluating each entity's performance while discussing potentially critical issues in order to pre-empt circumstances which could affect the achievement of the segment's long-term business goals. The committee also approves annual economic performance targets set by respective Heads of Department on a yearly basis, reporting to the EXCO periodically. Through these efforts, the committee ensures sound management of the plantation segment and stable economic performance.



*Tree donation to Koperasi Petani Belo Laut (PT GBina)*





## ECONOMIC PERFORMANCE (cont'd)



### Investment Properties and Trading of Building Material Products

Our activities in this segment contribute to the economic value generated by the Group through collecting rental income and the sales of construction material products. In optimising value generated, a strong governance structure has been established to oversee daily operations and ensure business continuity. Within this structure, a management team meets regularly to discuss critical business issues, holding periodical meetings with the controller to ensure each department is meeting its economic targets.

Yearly sales targets are set by departments on an annual basis, with sales and plant operations teams rewarded with additional incentives at the end of the year for achieving their targets. Monitoring of progress against targets is enabled by the collection and submission of monthly performance data by the Operation Manager, Production Manager and Sales Manager to the General Manager for evaluation, prior to being reported to the headquarters. In turn, with the performance data collected, the General Manager and management team propose actions to improve performance at the department level, with the implementation of these actions monitored and evaluated by the Operations Manager and Sales Manager.

Economic performance in this segment is defined through three pillars:

- 1) Quality products
- 2) Timely delivery
- 3) Effective marketing strategies

Quality standards adhered to are in line with the quality policy in ISO9001, and technical teams including QC and R&D professionals are responsible for monitoring the quality of raw materials on a weekly basis and keeping track of daily cube test reports to ensure that quality standards remain competitive at all times.

During the year in review, the segment's approach to sales was strengthened with the addition of monthly and annual sales targets. Efforts were assisted by Heads of Department, who monitored the daily dispatch and kept the Operation Manager and Sales Manager abreast on the progress of weekly dispatches. Furthermore, based on the unstable economic climate and the rising risk of bad debts, the segment's sales strategy shifted to place more focus on cash-based customers, generating a steadier cashflow for the segment.

Aside from operational and sales strategies, employees of the segment are provided with ample opportunities to upskill and acquire new knowledge through regular seminars and workshops, including programs by the National Ready-Mixed Concrete Association Malaysia (NRMCA) and the Construction Industry Development Board (CIDB). Rewards and benefits are also provided to incentivise performance and are distributed in accordance with internally established KPIs.

## ECONOMIC PERFORMANCE (cont'd)

### Healthcare

In addition to being a key economic engine of the Group, our healthcare segment plays an important role in supporting the health and vitality of society as a whole, serving patients in the vicinities of our business and abroad. As such, we place great emphasis on developing and maintaining policies and procedures that align with regulations set out by local authorities - such as the Malaysian Ministry of Health (MOH) and the Malaysian Society for Quality in Health (MSQH) which allow us to consistently maintain best-in-class standards in healthcare delivery.

This begins with our internal structure, where our employees and businesses are overseen by a senior management team spearheaded by the segment's Chief Executive Officer. Our well-established structure enables the execution of performance-optimising procedures that include internal and external audits, in-house operational reviews conducted by each entity, and periodical risk assessment and risk mitigation exercises. Amongst other metrics, performance is reviewed against qualitative criteria that include patient load, number of students enrolled and number of transactions carried out.



*Christmas Charity with RS Hub Mission (MSM)*

As the technological requirements of quality healthcare consistently evolve, our approach must be equally flexible. Operationally, we respond swiftly to address any performance related issues while investing to improve overall performance. Examples of recent initiatives in this area include:

- The recruitment of doctors to staff a new specialty micro-hand surgery practice, and the commencement of a new outpatient dialysis service at MSM, with both initiatives resulting in increases to the facility's patient load capacity; and
- The use of digital marketing at SLP, including the Shopee platform and outsourcing of Facebook marketing.

Supporting continuous performance enhancement, our teams regularly review resources within their subsidiaries to evaluate the need for additional financial and technological resources. They are supported by our Finance Department, which regularly reviews financial performance and budget utilisation with results communicated to top management on a monthly basis. As a result, new initiatives deemed impactful to bottom-line performance can be efficiently allocated the necessary budget in order to proceed.

### 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 a Group, we acknowledge the impact of climate change both within our business environment and beyond. Furthermore, we recognise that the threat of global warming has increased demand for green products and solutions at the consumer level and for environmentally innovative manufacturing processes at the corporate level. Simply put, a proactive response to climate change is necessary in order to set a positive example, drive competitiveness and maintain our reputation levels.

The initiatives disclosed within this topic demonstrate the steps we have taken in light of climate change and the new measures we have adopted to accommodate the demands it has brought about. In addition, it will show the detailed processes we have put in place to address the identified risks and opportunities inherent to this global challenge.

## How We Approach It?

### Automotive and Related Products

One of the major global sectors that have been impacted profoundly by climate change is the automotive sector. Not only has consumer demand for environmentally friendly vehicles and automotive products skyrocketed, but existing manufacturing processes have to evolve in order to embrace more environmentally friendly technologies.

In addition to staying up-to-date with the latest environmental regulations in our countries of operations and updating internal policies against regulatory changes, our management team and subsidiaries monitor key changes in market demand to ensure that resources are strategically aligned with the climate change agenda.

We continuously stay abreast of environmentally friendly technological advancements such as low-carbon dioxide emission vehicles, energy-efficient LED lamps and more. While there are no active initiatives in this area concerning our operations at this moment, our subsidiaries are cognisant that the principals may introduce low-carbon dioxide emission vehicles to its range.

Further bolstering our response to climate change, AAP has established its own in-house R&D Department to cater to future product development needs. Plans have been put in place until 2025 for product design and development which will drive improvements in performance, operation and temperature durability, corrosion and chemical resistance, and more. Meanwhile, our other subsidiaries will follow the direction set by their principals, guiding considered investment into environmentally friendly and low-carbon technologies.

Lastly, consideration of climate-related risks such as natural disasters, which may impact our operations, is made during management meetings and especially within the planning phase of projects initiated by the principals, with professionals such as architects and surveyors consulted as part of the climate risk assessment and mitigation process.

### Plastic Products

Our plastic segment seeks to limit its contribution to climate change through a commitment to energy conservation, which is spearheaded by its adoption of the 3R policies (Reduce, Reuse and Recycle). To drive improvement in energy conservation, the segment monitors and reviews its energy consumption on a monthly basis, with energy cost as a percentage of overall production cost used as the metric.

The segment also regularly considers investment into energy efficient technology in order to both upgrade existing machinery and decrease its overall energy usage. It is currently considering investing into electric injection machines, which offer an energy efficient upgrade on older technology, as well as exploring the use of solar energy as a source of power.

During the year in review, TSP, AI and KTSM adopted the EMS 14001 environmental management system. The move was driven by customer demand, and our other subsidiaries in the segment will consider its adoption in future.

### Hotels and Resorts

In addition to the direct impact that our hotels and resorts have on the environment, action on climate-related issues is also paramount in the context of the guests they serve, who are in turn shifting demand towards more environmentally friendly products and solutions. Given this potential impact on our bottom line, various environmental initiatives have been introduced within the segment to position our hotels and resorts as climate-friendly brands.

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

Our approach in this area has been multi-pronged, including the introduction of eco-friendly amenities and reusable products, reducing our reliance on single-use plastics and encouraging recycling practices throughout our operations, amongst other initiatives. As an example, 30Ben has discontinued its use of plastic bottles and room amenities, while KA and KNZ have introduced a more resource-efficient irrigation system following thorough reviews of their water consumption, as well as setting up vermicast recycling centres to recycle organic waste.

Energy efficiency is another major focus area of our hotels and resorts, exemplified by the installation of smart air conditioning and lighting systems, LED light fittings, energy efficient-rated whitegoods, and sensor based systems which switch off applications that are not in use. Our hotels and resorts also actively encourage the mindful consumption of resources - such as amenities, water and electricity amongst their guests.

We are pleased to report that our hotels and resorts have not received any negative reviews pertaining to their environmental impact or initiatives. Nevertheless, mindful of the power that guests have in affecting the reputation of an operation, we will continue to place focus on driving further adoption of green measures as guided by Group and segment-wide sustainability policies, while engaging regularly with local community representatives to develop initiatives that are sensitive to local environments and those living in their vicinity.

### Plantation

Our plantation operations thrive off a stable and predictable climate and, as such, climate change has the potential for devastating impact to the segment's profitability, especially when considering the rising incidences of extreme weather, forest fires and long drought seasons.

Assisted by our Enterprise Risk Management (ERM) system, our respective operating centres are tasked with rigorously monitoring climate change and climate risks, with further monitoring conducted and support provided by the Finance Department and the Research and Development Department at our Group headquarters.

In awareness of the impact that sudden weather events can have within the segment, specific funds are allocated for mitigation actions deemed necessary. Action plans are carried out by the individual operating centres, with observations or findings reported to the top management and Plantation Committee on a regular basis.

### Investment Properties and Trading of Building Material Products

Climate change poses various potential impacts on the segment's operations and economic performance, both positive and negative. For instance, changing Government regulations may create opportunities for cost-effective financing of land acquisitions for environmentally friendly projects, but may also result in delays in project approvals and additional compliance commitments.

In view of the complexities of the issue, operating centres within this segment utilise our ERM system as a tool to identify and monitor such risks and opportunities, as well as to facilitate the implementation of mitigation strategies. Actions taken as a result of the ERM system include providing adequate and relevant training for technicians and workers to ensure compliance with Construction Industry Development Board (CIDB) regulations, with training on quality, technology and environment safety conducted by the National Ready-Mixed Concrete Association of Malaysia (NRMCA). The Group's quality manual is in line with NRMCA's requirements.

To ensure its continued relevance and effectiveness, the ERM system is evaluated at the subsidiary level on an annual basis.

### Healthcare

Cognisant that climate change will have more far-reaching effects than environmental damage alone, our healthcare segment has focused its energies towards building resilience against emerging health issues that will arise as a consequence of this ongoing crisis.

In order to drive readiness against climate-related health issues, proactive steps are being taken to educate our workforce, such as engaging staff at all levels on the importance of good governance in identifying, managing and addressing such issues. Our understanding of the impact of climate change on human populations also leads to our continuous effort at monitoring environmental trends that may result in health-related issues.

### Our Performance

As an overall summary, the table below illustrates the risks and opportunities identified by each business segment alongside its impact, financial implications, mitigation and cost of mitigating actions in further details.



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

Risk/ Opportunity	Description	Impact	Mitigation	Cost of Mitigating Action
<b>Automotive and Related Products</b>				
Risk	Any withdrawal of incentive given to non-national car	High as non-national car is a major contributor to the sales	Diversify to REM and increase export sales	NA
Risk	Raw material shortage due to increase in material prices	About 2% of total material cost	To minimise the price hike by renegotiate with vendor or to transfer the price hike to customer	NA
<b>Plastic Products</b>				
Risk	Increase in production cost due to climate change	Insignificant	Reduce temperature at plant	NA
Risk	Use of recycled material for production may cause higher rejection	Insignificant	Control the percentage of usage	NA
Opportunity	Migration from other resource based products such as wood and metal which could not be recycled	Insignificant	Use of existing machinery	NA
<b>Hotels and Resorts</b>				
Risk	Natural disasters which give rise to potential closure of business	Loss of revenue as guests change their travelling plans and increased insurance premiums	Industrial Special Risks (ISR) insurance	RM 827,817
Risk	Reduction in snow line level for Chateau, reducing high winter season	Reduction in revenue by approximately 5%	Diversification in marketing activities	RM 30,000
Risk	Adverse weather conditions with chance of serious condensed weather events	Increased expenditure by 5%	Preventative maintenance programme targeting potential weather impacts	RM 200,000
Risk	Adverse weather conditions impacting on travel during normal high season	Reduction in revenue by approximately 1%	Diversification in marketing activities	RM 10,000
Risk	Weather conditions impacting guests' ability to travel to hotels locations	Reduction in revenue by approximately 1%	Business interruption insurance	RM 20,000
Risk	Potential for increased likelihood of natural disaster impacting the hotels' ability to operate	Complete closure of business	Natural disaster insurance	Not quantifiable



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

Risk/ Opportunity	Description	Impact	Mitigation	Cost of Mitigating Action
<b>Hotels and Resorts</b>				
Risk	Substantial increase in cost as Government effort to gradually phase-out non-biodegradable material or single use plastic usage in hotels	Between 20% - 30% increase in affected items	Source for alternate suppliers or shift to different type guest supplies	The goal is to maintain current cost or limit increase to below 10%
Opportunity	Increased revenue through extension of high season good weather for trekking/ walks	Increase in revenue by 5%	Increased marketing	RM 20,000
Opportunity	Increased revenue through food and beverages and golf	Increase in revenue by 3%	Increased marketing	RM 10,000
Opportunity	Higher ambient temperatures reducing the need for heating	Reduction in energy costs by 3%	Internal management	NA
<b>Plantation</b>				
Risk	Warmer temperatures will cause dry periods to increase, which will cause loss of oil palm yield. As temperatures become warmer, soil water evaporates more quickly, so the impacts of dry periods become more intense	Lower oil palm production	<ol style="list-style-type: none"> <li>1. Promote the application of climate resilient varieties with high tolerance planting materials</li> <li>2. The application of organic matter reduces the inorganic fertilizer application and improves the water-holding capacity</li> <li>3. Reduce water evaporation by mulching, weed and cover crop management</li> </ol>	NA
Risk	Areas under oil palm production decrease due to sea level rise, there is a serious risk of flooding of oil palm estates in coastal areas, may result in a loss of oil palm production	Lower oil palm production	<ol style="list-style-type: none"> <li>1. Increase the establishment of physical barriers to prevent coastal flooding and erosion through river embankment, and flood gate</li> <li>2. Planting mangroves and preventing mangrove harvesting as mangrove forests provide an effective defence against coastal flooding</li> </ol>	NA

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

Risk/ Opportunity	Description	Impact	Mitigation	Cost of Mitigating Action
<b>Plantation</b>				
Risk	Land for oil palm production can be dry and degraded, and oil palm plantation can become susceptible to diseases and pests due to temperature rise. When conditions are sub-optimal for oil palm, such as when temperatures are high or there is limited water availability, palms may be less able to resist pests and diseases, causing yield loss	Lower oil palm production	<ol style="list-style-type: none"> <li>1. Promote the application of climate resilient varieties with high tolerance planting materials</li> <li>2. The application of organic matter reduces the inorganic fertilizer application and improves the water-holding capacity</li> <li>3. Reduce water evaporation by mulching, weed and cover crop management</li> <li>4. Managing pests, plant diseases and other pest organisms that damage oil palm</li> </ol>	NA
Opportunity	Areas with consistently high rainfall throughout the year have particularly high yields	Higher oil palm production	A well-managed harvesting interval and Fresh Fruit Bunches (FFB) collection in estate	NA
<b>Investment Properties and Trading of Building Material Products</b>				
Risk	Damage to machinery and stock as well as interrupt in supplying due to flood	Impairment charges associated with stock and reduction in revenue during raining season	Insurance coverage and reschedule to increase supply after raining season	Not quantifiable
Risk	Damage to building and electrical installation, as well as increased production downtime caused by typhoon	Repairing costs	Insurance coverage	Not quantifiable
Risk	Fierce price war and threats from competitors in the sluggish property industry	Decrease in selling price and lower profit margin	Swap to cash sales and introduce smaller projects with better margin	NA
Risk	Soil erosion and environment pollution for project land reclamation	Unstable reclaimed land might sink causing soil erosion in future and damaging marine life	Appointing professional consultant to carry out the survey as at when necessary	Not quantifiable
Opportunity	Increase in brand awareness	Potential to enlarge customer base	Continue to look for strategic land	RM 100,000

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

Risk/ Opportunity	Description	Impact	Mitigation	Cost of Mitigating Action
<b>Healthcare</b>				
Risk	Loss of marketability and shutdown of hospitals following failure to obtain accreditation and certification from relevant regulatory bodies	Loss of revenue	Prepare for surveys and inspections, as well as continuous monitoring to keep up with updates on regulatory change	Not quantifiable
Opportunity	Increase in demand for respiratory related medication like cough medicine during dry season	Revenue increase from anticipated cases	Temporary increase of par level for certain types of medication	Not quantifiable
Opportunity	Increase in admission as aedes mosquitoes that caused dengue fever are more active due to rain water reservoir	Revenue increase from anticipated cases	Increase of demand for drips	Not quantifiable

## ANTI-CORRUPTION

### Why It Matters?

The sustainability of our businesses in the markets and industries where we are present rests largely on our reputation as an ethical organisation with high standards of business conduct, as part of which anti-corruption measures play a big role.

We take seriously our duty to foster a fair business environment where corruption is not tolerated, cognisant that our track record in this area affects the perception of our stakeholders - including customers and investors and that any negative incidents can have serious legal ramifications. Therefore, we have thoroughly implemented necessary measures and maintain a robust governance structure in order to mitigate the risk of corruption and other unethical business conduct throughout our operations. Our actions enable us to maintain the utmost compliance with applicable anti-corruption legislation.

### How We Approach It

We have established robust Group level Anti-Corruption policies and procedures which adhere closely with guidance provided by relevant regulatory bodies, and which are in turn adopted at the segment level. Other measures taken include communicating our Code of Ethics to the employees and providing clear information on the stipulated procedures to report unethical behaviour. These various measures form the foundation of our approach to anti-corruption, ensuring a culture of integrity and transparency is upheld amongst the Group's subsidiaries and stakeholders.

### Automotive and Related Products

The OHB Group Corporate Governance Framework acts as the basis for anti-corruption efforts in this segment, guiding relevant employee training, the creation of Anti-Bribery and Anti-Corruption policies, whistleblowing procedures and more. By centrally coordinating anti-corruption efforts behind this framework, overseen by the segment's management team and Human Resource Department, the segment's goal is to achieve its 'zero incident' target each year.

Group Corporate Governance Policies are disseminated to the employees through briefing sessions, which were held in the year in review via virtual platforms due to COVID-19 restrictions. Employees are then required to provide signatures confirming their attendance at the briefing and awareness of the content presented, with declarations signed upon joining the company and then on a yearly basis thereafter. The employees are also required to sign a Code of Ethics declaration and are provided communication on corporate liability policies related to anti-bribery and anti-corruption. Carefully planned training initiatives are also provided, aiming to provide employees with practical guidance on ensuring compliance with the latest regulatory requirements.

In addition, the segment adheres to the whistleblowing and grievance procedures outlines in the Group's governance policy, providing employees with a trustworthy channel to report any incidence of unethical behaviour, with all disclosures directed to the Chairman of Audit Committee or the Head of Internal Audit.

Beyond its employees, the segment also requires third parties, such as vendors and suppliers, to sign a Supplier Code of Conduct Declaration (SCCD) form committing them to a zero-tolerance stance against corruption and to acknowledge the anti-corruption requirements outlined in Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

### Plastic Products

The segment aligns with the Group's zero-tolerance policy against corruption and unethical business conduct, with Group-level policies implemented across the segment once approved by the Board. The effective adoption of Anti-Corruption policies and procedures is enabled by training programmes provided to key management personnel, who in turn disseminate relevant information to employees of the segment. The employees are required to provide a signature of acknowledgement after receiving the relevant briefings and are provided yearly updates on Group policy.

In dealing with suppliers, the segment similarly requires third parties to sign a declaration of acknowledgement of the Group's Anti Bribery and Corruption policy and the anti-corruption requirements outlined in Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

## ANTI-CORRUPTION (cont'd)

### Hotels and Resorts

A zero-tolerance policy towards corruption is adopted by the segment, with comprehensive policies and procedures providing clear guidelines for employees to report and combat corrupt and unethical behaviour.

Given the complex nature of hotel operations, wherein a great proportion of an operation's inventory is supplied by external vendors, this is essential to the segment's reputation. As such, internally established Anti-Corruption policies and procedures are vigorously followed and promoted by Heads of Department, who are responsible for ensuring adherence to the procedures outlines within. Hotel Managers and Finance Department have further enhanced control by performing spot checks and audits. In 30Ben, for instance, internal checks for cash floats are carried out monthly, and reminders on standards of ethical behaviours provided on a monthly basis during staff briefings. Across our hotels and resorts, a thorough investigation process is launched in the suspected instances of non-compliance.

In addition to the guidelines and provisions of the segment's Anti-Bribery and Anti-Corruption policy, additional policies and procedures have been established to govern how our hotels and resorts procure goods and services.

#### Examples of Anti-Corruption Practices established by Hotels and Resorts Segment

- Three quotations are required for non-operating purchases.
- All purchase orders are to be signed electronically by the Financial Controller/Accountant and General Manager.
- Payments must have two signatures by authorised bank signatories.
- Refunds are documented with supporting paperwork and authorised by the Financial Controller/ Accountant and General Manager.
- The Financial Controller/Accountant and General Manager conduct supplier reviews with the Purchasing Manager and Heads of Department annually based on the quality of goods and services.

An open-door policy is maintained across the operations, allowing the employees to lodge a complaint to their relevant Head of Department, the Human Resource Department or a Hotel Manager. Employees are also encouraged to utilise skipped-level reporting, whereby they may bypass their Head of Department and register their complaint anonymously if requested. Employees can also utilise the Group's whistleblowing procedures and channel as a means to submit a complaint or grievance anonymously.

Lastly, comprehensive training and education programmes are organised by the Human Resource Department and made available to the employees. The objective of these training programmes is to drive understanding of obligations in relation to applicable anti-corruption legislation, as well as providing practical guidance on responsible and ethical behaviour within the workplace.

### Plantation

The segment strictly adheres to a zero-tolerance stance against any unethical behaviour, including corrupt acts, with decisive action taken against any confirmed incident. Standards are set and maintained by robust protocols and internal policies, as well as supported by the ongoing monitoring from the sustainability teams at the respective operation centres, with swift follow up action taken in the event of any non-compliances.

In advocating high standards of business conduct both within its operations and beyond, the suppliers are required to sign the Group's SCCD forms, committing them to upholding the Group's standards in business conduct and integrity. In addition, employees are availed of training programmes which provide specific guidance on acting ethically, reporting instances of unethical conduct, as well as updates on local anti-corruption regulations.

#### Policies and Initiatives implemented in the Plantation Segment

- Enterprise Risk Management (ERM) framework
- Limits of Authority (on cheque issuance)
- Ongoing monitoring of changes to anti-corruption laws
- Ongoing analysis of the root causes of relevant incidents in the organisation, and revisions to the monitoring system, including of ERM & Limits of Authority, if deemed necessary



## ANTI-CORRUPTION (cont'd)

In terms of grievance mechanisms, any instances of unethical behaviour are to be immediately reported to a relevant Head of Department, as per the internal policy. Following this, Heads of Department are responsible for reporting any incidences to the Plantation Committee, who, if in receipt of a grievance, will assess and report such instances to the Board on a periodic basis.

### Investment Properties and Trading of Building Material Products

In order to achieve its 'zero incident' target in relation to corruption, the segment ensures regulatory compliance whilst promoting integrity, transparency and accountability across its subsidiaries. Specifically, regular monitoring, internal reviews and audits are conducted in accordance with relevant guidelines and regulations to ensure the effectiveness of our practices and adequacy of our compliance. Furthermore, individual subsidiaries have developed and implemented specific policies and procedures relevant to potential areas of negative impact, with examples including policies around maintaining price transparency, the inclusion of compliance as a metric in employee performance reviews, and the introduction of company-level handbooks which provide guidance on ethical business conduct.

#### Policies and Initiatives implemented by the Segment

- Code of Conduct & Ethics
- Enterprise Risk Management
- Internal Control Framework

At the segment level, relevant training is provided to employees, covering the latest anti-corruption regulation as well practical content such as methods to detect corruption red flags, while subsidiaries provide additional training around the MACC Act 2009 (Amendment 2018) and corporate liabilities, as and when deemed necessary.

Externally, the segment also requires suppliers to sign a Declaration Form, committing them to the Group's stringent standards on anti-corruption. However, in consideration that cooperation by suppliers on such request occasionally hits a roadblock, the segment plans to align suppliers to its standards by incorporating an Anti-Bribery and Corruption clause in purchase orders instead of through the signing of the Declaration Form in future.

### Healthcare

The Healthcare segment's Anti-Corruption policies and procedures are aligned to the Group's level anti-corruption framework. In order to develop the necessary knowledge around the procedures, C-suite personnel are provided with training on awareness and preparation for corporate liability on corruption, while management-level employees are given specific training on anti-bribery and anti-corruption.

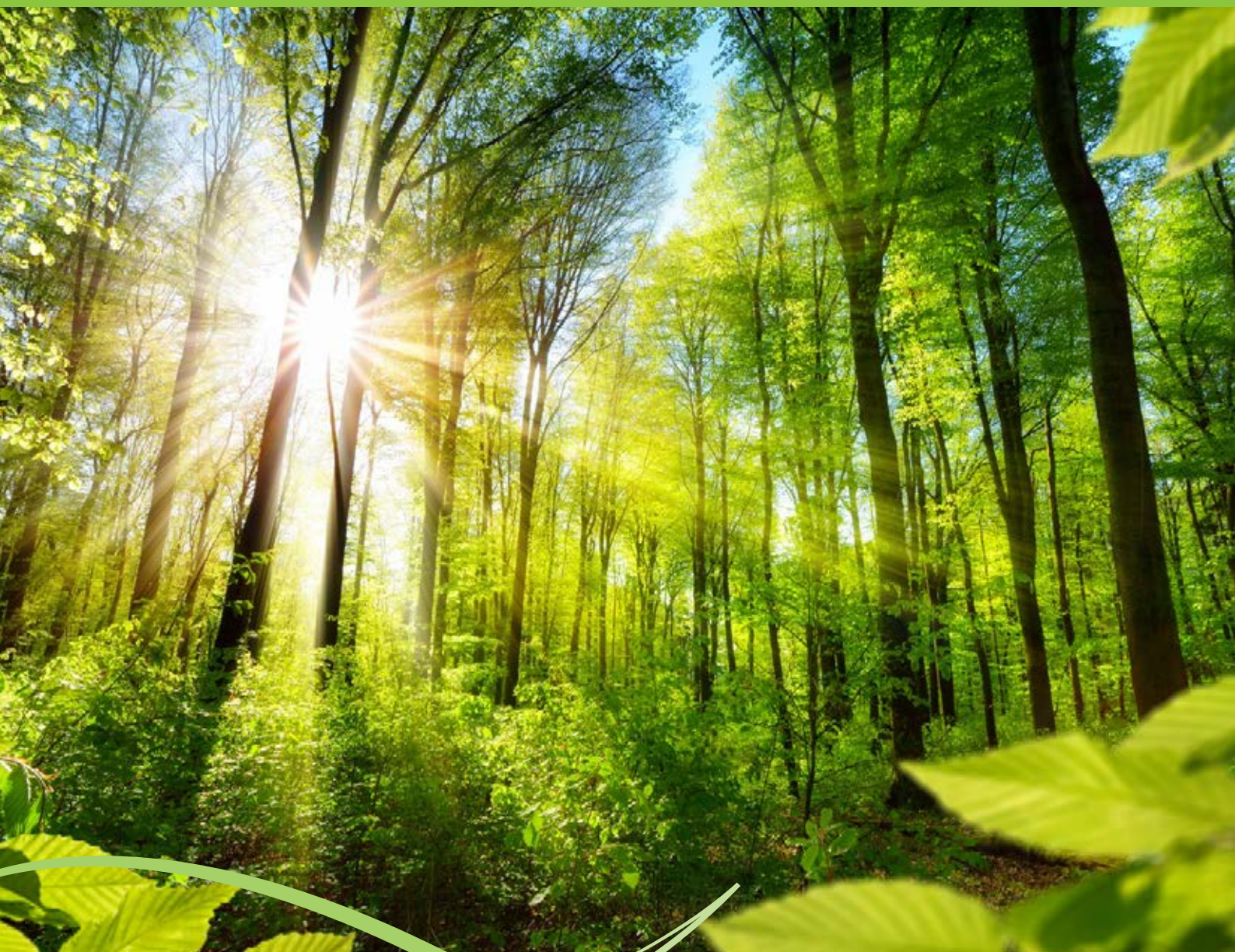
In line with the Group's zero-tolerance stance against corruption and other unethical behaviour, suppliers of the segment are required to sign a SCCD form upon registering as a vendor. This commits them to the applicable regulations and internal standards which the Group adheres to, ensuring that our standards are applied in all business dealings in which we have an involvement. For the record, new vendors registered in FY2021 have submitted their SCCD together with their Vendor Master Form.

In providing an avenue for reporting unethical behaviour, the segment's grievance mechanism which includes guidance on how to file complaints is distributed to the new employees during their orientation. Employees can email the form directly to the Human Resource Department to lodge a complaint, and cases unresolved within the department are escalated to Senior Management for further action. Employees and other stakeholders of the segment can also utilise the Group-level whistleblowing procedures for an alternative and anonymous reporting channel.

### Our Performance

Our stringent, zero-tolerance policy towards bribery, corruption and unethical business conduct is a cornerstone of our reputation as a global and progressive organisation, and to this end we continue to strictly mandate the adoption of our policies and procedures both internally and across our supply chain. The performance of our segments in anti-corruption - reflected in the low corruption risk ratings attained by our segments and the absence of negative incidents and confirmed cases of corruption substantiates the effectiveness of the mutually beneficial approach we have adopted.

For the current reporting period, our outreach towards educating our employees throughout our organisation on our strong stance against corruption has solidified our progress towards the goal of achieving 100% communication to our employees on our Anti-Corruption policies and procedures.



**ENVIRONMENT**



## ENVIRONMENTAL COMPLIANCE

### Why It Matters?

With the rise of environmental footprint as a key determinant of corporate reputation, the importance of adhering to best practices and complying strictly to environmental regulations has only grown.

In line with our corporate vision of achieving sustainable business growth and stockholder value enhancement, we have continued to practice a proactive approach towards environmental issues. This has entailed the development of in-house policies and procedures, the creation of strategic committees, the formulation of impactful environmental management training programmes, and much more. All our efforts ultimately empower us to both meet and surpass the expectations of regulating authorities and our stakeholders.

Our approach helps to bolster our standing as a progressive and responsible organisation across our markets and countries of operation.

### How We Approach It?

A structured approach towards environmental management is applied across our business segments, placing responsibility on segment-level management teams to monitor environmental performance as guided by extensive internal policies and guidelines. Management-level staff are also expected to take the lead in instilling a culture of eco-consciousness and environmental responsibility within their respective teams, thereby minimising the risk of non-compliance throughout the Group.

Aided by the many policies, procedures and programmes we have implemented, this structure allows us to aim not just for mere compliance but to make a positive contribution to the environment through our business activities and relationships.

### Automotive and Related Products

Within this segment, our primary aim is to ensure compliance with the applicable environmental regulations - including the Environmental Quality (Scheduled Wastes) Regulations 2005 in our countries of operation, in addition to global standards which we have adopted internally, such as ISO 14001:2015 – Environmental Management System.

Such strict compliance is essential given the spotlight on the automotive industry for its use of environmental resources, and a comprehensive internal structure is maintained to ensure responsible stewardship at all levels within the segment. This structure leverages the segment's Environmental Policy, an overarching framework which prescribes procedures that the employees should follow in being environmentally responsible. The policy requires management personnel to attend regular briefings and training programmes on the latest environmental regulations in their specific business focus area in order to drive continued compliance.

An Environmental, Health and Safety (EHS) Department has also been established with the remit of managing the environmental issues across the segment, including the responsible management and disposal of hazardous waste generated from operations. The EHS Department also conducts periodical Hazard Identification, Risk Assessment and Risk Control (HIRARC) exercises and regular EHS audits. This is supplemented by external surveillance audits and regular management reviews, forming a multi-layered control structure to ensure continuous environmental compliance.

Given the speed at which environmental regulations are evolving, it is equally vital that staff members remain abreast of the latest developments pertinent to their work. To facilitate this, EHS training and awareness programmes are offered across the segment.

### Environmental-related Practices by our Dealership Subsidiaries

As a key supply chain component of the automotive industry, our dealership subsidiaries hold the highest commitment towards conducting our business while being fully responsible to our environment. Towards that goal, they have adopted various means such as establishing an environmental committee to oversee our environmental performance as well as continuously seek opportunities to further improve our practices, especially over waste management. With lubricant waste being the main source of scheduled waste generated from the operations, all necessary resources are placed by the service centres to ensure our compliance with Environmental Quality (Scheduled Wastes) Regulations 2005.

## ENVIRONMENTAL COMPLIANCE (cont'd)

### Environmental-related Practices adopted by our Manufacturing Subsidiaries

In line with the segment's responsibility towards the environment, various practices have been adopted by our subsidiaries which are specific to the environmental risks and opportunities found in their businesses. These include:

- Monthly inspections of processes by management, the safety committee and designated safety personnel. Any incidents of non-conformance are tabled with the respective person-in-charge for further action to be taken.
- Establishment of an EHS committee, Emergency Response Team (ERT) and COVID-19 committee, with EHS committee meetings conducted every 3 months and management reviews held annually to discuss potential actions to mitigate environmental issues and reduce use of water and electricity.

### Plastic Products

With a focus on continued compliance with regulatory compliance and alignment to the expectations of its stakeholders and customers, we strictly adhere to the local regulations and standards, including ISO 14001:2015, in this segment.

In order to meet evolving expectations within an industry that falls under particular scrutiny, environmental policies have been established at the subsidiary level, each aligning with ISO 14001:2015. Our policies provide comprehensive guidance for environmentally responsible actions that meet the risks and business challenges specific to individual business areas. In addition, regular internal and external audits provide a means of evaluating existing environmental controls and ensuring alignment both with national laws and the segment's internal standards.

With a view to reducing the negative environmental impacts associated with our operations, we have also pioneered various initiatives focused on reducing waste, minimising pollution and increasing energy efficiency, many of which have involved investment into leading-edge technologies. Most recently, a sourcing exercise was initiated with the aim of procuring a suitable supplier of solar energy for TSP Bangi; an initiative that may be extended to other companies within the segment in future.

### Hotels and Resorts

Hotels and resorts are subject to stringent regulations when it comes to their environmental track record, while guests are increasingly choosing holidays and experiences based on environmental footprint. Due to these two key reasons, we have made positive environmental action a key priority in this segment.

Spearheaded by a 'zero incident' target for non-compliance with relevant environmental regulations, systems and processes have been established to enable the continuous monitoring of performance at the level of individual hotels and resorts, with Heads of Department playing a key role in overseeing relevant environmental matters within their respective departments. In order to cascade this responsibility to all levels, regular trainings are arranged by the Human Resources Departments to ensure that staff are up-to-date with environmental regulations and educated on best practices. The staff are also encouraged to provide meaningful feedback and suggestions on ways that the company can improve its environmental performance.

With an aim of being responsible stewards of the local environments and communities in which they operate, individual hotels and resorts are also encouraged to initiate programmes which drive environmental benefit. These have included introducing enhanced waste management processes, recycling initiatives, the installation of energy efficient LED lighting, and updated practices which limit use of water, energy and hazardous chemicals. Efforts are also ongoing to replace single-use plastic bottles across our properties, although this initiative has been delayed due to COVID-19 related safety measures.

Looking beyond hardware and processes alone, we recognise that personal responsibility is central to environmental sustainability, and as such seek to foster continuous engagement with guests on mindful consumption practices, such as reusing towels and other amenities. Aside from generating a positive environment impact, such conversations promote greater brand loyalty amongst environmentally conscious travellers.

Taking our commitment to the environment further, essential checks and balances are provided through internal and external audits by local governmental bodies such as Qualmark in New Zealand and by in-house sustainability task forces which have been established in certain properties to develop environmentally friendly business practices.

Energised by the opportunity to make a lasting impact in the natural environments in which our hotels are located and stand as a positive example within the industry as a whole, we will continue to adopt practices across our hotels and resorts which exceed the standards of compliance alone.



## ENVIRONMENTAL COMPLIANCE (cont'd)

### Environmentally-friendly Practices at KNZ

In its commitment to deliver beyond compliance and generate sustainable positive environmental impact, KNZ have undertaken a variety of initiatives:

1. Planned to establish dedicated sustainability taskforce to drive adoption of sustainable business practices;
2. Adhering to sprinkler bans as per the request of local authorities;
3. Ensuring continual maintenance of its waste management system;
4. Providing comprehensive training on the proper use of recycle waste bins while encouraging employee participation in recycling initiatives;
5. Replacing hotel lighting fixtures with LED bulbs and adopting new technologies to drive high energy efficiency levels;
6. Prioritising the procurement of environmentally friendly goods for guest usage;
7. Allocating funding to further its reduction of plastic use;
8. Replacing all plastic pens with recycled pencils;
9. Advocating the use of paper bags instead of plastic bags, where possible;
10. Operating an in-house sewerage treatment plant with high standards in discharge; and
11. Engaging with a vermicast partner to remove all waste products for recycling.

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



We are proud to have retained the Qualmark Gold Sustainable Tourism Business award for our Wairakei Resort in Lake Taupo, New Zealand and the Qualmark Silver for Chateau Tongariro Hotel in 2021. The awards are assessed by Qualmark, a leading quality assurance organisation which aims to assist businesses in becoming more sustainable.

### Plantation

With environmental issues surrounding the palm oil industry continuing to gain traction within the business community and general public, our plantation segment takes a proactive approach, incorporating sustainable business practices across both our upstream and downstream operations which fall in line with globally recognised standards such as the Roundtable Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO). These practices are enshrined within the segment's sustainability policy, which was updated in 2021. The policy focuses on five areas, namely:

- Environmental protection and management
- Social responsibility towards workers
- Community engagement
- Responsible business practices
- Practices found within the segment's supply chain

In cases where revised global standards are issued, as ISPO did in the year 2020, our policy and the practices within are swiftly amended to maintain strict compliance.

In seeking not only to maintain best practices but to make a positive contribution to the environment, the segment invests in peatland protection and the conservation of biodiversity in the areas surrounding its operations. We also commit to no deforestation. These commitments notably extend to the suppliers who we work with, with traceability to plantation practices in place to ensure that no fresh fruit branches are sourced from an illegal supply base or from suppliers involved in deforestation, burning for new planting, and planting on peatland.

## ENVIRONMENTAL COMPLIANCE (cont'd)

Lastly, high conservation value assessments are conducted by independent assessors at our plantation companies with the aim of identifying key environmental issues specific to that plantation and its surrounding natural environment. As a result, management and monitoring programmes that address these key issues are implemented at the plantation level, with some of the common management and monitoring practices including:

Examples of Environmental Management and Monitoring Practices	
Programme	Expected Outcome
<ul style="list-style-type: none"> <li>Protection of river flow and water quality</li> <li>Conservation of rare and river aquatic species</li> </ul>	<ul style="list-style-type: none"> <li>Measure and monitor sedimentation and erosion on a monthly basis</li> <li>Cover all river banks are covered with erosion control plants/vegetation</li> <li>Conduct de-siltation to reduce the sediment deposition according to the planned programme</li> <li>Ensure sediment traps are well functioned and maintained</li> </ul>
<ul style="list-style-type: none"> <li>Preservation of historical and cultural heritage</li> </ul>	<ul style="list-style-type: none"> <li>Conduct historical and cultural heritage identification annually</li> <li>Set up announcement board on historical and cultural heritage land upon land owner's permission</li> </ul>
<ul style="list-style-type: none"> <li>Conservation of forestry area to avoid the extinction of rare, endangered and threatened species as well as illegal logging</li> </ul>	<ul style="list-style-type: none"> <li>Protect habitats of rare, endangered and threatened species at all times</li> <li>Maintain native vegetation</li> </ul>

### Investment Properties and Trading of Building Material Products

In delivering environmental protection that is in line with the needs of the localities where its operations and properties are located, the segment abides by the Group's sustainability policy as well as applicable statutory requirements, employing environmental consultants where necessary to deal with specific environmental issues. Consultants and Environmental Officers provided by appointed contractor also deliver continuous monitoring of environmental compliance throughout the construction stage of any new projects, guided by the dictates of CIDB.

Before such construction projects are even carried out, however, detailed Environmental Impact Assessments (EIA) are undertaken. These are conducted by the management team of the project with the support of external professional consultants and involves the collecting of data through site surveys to assess environmental risks.

EIAs are also carried out as part of the process of proposing new industrial buildings, such as when UMix proposes to build a concrete batching plant. These concrete batching plants are furthermore developed fully in compliance with environmental and waste management plans which ensure that they operate without adverse environmental impact, leading to a significant reduction in on-site business energy waste.

The segment has also implemented procedures for managing the environmental impact created by land reclamation projects. All phases of such projects require Environmental Management Plans (EMP) and EIAs to be carried out, with all assessments and controls to be conducted by an appointed and qualified Environmental Consultant.

## ENVIRONMENTAL COMPLIANCE (cont'd)

### Environmental Initiatives at Land Reclamation Project

With consideration that land reclamation projects can pollute their surrounding environment in several ways, we have developed and implemented the following strategies in response:

- **Sedimentation Control**
  - Construction of containment perimeters, sediment basins and temporary drainage to manage any potential spillage of sediment beyond the project site
  - Implementing measures to ensure barges are not overloaded during operation
- **Air Pollution Control**
  - Restriction of movement for construction vehicles and regular upkeep of machineries to limit the release of excessive emissions when in use
- **Noise Control**
  - Installation of metal cladding hoardings to reduce noise impact
  - Establishment of construction time limits
  - Regular maintenance of equipment and machinery to reduce sounds emitted from machinery, in line with Department of Environment (DOE) guidelines
- **Water Pollution Control**
  - Maintenance of vehicles and plants are carried out at designated areas which are laid with sand and plastic to prevent oil leakage into the ground
  - Installation of containment bunds to contain any spillage, in addition to specific measures to manage spillage
- **Scheduled Waste Management**
  - Management of scheduled waste as per local regulations
  - Development of control procedures governing storage, labelling, documentation and disposal of waste

Finally, as the transportation of goods plays a major role in this segment, driving energy efficiency in logistics is another key area of focus. Using sophisticated fuel monitoring systems, project teams are able to undertake comprehensive forecasting, load aggregation and rate analysis for all production and logistics vehicles while collecting data through sensors and Global Positioning Systems (GPS). These technologies aid strategies which increase fuel efficiency over time.

In summation, our well-established environmental management processes in this segment serve to drive continued compliance with environmental regulations across the activities conducted, in line with the standards expected of a responsible company.

### Healthcare

With the aim of delivering excellent healthcare services sustainably, an internal structure - including the Occupational Health and Safety Committee and the Environmental Compliance Safety Services Committee is tasked with ensuring compliance with the requirements stipulated by the MSQH, Environmental Quality Act 1974 and other regulations from the Department of Occupational Safety and Health (DOSH).

The Environmental Compliance Safety Services Committee also play a larger role in the environmental management of the segment. Aside from the KPIs they aim to achieve, they take the lead in implementing additional measures which includes briefings (encompassing fire safety, infection control and staff awareness on relevant hospital emergency codes), bi-annual and annual emergency code drills; annual medical surveillance exercises, chemical exposure monitoring, quarterly meetings, and regular EHS inspections. Moreover, the committee works with DOSH to facilitate mandatory inspections of the segment's chemical registry.

To remain ahead of the curve on environmental management in the healthcare industry, further measures are being planned, such as the implementation of monthly environmental audits in 2022.

## ENVIRONMENTAL COMPLIANCE (cont'd)



### KPIs of the Environmental Compliance Safety Services Committee

- New staff required to undergo safety training and all existing staff required to undergo safety briefings once a year (80% target)
- HIRARC exercises to be conducted on a quarterly basis, or whenever new risks are identified or new work processes are adopted
- COVID-19 risk assessments to be regularly undertaken, in addition to continuous compliance with Malaysian Ministry of Health Standard Operating Procedures (SOPs)

### Our Performance

During FY2021, the Group observed zero incidences of non-compliance with relevant environmental laws and regulations.

Moving forward, we will continue to monitor changes to such laws and regulations, implementing regulatory updates within our practices as guided by our comprehensive and segment-specific environmental management procedures.





**SOCIAL**

## EMPLOYMENT

### Why It Matters?

Our continued growth as an organisation and our ability to thrive amidst the challenges of the future rests chiefly on our people. As the stalwarts of our businesses and the base for knowledge and best practices, it is vital that we provide suitable work environments, training and development opportunities, and a support system that encourages their continued loyalty to the organisation. We equally recognise that a culture based around meritocracy, diversity and equality of opportunity is central to both retaining our talents and attracting new members to our team.

In an ever more globalised and multi-faceted world, maintaining a workforce that offers a multitude of perspectives, talents and capabilities is essential, and it is towards this outcome that our employment policies and practices are geared.

### How We Approach It?

Guided by our Group-wide Code of Ethics, our employment practices are founded upon the principles of equality of opportunity, anti-discrimination and fair compensation, to which strict compliance is both mandated and monitored against. Further guided by country-level laws and regulations, our business segments have developed approaches which are tailored to their specific needs, thereby maximising their ability to attract and retain top talent over the long term.

### Automotive and Related Products

As prescribed in the Group's Code of Ethics and employee handbook, equality and fairness are enshrined as key principles upon which employment in this segment is based. From the onboarding phase of their employment, members of our workforce are briefed on their rights and obligations, with continued communication and updates provided throughout their tenure and meetings held once a month to keep them aligned on key employment matters. In overcoming the challenges of employee communication posed by the pandemic, digital platforms such as e-mail, Microsoft Teams, Zoom and WhatsApp were quickly adopted, with these channels proving effective.

At the subsidiary level, these principles are further refined in order to meet the specific challenges that these companies and their employees may face. As an example, AAP launched its own Code of Ethics - based on the Group's Code of Ethics in June 2020, and is set to launch its own Employee Handbook which will be distributed to all Non-Genba (Executive level and above) employees. In addition, Genba staff are given the *Arahan dan Peraturan Syarikat* and Non-Genba staff are given the Confidential Staff Scheme of Service handbooks for their reference.

The segment prides itself on fostering an inclusive work environment where people of all backgrounds are treated equally. As such, hiring practices are strictly merit-based and unbiased towards any gender, race or religion. This extends further to an employee's age, with employees reaching retirement age eligible to be re-employed subject to evaluations which are based on their job performance.

**2021 STAFF WELFARE PROGRAM - WHITE FLAG CAMPAIGN**

**BANTUAN PRIHATIN AAPMM - CSR FOOD CHARITY DRIVE**

**BERMULA: 15 - 30 AUG 2021**

**SUMBANGAN INI ADALAH UNTUK DISALURKAN KEPADA RAKAN: AAPMM KITA YANG IERAMAI 19 ORANG YANG MEMERLUKAN BANTUAN KITA SEMUA!**

**SENARAI NAMA PENERIMA SUMBANGAN MAKANAN**

No.	Nama	Jumlah	Baru	Baru
1	AMALIAH SITI HANIS	100000	100000	100000
2	AMALIAH SITI HANIS	100000	100000	100000
3	AMALIAH SITI HANIS	100000	100000	100000
4	AMALIAH SITI HANIS	100000	100000	100000
5	AMALIAH SITI HANIS	100000	100000	100000
6	AMALIAH SITI HANIS	100000	100000	100000
7	AMALIAH SITI HANIS	100000	100000	100000
8	AMALIAH SITI HANIS	100000	100000	100000
9	AMALIAH SITI HANIS	100000	100000	100000
10	AMALIAH SITI HANIS	100000	100000	100000
11	AMALIAH SITI HANIS	100000	100000	100000
12	AMALIAH SITI HANIS	100000	100000	100000
13	AMALIAH SITI HANIS	100000	100000	100000
14	AMALIAH SITI HANIS	100000	100000	100000
15	AMALIAH SITI HANIS	100000	100000	100000
16	AMALIAH SITI HANIS	100000	100000	100000
17	AMALIAH SITI HANIS	100000	100000	100000
18	AMALIAH SITI HANIS	100000	100000	100000
19	AMALIAH SITI HANIS	100000	100000	100000

**TARIKH: 17.09.2021 (JUMAT)**  
**MASA: 9.30PM**  
**TEMPAT: DEPAN SURAU**

**TOTAL COLLECTION: RM278**

2021 Staff Welfare Program – White Flag Campaign (AAP)

In ensuring fair recruitment practices, the Senior Management and relevant Heads of Department play a crucial role. Supported by guidance and directives provided by the Human Resource Department, they enforce a purely non-discriminatory approach which is based on the potential employee's career achievements and suitability for the role in question. This extends to employee performance reviews, which are based solely on an employee's performance in relation to the established KPIs of the subsidiary in question, and are conducted in a transparent and impartial manner.

At all times, Senior Management aim to maintain two-way communication between employer and employees, providing an avenue for any work-related issues to be raised and addressed. An open-door policy is maintained which allows for employees to put forward comments and concerns, which are in turn escalated to the respective management team or Human Resource Department for suitable action to be taken. In addition, employees have access to the segment's grievance mechanism, allowing reports to be made anonymously.

Supplementing their annual leave allocations, employees are further entitled to maternity and paternity leave as well as compassionate leave for them to attend to their children or parents who may be ill or in need of urgent care and assistance. Compassionate leave is subject to management approval which is determined on a "case by case" basis. These and all other relevant issues relating to employment are deliberated thoroughly at monthly meetings attended by the management team, facilitating the appropriate allocation of resources to implement actions that safeguard our employees.

In maintaining compliance with prevailing Government laws and regulations, reviews and audits are regularly carried out by internal and external parties. In doing so, subsidiaries remain aligned with their commitments to key local and international standards and policies.

Lastly, care is taken to ensure the welfare of all foreign workers under our employment, and in this area we provide housing allowances, medical benefits and insurance for work-based injuries. Meanwhile, permanent local employees benefit from contributions towards employee trust funds and Government-mandated employee provident funds.

### Key Employment Practices at Kah Motor Malaysia and Singapore

Kah Motor Malaysia's commitment towards best practices in employment is exemplified by its adherence to collective bargaining agreements struck with the National Union of Transport Equipment and Allied Industries Workers of Malaysia.

Kah Motor Singapore, meanwhile, is aligned with the Tripartite Guidelines on Fair Employment Practices as set forth by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), enshrining its commitment to employee welfare.

Its five key principles are:

1. Recruiting on the basis of merit (e.g. skills, experience or ability to perform the job) regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
2. Treating employees fairly and with respect and putting in place progressive human resource management systems.
3. Providing 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. Rewarding employees fairly based on their ability, performance, contributions and experience.
5. Complying with national labour laws and abiding by the Tripartite Guidelines on Fair Employment Practices.

Furthermore, Kah Motor Singapore supports age diversity by offering re-employment options to competent workers reaching retirement age who wish to continue working.

## EMPLOYMENT (cont'd)

### How AAP supports Women Employees

In providing a conducive and supportive working environment for women employees, AAP has executed various initiatives including:

- Allocating dedicated parking bays for women who are pregnant
- Planning the development of a nursing room for new mothers.

### Plastic Products

In seeking to maintain its reputation as a responsible business, employment practices within the segment are guided by our Group Code of Ethics and Collective Agreement, which spells out the principle of equality in relation to employee recruitment, performance reviews, remuneration, leave entitlements and other practices related to employment within the segment. Employees are required to officially acknowledge the provisions of the Code at the beginning of their employment and to sign declarations to confirm their understanding and adherence on an annual basis thereafter. In 2022, this practice is being standardised so that employees sign their declarations in January of each year.

Beyond work responsibilities and entitlements, the segment also seeks to nurture a dynamic and ever-developing workforce with the skillsets required to succeed in the fast-evolving plastic industry. To this end, various training programmes are provided to employees on an ongoing basis, covering technical and soft skills. By catering to the need for continuous professional development, the sector seeks to encourage greater retention amongst its workforce and equip its subsidiaries with the necessary competencies to capitalise on technological advancements to remain highly competitive.

Further supporting innovation, an open workplace culture promotes collaboration within subsidiaries and encourages two-way communication between employees and management-level professionals. This serves to remove barriers to constructive feedback as well as provide a means for any concerns and issues to be freely communicated. This measure is further supported by a robust grievance mechanism, whereby formal grievances will be attended to and rectified where possible within a grace period of 20 working days, in line with the segment's Collective Agreement and Code of Ethics.

### Hotels and Resorts

Few industries rely on the competency and morale of its staff as greatly as hospitality. Knowing that our staff are central to happier guests, better reputations and more sustainable operations, we place great stock in implementing and maintaining leading employment practices that nurture a happy and spirited workforce.

The foundation of achieving this outcome is developing fair and inclusive employment policies which are in line with the Group's standards. In addition, country-level laws and regulations are consistently monitored so that any changes can be reflected within internal policies and contracts in a timely manner.

Training and upskilling play a key role in shaping productive and loyal employees. Leveraging fair and consistent processes, training programmes are developed and delivered to meet the specific requirements of employees at all levels, as well as to address any challenges that they may face. In KA and KNZ, for instance, frontline staff are equipped with customer service skills to enhance their client-facing abilities, and the staff are provided with workshops on mental health.

Cognizant of the importance of a fair and competitive wage, the Human Resource Department maintains the latest statistics with regard to industry wages, annually reviewing staff salaries against these benchmarks. Additional reviews, supported by the General Manager of the property in question, are conducted when new staff members are recruited, while the segment also considers recommendations and demands made by staff unions.



## EMPLOYMENT (cont'd)

On top of these processes, employees are regularly engaged through internal communication channels - such as employee satisfaction surveys. Such engagement efforts gather feedback on employment practices and any issues relating to the operation of our hotels and resorts. The valuable feedback gained enables more accurate performance appraisal reviews, more optimal distribution of resources, and the introduction of additional employment measures at the property level. A further channel for any concerns is made available through the segment's structured grievances procedures, which provide a safe and anonymous means of communicating sensitive issues.

### Key Employment Practices at KA and KNZ

In prioritising employee wellbeing, personal growth and career advancement, KA and KNZ have adopted a range of measures which rely upon collaborative exchange between employees and management. These include:

- Measures to counter bullying, discrimination and harassment
- Maintaining an open-door philosophy for employees to raise concerns and provide feedback
- Enhancing their disciplinary and grievance management processes
- Prioritising health and safety through additional measures
- Introducing an Employee Assistance Program with mental health resources to support emotional wellbeing
- Initiating roundtable discussions on COVID-19 measures between employees, Human Resource Departments and General Managers
- Initiating regular discussions between Heads of Department and General Managers on business and COVID-19 related matters

### Plantation

The strength of our plantation segment rests upon retaining employees with specific skills relevant to its business activities, and as such we invest strongly in maintaining a safe and healthy working environment that promotes employee satisfaction. Some of the specific segment-wide SOPs we have introduced to achieve this include:

- Introducing anti-child or forced labour testaments
- Upholding workplace health and safety standards
- Providing equal employment opportunities to the employees
- Introducing additional benefits to accommodate female workers (e.g. not assigning night shifts to women and safeguarding pregnant women from working in potentially hazardous environments)
- Setting up a whistleblowing channel for employees to report any violations of employee rights and human rights
- Introducing measures for the prevention of sexual harassment and other potential issues

While certain policies, such as those pertaining to leave entitlements, are dictated at the subsidiary level, SOPs have also been established that dictate the segment's broader approach with regard to:

- Recruitment, training and development
- Services and facilities required to protect employee welfare
- Salaries and fair compensation
- Matters related to working overtime
- Dealing with grievances

In addition to the SOPs, which have been distributed to plantation units to ensure consistency and compliance, each plantation unit has formed a dedicated Health and Safety Committee, consisting of representatives of the management and employees, and has appointed a Sustainability Officer or Health and Safety Officer to conduct internal audits towards ensuring ongoing compliance. Their work is further supported by appointed persons at each plantation tasked with monitoring compliance with prevailing laws and regulations in the country of operation.



## EMPLOYMENT (cont'd)

This work is strengthened through annual external audits of all Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO) certified plantation units, serving to identify lapses, discover weaknesses and highlight improvements to existing measures. In FY2021, no significant issues were identified as a result of these audits. Furthermore, our segment-wide policies were updated in FY2021 to reflect the requirements of the revised standard of ISPO published in 2020.

### The Plantation Segment's Sustainability Policy

Providing top-level guidance to subsidiaries, a segment-wide Sustainability Policy has also been introduced featuring five key focus areas:

1. Environment protection and management
2. Social responsibility towards workers
3. Community engagement
4. Responsible business practices
5. Standards expected across the supply chain

Foreign labour is commonly used within our plantations, with these employees mainly hailing from Indonesia, India and Bangladesh. Appreciating their importance to our operations, we ensure that they are able to pursue a full and wholesome life even within the confines of a remote plantation, providing accommodation, on-site clinics, prayer spaces, canteens, childcare centres and sports activities. In addition, the segment has also extended the provision of employee insurance to cover incidents occurring outside working hours, furthering the protection afforded to these often-vulnerable people.

Lastly, a rigorous grievance mechanism has been put in place to provide an avenue for employees to lodge complaints or report issues. Complaints are recorded in a logbook and escalated to management level, where its authenticity is verified and henceforth addressed within 14 to 21 working days from the date of filing. Should the issue remain unresolved, the employee who filed the complaint may escalate it to their labour union and, if still unsolved, the issue will be settled through mediation.

### Key Employment Practices in the Plantation Segment

Amongst other areas, segment-wide employment practices have been implemented dictating:

- **Ethical conduct of and monitoring over recruitment of workers for our upstream operations**

This helps to guarantee that members of our workforce are not implicated in situations whereby their wages, identification cards, travel documents and other personal belongings could be illegally withheld without their consent.

- **Ensuring no child or forced labour practices**

We rigorously perform registration checks and assessments on new recruits to prevent any incidences of child or forced labour practices within our segment.

- **Regular training to enhance knowledge and awareness of exploitative practices**

Trainings are consistently provided for workers in order to develop their competencies and imprint the awareness to notice signs of exploitative employment practices. The frequent training sessions, which are conducted through workshops and on-the-job coaching, include topics such as workers' rights, human trafficking, forced labour and inhumane working conditions.

- **Listening to and addressing worker concerns**

These training programmes also provide workers with the knowledge and skills to initiate the necessary course of action when areas which require improvements or rectifications are identified.

### Investment Properties and Trading of Building Material Products

Employees' competency and experience are central to maintaining mutually beneficial trading relationships and capitalising on construction and property development opportunities. With this in mind, we place priority on initiatives which empower their staff to deliver innovative ideas and contributions, all while taking firm steps to ensure work environments that prioritise fairness, equality and opportunity.

As a basis, the subsidiaries ensure compliance with local laws and regulations including minimum wage requirements, statutory contributions to Social Security Organisation (SOCSO), Employment Insurance System (EIS) and Employees' Provident Fund (EPF), and the Malaysian Employment Act, with annual reviews conducted by respective Heads of Department in addition to annual or bi-annual external audits.

In line with Group-level principles, a Personnel Policy Handbook outlines the relevant employment matters including compensation benefits, training, leave entitlements and more, and is displayed in common areas or is otherwise easily accessible by the employees.

To encourage an open and collaborative approach, the segment encourages employee feedback as a means to identify and pre-emptively resolve any prevailing matters. Equally, the segment nurtures an open-minded and inclusive culture where a diversity of people, offering a diversity of opinions, is treasured.

This open approach extends to the segment's robust grievance procedure, which offers employees anonymity in reporting any pertinent issues, with issues raised promptly elevated to management level to be resolved. This grievance process is especially important given the prevalence of industry trade unions, enabling the segment to identify common problems and build more sustainable relationships with their employees and within the industry at large.

### Healthcare

Given the important role that healthcare plays in the communities where we are present, we are mindful of the need to implement policies that enable the long-term retention of our employees, as well as the need to provide our employees with robust and impactful training on the latest healthcare technologies and practices. By supporting our professionals to do their best work, we are in turn better placed to sustain our success in this segment.

Our foremost priority in the segment is to deliver safe and healthy work environments. In compliance with the recommended practices listed in the Occupation Safety and Health Act (OSHA), the following initiatives have been implemented across the subsidiaries in the segment:

- Monthly EES Rounding
- Yearly updates to chemical registries
- Annual noise monitoring exercises
- Twice yearly chemical exposure monitoring
- Yearly local exhaust monitoring
- Yearly audiometry tests

As safety and health requirements change, updated policies are introduced and any new or evolved healthcare practices associated with the change are communicated to employees via regular trainings. This culture of frequent and open communication proved especially vital as we adapted to the increased demands and health dangers posed by the COVID-19 pandemic.

Given the demands placed on our employees, great care is taken to maintain fair employment practices that include merit-based policies for recruitment, evaluation and compensation, with employment agreements updated to reflect any changes to employment law guidelines in a timely manner. On top of this, the segment leverages the healthcare resources at its disposal to offer employees first-rate medical benefits including free vaccinations for influenza, annual lipid profile check-ups, and discounts on outpatient and inpatient bills, with specific entitlements varying by subsidiary.

### Our Performance

We believe that nurturing a happy, productive and loyal workforce requires a holistic approach that balances employee health and safety, employment practices predicated on fairness and inclusivity, and providing ample opportunities for personal and professional development. After all, by investing in our employees, we are investing equally in the sustainability of our business.

In supporting such objective, grievances reported by employees are constantly acknowledged and resolved amicably by our management team. This was especially noted during the year when a report related to a potential employee harassment was received via our whistleblowing channel which initiated the necessary actions by our Audit Committee. With the support of our internal auditors, the issue was further investigated and upon which, it was determined that the matter was operational related and the necessary steps to address said issue and remediate similar future risks were determined and carried out. The steps included proper re-dissemination of our Code of Ethics alongside the conduct of formal ethical trainings for our employees during the year.

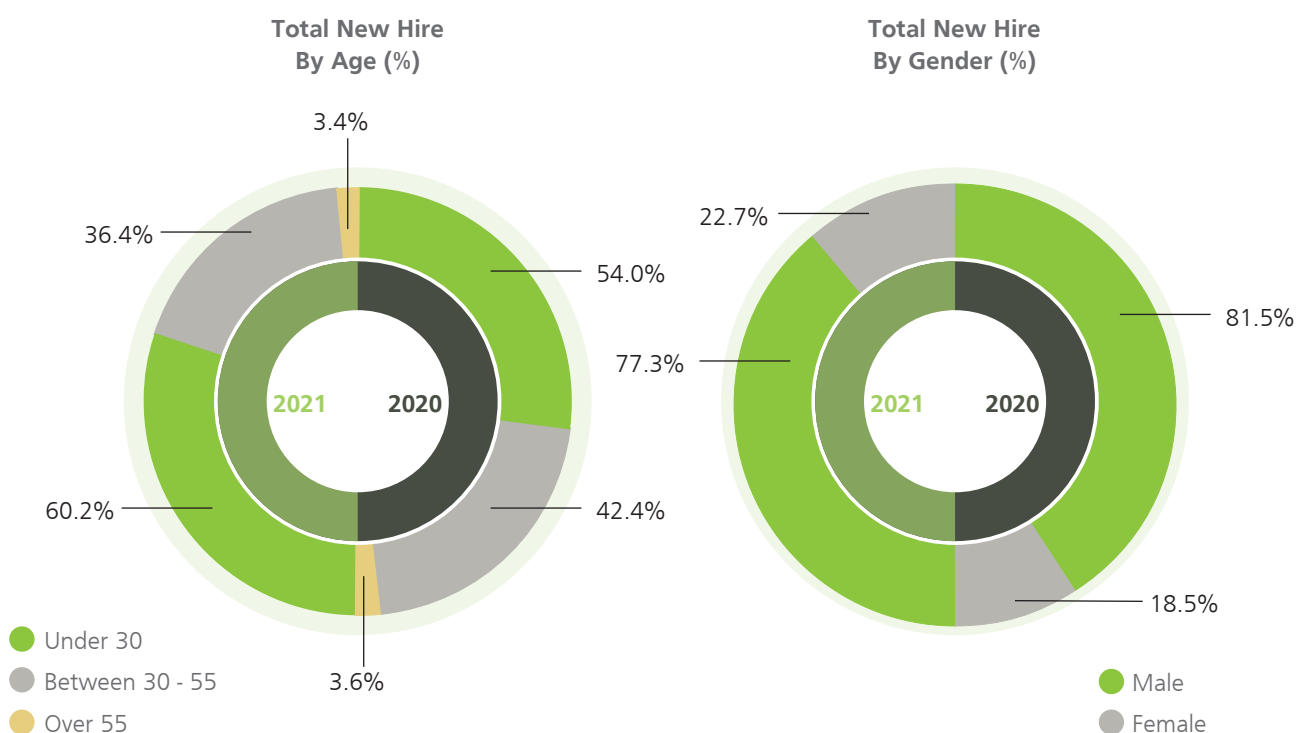
Besides that, as the Group emerges from the challenges of the pandemic, the measures we have taken to safeguard the health of our workforce and our business will help us retain our reputation as a leading and responsible employer, continuing the success reflected in our key performance indicators below.

## EMPLOYMENT (cont'd)

### Our Performance (cont'd)

The following charts illustrate the total number of new hires and employee turnovers between 2021 and 2020.

**Total of OHB's New Hires**



**Breakdown of Total New Hires by Age (Number)**

Segment Age	Automotive and Related Products		Plastic Products		Hotels and Resorts		Plantation		Investment Holding		Investment Properties & Trading of Building Material Products		Healthcare		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Under 30 years old	389	230	50	50	125	120	396	352	0	0	1	7	76	51	1,037	810
30 to 55 years old	143	57	23	16	91	91	321	415	0	0	8	18	41	39	627	636
Over 55 years old	28	2	4	0	17	13	7	37	0	0	1	0	1	3	58	55

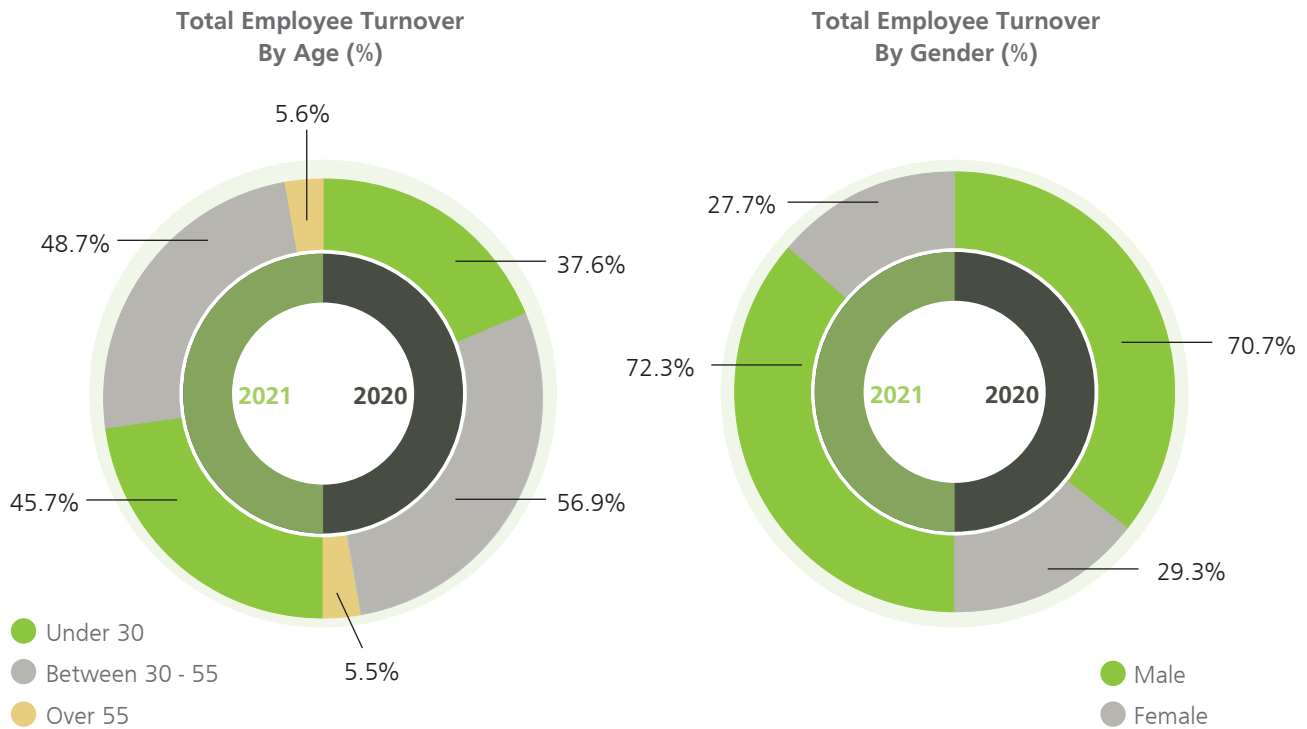
**Breakdown of Total New Hires by Gender (Number)**

Segment Gender	Automotive and Related Products		Plastic Products		Hotels and Resorts		Plantation		Investment Holding		Investment Properties & Trading of Building Material Products		Healthcare		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Male	422	229	59	49	124	117	685	779	0	0	10	25	31	24	1,331	1,223
Female	138	60	18	17	109	107	39	25	0	0	0	0	87	69	391	278

## EMPLOYMENT (cont'd)

### Our Performance (cont'd)

#### Total of OHB's Employee Turnover



#### Breakdown of Total Employee Turnover by Age (Number)

Segment Age	Automotive and Related Products		Plastic Products		Hotels and Resorts		Plantation		Investment Holding		Investment Properties & Trading of Building Material Products		Healthcare		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Under 30 years old	293	170	37	38	152	201	254	243	0	0	4	2	48	39	788	693
30 to 55 years old	160	99	27	54	119	234	449	625	1	0	35	15	49	23	840	1,050
Over 55 years old	27	15	10	6	20	47	25	22	0	0	13	4	1	7	96	101

#### Breakdown of Total Employee Turnover by Gender (Number)

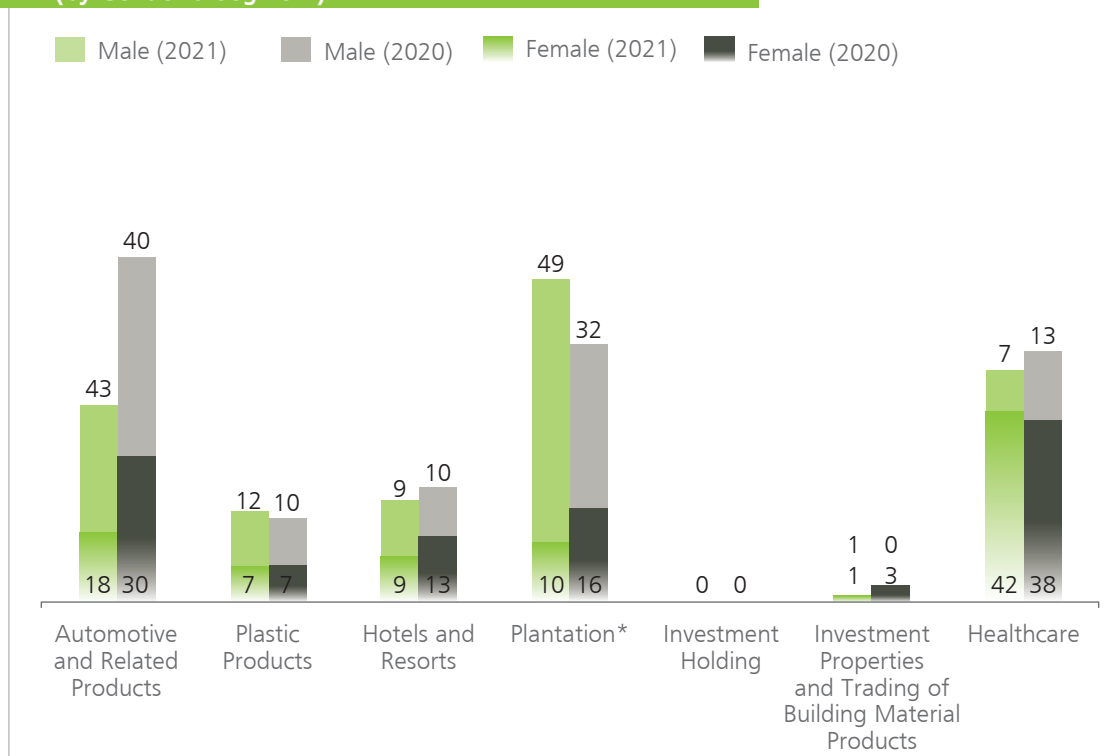
Segment Gender	Automotive and Related Products		Plastic Products		Hotels and Resorts		Plantation		Investment Holding		Investment Properties & Trading of Building Material Products		Healthcare		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Male	352	201	56	72	145	219	630	769	1	0	46	21	17	22	1,247	1,304
Female	128	83	18	26	146	263	98	121	0	0	6	0	81	47	477	540

## EMPLOYMENT (cont'd)

### Our Performance (cont'd)

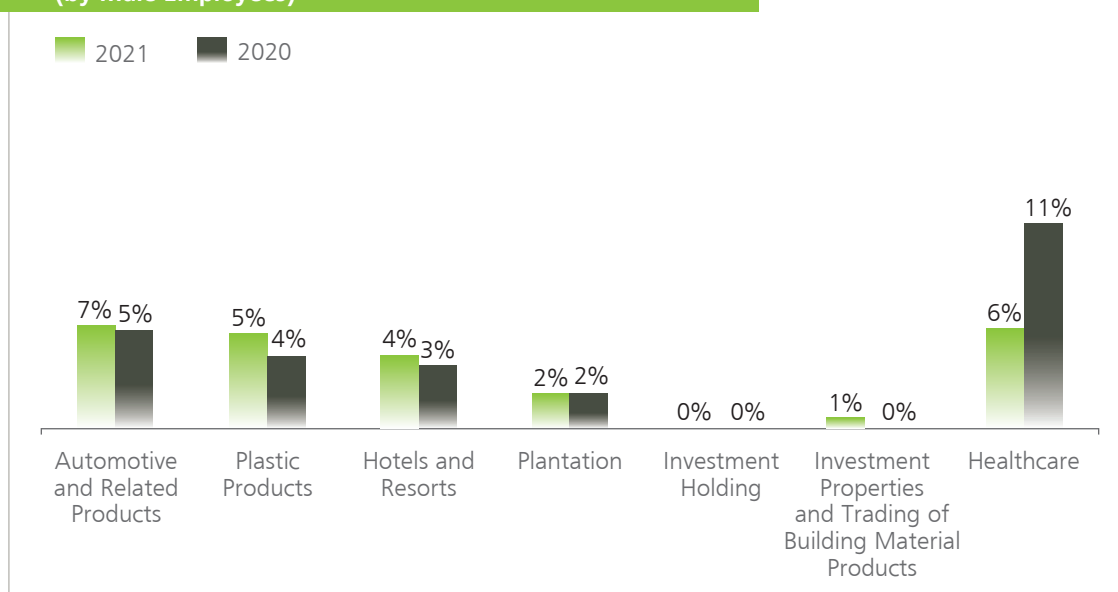
Besides, the following charts show a breakdown of our parental leave utilisation between our male and female employees throughout the year.

**Number of Employees Utilising Parental Leave  
(by Gender & Segment)**



\* A correction is made for our performance data for 2020 due to an error noted subsequent to the data gathering exercise carried out in the prior year.

**Utilisation Rate of Parental Leave  
(by Male Employees)**

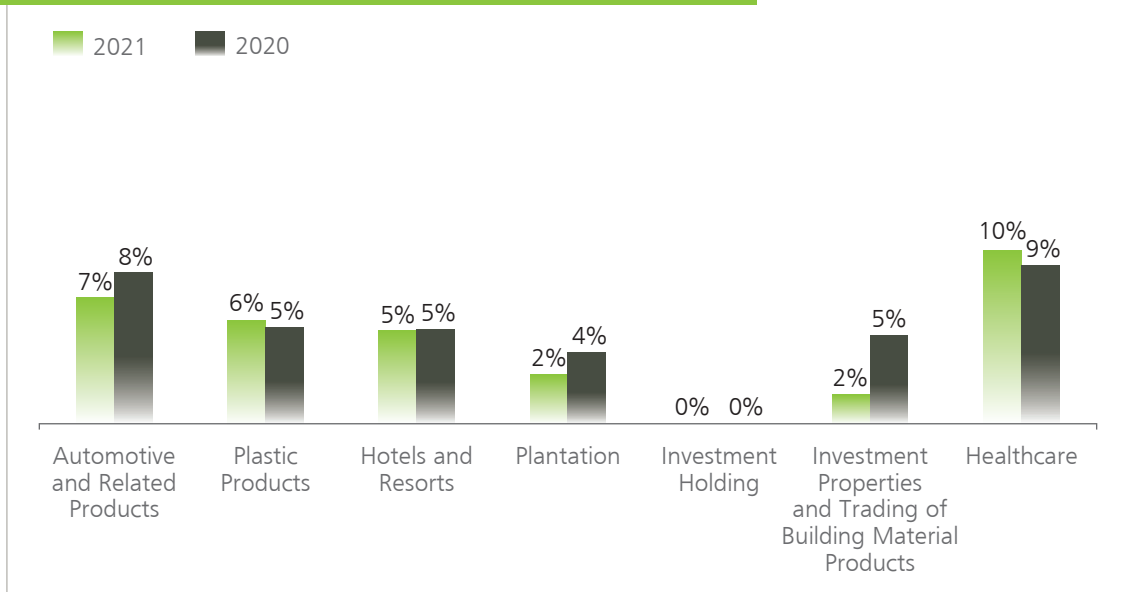




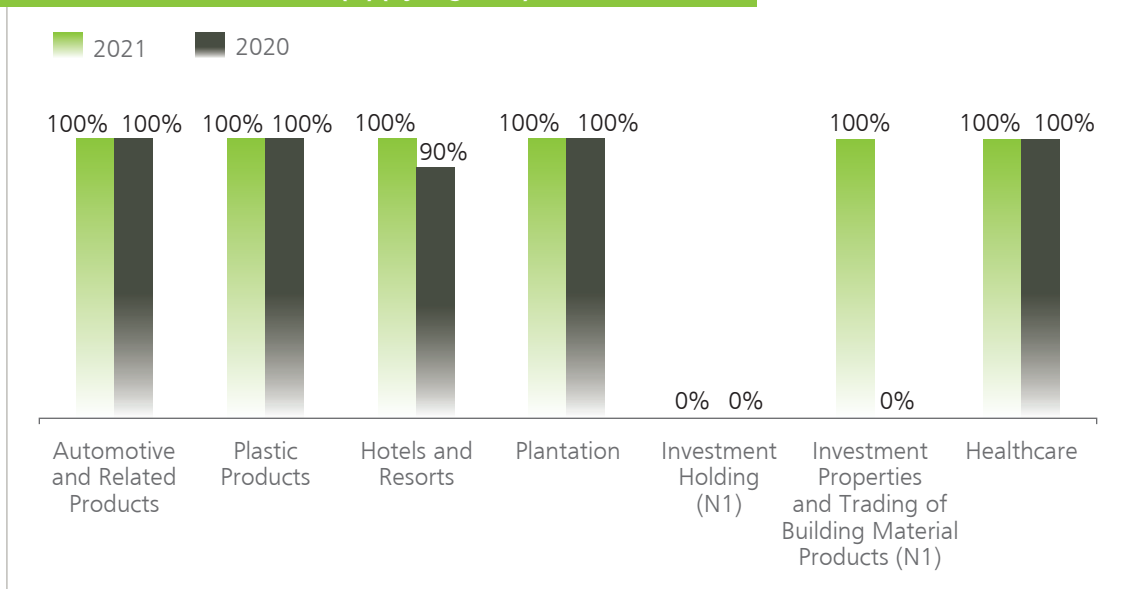
## EMPLOYMENT (cont'd)

### Our Performance (cont'd)

#### Utilisation Rate of Parental Leave (by Female Employees)



#### Return to Work Rate of Male Employees That Took Parental Leave (%) (by Segment)

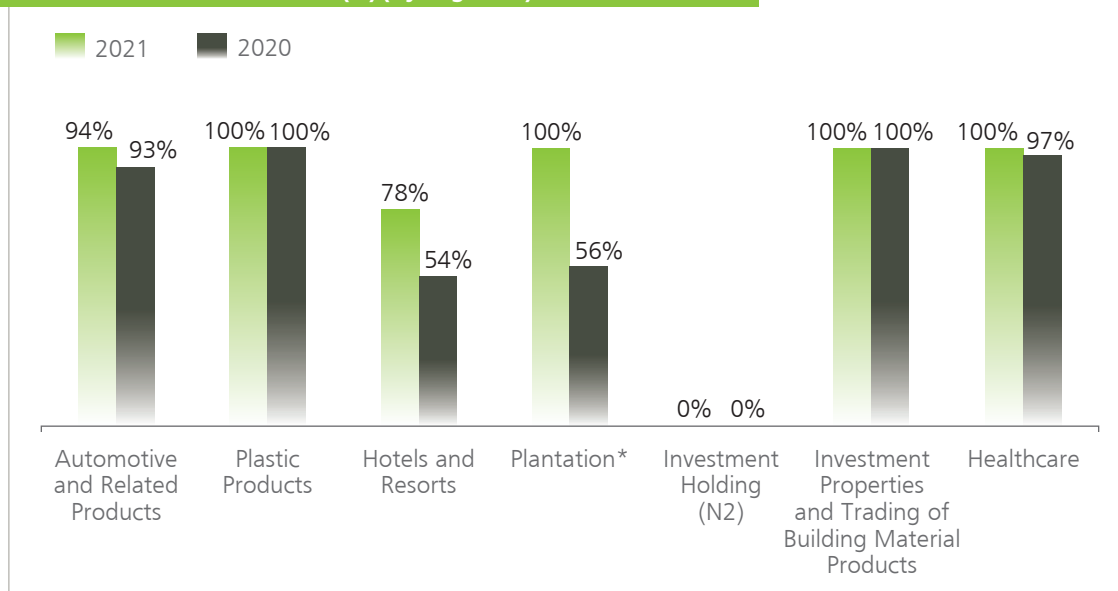


N1: No male employees within the segment of Investment Holding utilised leave during FY2021 and FY2020 while no male employees within the segment of Investment Properties and Trading of Building Material Products utilised parental leave in FY2020.

## EMPLOYMENT (cont'd)

### Our Performance (cont'd)

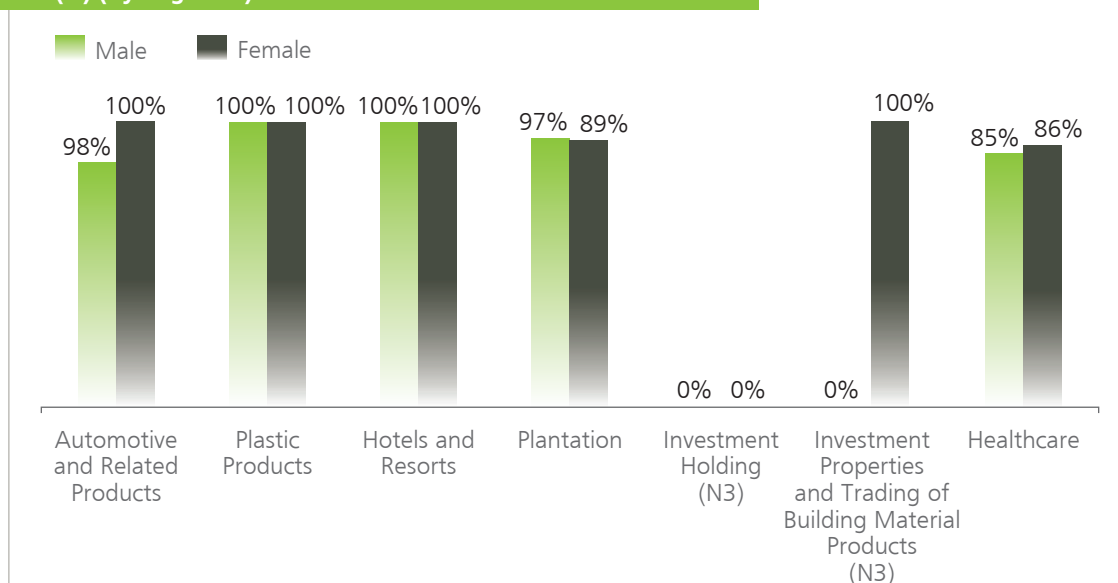
**Return to Work Rate of Female Employees That Took Parental Leave (%) (by Segment)**



\* A correction is made for our performance data for 2020 due to an error noted subsequent to the data gathering exercise carried out in the prior year.

N2: No female employees within the segment of Investment Holding utilised leave during FY2021 and FY2020.

**Retention Rate of Employees That Were Still Employed 12 Months After Their Return to Work From Parental Leave (%) (by Segment)**



The abovementioned retention rate analysis is performed based on the data of employees who have utilised parental leave within FY2020 and have stayed employed within the Group after a 12 month period upon their return to work.

N3: A zero percentage rate is recorded as there was no utilisation of parental leave from employees in the Investment Holding segment in FY2020 while no male employees from the Investment Properties and Trading of Building Material Products segment utilised parental leave in FY2020.

# OCCUPATIONAL HEALTH AND SAFETY

## Why It Matters?

The safety and health of our employees is vital for two key reasons. Firstly, employees who are protected and safeguarded in their professional lives feel more valued and are able to produce better output consistently. Secondly, workplace incidences involving health and safety carry great reputational danger to the Group, threatening our business relationships and our favourability amongst consumers.

Therefore, in the knowledge that our human resources are central to our operations, we have made occupational health and safety central to our social sustainability strategy. We aim to foster workplaces that put the needs of employees first, allowing our valued team members to focus fully on achieving their goals and advancing in their professional development. Furthermore, through comprehensive policies attuned to the needs of our employees, we are able to mitigate against risks associated with health and safety while positioning the Group and its subsidiaries as attractive places to work.

## How We Approach It?

### Automotive and Related Products

Recognising the potential workplace hazards associated with the segment, a detailed Occupational Health and Safety (OHS) policy has been put in place to provide specific guidance on procedures necessary to minimise such hazards and safeguard our employees, customers, visitors and other stakeholders against any safety and health concerns. The policy adheres to the ISO 45001:2018 certification, and its aligned work practices are regularly audited by regulatory bodies including the DOSH, DOE, Fire and Rescue Department (BOMBA) and several others, as well as being subject to internal audits, facilitating feedback that drives the continuous improvement of our practices.

Actions in ensuring the highest standards in health and safety are governed by the OHS System, which is checked regularly to ensure compliance with prevailing regulations. Health and safety issues within the segment are in turn stewarded by the EHS Committee, who is responsible for determining the root cause of the incidents that occur and recommending actions to ensure such incidents do not take place again in future. Besides conducting quarterly committee meetings that are attended by workers and employees, the committee also undertakes periodical inspections of working conditions and health and safety

practices, reporting their findings to the management for remediation actions to be taken if necessary.

The participation of employees at all levels is equally essential to occupational health and safety. With the aim of maintaining full coverage of the current and potential issues to health and safety, employees are encouraged to raise such issues through an open-door policy, whereby the EHS Committee shall consider the issues systematically and elevate the issues during monthly Executive Committee meetings. To improve their knowledge, skills and responsibility in relation to health and safety issues, the employees are also given OHS training relevant to their roles. Training needs are identified via training needs analysis, with training conducted by both internal and external parties. Please see the feature boxes below for details on employee training initiatives and methods of employee engagement utilised in the segment.

### OHS Training offered to Employees in FY2021

- HIRARC training (once per year)
- Forklift renewal license training (once per year)
- ERT training (once per year)
- Safety bulletin training (once per month)
- Induction to OHS skills and responsibilities (provided to new employees)

### Means of Employee Engagement on OHS Related Issues

The segment strives to nurture a culture of responsibility with regard to OHS by engaging its employees on prevailing issues, best practices and any change in regulations and/or policy. Engagement channels include:

- Training modules provided to the staff (see feature box above)
- Safety bulletins displayed within premises
- Direct briefings to employees
- Communication through subsidiary-level intranets and newsletters, where new safety topics are discussed every month

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

The ongoing identification of risks is central to effective management of occupational health and safety. In the segment, risks are identified by adhering to HIRARC processes, with appointed person-in-charge in each department responsible for reporting potential risks to their management for further action. If necessary, these risks are also raised in engagements with external regulators. The feature box below details the clear processes followed should an accident take place.

### Procedures in the Event of an Accident

The clear processes detailed below are governed and overseen by the EHS Committee, who will also report on the accident in line with regulatory requirements as set out by the DOSH and SOCSO.

- Upon an accident taking place, the victim is promptly given first aid treatment and/or sent to a hospital or clinic based on the severity of the injury
- The EHS Department of the subsidiary in question launches an investigation into the supervisor and leader of the project, and takes their statements
- The EHS Department contacts the victim to take his or her statement, while also giving an advice note to the victim
- Based on the information provided, a report is prepared
- Based on the report, discussions on necessary improvements are initiated, involving the subsidiary's engineering and maintenance teams together with the relevant Head of Department
- Improvement plans are set out and executed according to the deadline set

Concurrently to the processes above, a report on the accident is sent to the DOSH for their further action.

Given the varying work processes carried out by the segment, control procedures are essential to limiting risks to health and safety. While these controls differ by subsidiary, they include extensive physical controls such as the installation of machine guards, placement of internal signages, wide availability of first aid kits and administrative controls, which require that work practices must be in line with written safety policies, supervised

by training professionals, and that work schedules and trainings must be provided to reduce the frequency and severity of employee exposure to hazardous situations. Besides, personal protective equipment (PPE) is also provided whenever necessary.

Beyond work-based hazards, the segment prioritises the health of its employees. In addition to the medical insurance and access to panel clinics that is provided to the employees, recreational sports activities provide an outlet for physical activity and team bonding, while health talks are provided to promote holistic wellness practices amongst our workforce. While recreational activities and health talks were postponed in 2021 due to COVID-19 restrictions, they will be introduced in 2022.

Lastly, our work in promoting best practices in occupational health and safety extends equally to our suppliers, and it is our responsibility to mitigate any health and safety hazards which we are linked to through our business relationships. To drive effective oversight and facilitate meaningful action in this area, the suppliers and contractors must acknowledge the Group's Environmental Policy and are required to fill in their details in a logbook, as recommended by DOSH. Certain permits (e.g. permit to work, hot work permit) may also be required according to the requirements of the job, and the suppliers must carry out a job safety analysis to identify potential hazards and recommend safe ways of carrying out the project in question. In addition, we conduct safety briefings for our suppliers, vendors, contractors as well as visitors before they enter our premises.

### OHS Measures adopted at AAP

Specific safety and health related measures have been adopted and are carried out in AAP including:

- Baseline noise risk assessments and noise monitoring mapping
- Audiometric testing for operators
- Low Exhaust Ventilation (LEV) assessments
- Chemical health risk assessments and chemical exposure monitoring



### COVID-19 Protection Measures introduced in the Automotive Segment

The COVID-19 pandemic posed a mortal threat to the world and to our workforce, necessitating additional health and safety measures. The strict adherence to the measures detailed below is overseen and enforced by subsidiary-level managers, ensuring compliance with MOH guidelines:

Personal preventative measures:

- Social distancing mandated at all times
- Sanitizing facilities placed at few places for frequent hand sanitizing and face masks distributed to employees, with the wearing of face masks mandated in factory compounds
- Cloths provided to employees for self-sanitisation of workstations

Subsidiary-level measures to minimise risk of spread:

- SOPs established and distributed to the employees
- Posters and labels placed across the employee workspaces to drive awareness and adherence to SOPs
- Daily status updates provided to those entering office spaces
- Controls set up in canteens and office spaces (e.g. barriers and partitions) to discourage co-mingling
- External surfaces regularly sanitised by certified service providers
- Limitations established on travelling between plants and the offices of customers and vendors
- Staggered lunch breaks enforced to facilitate social distancing
- Regular workplace fogging conducted

COVID-19 Testing:

- Registration on MySejahtera and body temperature checks mandated (only employees with a temperature of 37.4 degrees Celsius below are allowed to entire premises - if higher, employee required to seek medical attention)
- Weekly saliva tests conducted to drive detection and the prevention of transmission

### Plastic Products

With the overarching aim of achieving zero workplace accidents and ensuring production processes are free of harmful elements, our policies to drive workplace safety in the segment are based on the segment's established health and safety practices and governed by the segment's health and safety system. The system adheres to the requirements of the Occupational Safety and Health Act (OSHA) 1994 and governs the workers, suppliers, contractors and customers, without exception. Its requirements include machinery and factory certifications by DOSH, the maintenance of scheduled waste management inventories, the maintenance of PPE inventory checklists and the holding of quarterly internal meetings to ensure compliance with BOMBA requirements.

Policies are developed at the subsidiary level to address specific safety challenges and risks faced, while employees are provided with detailed training on both Group and subsidiary-level safety practices. To drive the consistent application of these practices with a view to continuous improvement, an OHS committee has been set up. The committee is assisted in its work by the management, who is tasked with overseeing OHS related matters and reports to the Human Resource Department and General Manager when necessary. Their collective efforts are further aided by daily operational meetings where employees are encouraged to share any concerns in the realm of health and safety. All feedback is systematically evaluated and used to improve policies if deemed relevant.

In identifying and managing workplace risks, regular meetings between management and workers' representatives are allowed for safety matters to be openly discussed and deliberated, with special focus placed on risks associated with the use of chemicals - a major input in the plastic production process. Employees are furthermore given refresher trainings on how to use Isopropyl Alcohol (IPA) and thinners, as well as on the procedures for disposal of production waste.

In the event of workplace accidents, an investigation process is duly launched in compliance with DOSH guidelines (as stated in OSHA 1994 Part VIII), with the processes involved in the investigation dependent on the severity of the accident. Employees who sustain serious injuries from a workplace accident are eligible for four days of sick leaves and SOCSO claims.

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

To mitigate potential risks, employees are provided with PPE which includes safety helmets, safety boots, welding shield helmets and face shields, with daily checks performed to ensure that the PPE provided is functional and in good order. Employees carrying out functions with a particularly high risk to safety are also provided with medical surveillance. Across these procedures, the segment's OHS Committee audits the functionality of all safety equipment and measures.

Continuous and meaningful engagement with employees is central to achieving the segment's zero accident target. In addition to daily morning briefings which cover the pertinent health and safety matters - a comprehensive suite of training is provided to employees including Emergence Response Team (ERT) training, first aid practices, forklift and reach-truck handling, overhead crane handling and fire safety measures. Evaluations are carried out within three months of the training date to ensure the quality of training and the application of learnings within employees' work practices.

Finally, in line with our responsibility to ensure best practices in health and safety across the supply chain, the stringent requirements of the segment are agreed upon prior to engaging contractors. This includes requirements for mandatory use of PPE and commitment to ensuring that the workforce upholds our safety standards at all time.

### COVID-19 Protection Measures introduced in the Plastic Products Segment

In combating the COVID-19 pandemic, stringent SOPs have been established, mandating temperature checks and social distancing procedures in all work and common areas, with the visitors and suppliers required to be fully vaccinated before entering our premises. Furthermore, sanitisation areas in our premises is carried out on a daily basis.

In line with the Group's application to join the Public-Private COVID-19 Industry Immunisation programme (PIKAS), almost all employees within the segment have been fully vaccinated as of the end of December 2021.

### Hotels and Resorts

Our hotels and resorts operate in a variety of jurisdictions and require a system that allows for customised OHS Policy Statements. Adopting such a system ensures compliance with specific guidelines in all our countries of operation and alignment with the Group's guidelines, while providing subsidiaries with the flexibility needed to introduce practices that cater to their specific health and safety challenges.

Subsidiaries are further required to maintain OHS Committees staffed by members of management and employee representatives. These committees provide oversight on workplace practices, holding meetings to review established protocols and ensure that incidents are handled appropriately. They also support the work of individual departments, which involves utilising OHS checklists as a guide to adopting, documenting and maintaining best practices. Moreover, employees may also raise issues and provide recommendations during toolbox meetings that are conducted quarterly or when necessary.

To drive compliance, the subsidiaries are required to include their OHS Policy Statement in their Employee Handbook and communicate the contents clearly during the employee onboarding process. Employees are also provided with comprehensive and updated training modules, with topics ranging from general OHS policies and legal requirements to first aid, fire safety and precautionary measures, emergency evacuation, bomb threat preparedness, and more. Internal trainings primarily use toolbox discussions as the mode of delivery, where Heads of Department take the lead in delivering the module. Meanwhile, where external trainers are required, they are sourced exclusively from registered training organisations with relevant industry experience.

In the area of training, our subsidiaries are also encouraged to exercise a degree of autonomy. 30Ben, for instance, have placed focus on PPE and medical procedures in light of COVID-19, while KA and KNZ have invested strongly in customer service training and mental health resources. Besides trainings, employees are regularly engaged on safety and health matters through briefings, e-mails as well as the Group's message board.

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

A series of control procedures, including on-site cameras for monitoring, ongoing risk assessments, HIRARC procedures as well as toolbox discussions, assist in maintaining high standards in health and safety across our subsidiaries. External audits are also conducted annually by relevant safety and health authorities in each of our locations, and the segment's goal is to achieve good or above average ratings across all audits.

Regarding procedures in dealing with incidents, the segment requires managers to log incident forms on a daily basis, with Heads of Department or the relevant person in charge responsible for investigating the incident and attaining statements from the employee affected. Subsequently, a root cause analysis is undertaken to determine remediation actions, with these actions and any changes to the subsidiaries protocol and practices to take effect promptly. Injured employees are compensated through insurance, which in KA and KNZ includes coverage of weekly benefits, rehabilitation services, medical expenses, and some personal items damaged in the course of the accident. In the event of death or permanent disability, a lump sum payment is provided.

### Non-Occupational Health Related Services provided to Employees

- Employees are covered by medical insurance with coverage for outpatient and dental treatment by general practitioners.
- On-site flu vaccinations are occasionally carried out for employees wishing to be vaccinated.
- Health and wellness campaigns are initiated and communicated to staff via posters and articles.
- KA and KNZ hold an annual mental health seminar which is available to the employees.

Suppliers to the segment are held to the same high OHS standards as subsidiaries. Apart from being required to sign an acknowledgement of hotel safety standards before being appointed, they are mandated to undertake a worksite hazard inspection process upon arrival and adhere to health and safety protocols at all times during their work engagement. In the wake of COVID-19, these protocols have expanded to include mandatory

temperature screening, hand sanitising, the logging of transport details and the use of PPE when carrying out high risk work. On top of these measures, contractors must be licensed and must possess up-to-date public liability and work cover insurance.

### COVID-19 Protection Measures introduced in the Hotels & Resorts Segment

Subsidiaries in the segment have taken strong steps to minimise the health risks posed by COVID-19 to employees and guests, with the procedures detailed below subject to stringent internal audits.

- Requiring all existing staff to be fully vaccinated and requiring proof of full vaccination upon appointment of new staff
- Developing detailed SOPs in accordance with relevant Government guidelines
- Communicating SOPs with existing customers and staff
- Complying with social distancing rules at all times
- Providing hand sanitisers to staff and guests in common areas
- Providing staff with PPE such as rubber gloves, and mandating their use
- Placing plastic screens in reception areas to minimise transmission risk
- Establishing enhanced cleaning protocols
- Using COVID-19 safe electronic check-in methods
- Taking further steps to minimise touch points, including by promoting cashless transactions

Cognisant that the pandemic has placed valuable business relationships under threat, efforts have also been made to maintain communication with major partners, with a view to enhancing these business relationships for long-term, shared value.

At 30Ben, the threat of COVID-19 to business sustainability was managed by executing cost management initiatives (e.g., reducing usage of utilities, renegotiating contracts with vendors and requesting rebates on payments made) and making necessary adjustments to staff salaries and leave entitlements.

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

### Plantation



*Fundraising for COVID-19 activities (PT GBina)*

In recognition of how important employee health and safety is to productivity levels and the reputation of our plantation businesses, the segment boasts a comprehensive OHS policy which upholds the highest standards. This policy is put into practice at operating centres across our subsidiaries, applying to both our business activities and those of our suppliers, with the respective Health and Safety Officers and Health and Safety Committees ensuring that its standards are applied uniformly and consistently. The committee itself is populated with a balanced representation from management teams and workers' representatives, working together to develop safety and health systems that meet the demands of each operating centre.

This well-established structure serves the development of safe operating procedures which are distributed to the relevant parties and revised regularly as and when local regulations are updated. Besides, detailed HIRARC assessments are conducted at the operating centres to identify and address key OHS related risks. HIRARC reports generated are reviewed by the respective operating centres on annual basis. Furthermore, internal and external audits are conducted at operating centres as required to ensure continuous compliance to regulatory requirements and high safety standards.

A careful investigation process is employed in dealing with any incidents or accidents that occur on our plantation sites. In all cases, once the investigation reports are generated, the reports are discussed in safety and health meetings, where corrective and preventative actions are developed and implemented swiftly. Incidents may also be reported to the relevant authorities as guided by the provisions of OSHA 1994.



*COVID-19 vaccination and booster for workers (ORPO)*

Health and safety controls applied across our plantations further bolster our efforts. These include the mandated use of appropriate PPE by employees according to work-related hazards and risks, the installation of warning signs earmarking workplace hazards, the elimination and/or substitution of processes, and well-established safety and health training which is provided to employees on a yearly basis. To detect potential hazards, the Health and Safety Committee conducts workplace inspections at three-month intervals while employees can also report hazards to the committee for their review. Any potential hazards deemed relevant result in a non-conformance report being produced and the suggestion of appropriate preventive actions.

In the event of a workplace accident, comprehensive medical resources are at hand to minimise the consequences to employees. These include first aid kits, on-site clinics staffed by hospital assistants, and the presence of certified first aiders at the workplaces. In addition, doctors visit the sites on occasion to perform periodical employees health checks. Also, annual check-ups conducted by an Occupational Health Doctor are mandated for employees who handle chemicals or work in environments judged to pose a high risk to safety.



## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

Employees are also entitled to medical care that extends beyond workplace safety in the form of the segment's Hospital Assistants (HA) who are employed to provide general healthcare services. These services generally cover basic needs such as first aid delivery and basic nursing, but HAs are also empowered to refer employees to a Government hospital should an ailment be deemed to require more specialist treatment.

To ensure consistent application of the segment's policies, employees are effectively engaged on health and safety practices through communication delivered by their Health and Safety Officer, briefings given by their immediate superior, and through a safety and health corner that contains vital information on policies, meeting minutes, memos and details on briefings and events.

With regard to employee training requirements, a training needs analysis is conducted annually, aiding the effective development of training programmes by the Health and Safety Officer in collaboration with the Health and Safety Committee. Subsequently, by conducting detailed competency assessments of the segment's employees, experienced trainers are then able to customise modules based on job scope and identified areas of shortfall. In addition to their modules and programmes, employees can access refresher training to keep their competency levels and have a multitude of avenues including their immediate superior, representative of workers, relevant trade union or the segment's grievance mechanism to provide feedback on training programmes.

Finally, in mitigating health and safety hazards linked by business relationships, the suppliers are required to adhere to safety and health requirements which match the standards of the segment and are subject to regular inspections from the operating centre's Health and Safety Officer.

### COVID-19 Protection Measures introduced in the Plantation Segment

A range of comprehensive measures have been established and continue to be maintained across the segment's operating centres, while employees are encouraged to get vaccinated against COVID-19.

#### Ensuring minimal transmission risk from visitors:

- Access to operations is limited to visits deemed critical
- All visitors are screened using a non-contact thermometer for signs of fever, and also for COVID-19 symptoms at the point of entry
- All visitors found to demonstrate symptoms are denied entry

#### Employee screening and monitoring:

- Employees are screened using a non-contact thermometer for signs of fever, and also for COVID-19 symptoms, on a daily basis
- Employees found to demonstrate symptoms are given immediate access to medical treatment, or are quarantined if medical help is unavailable
- Records of employee screenings are kept and maintained

#### Mitigation measures implemented throughout operating centres:

- Large gatherings of employees in an enclosed location are minimised
- Staggered breaks are implemented to reduce large gatherings of employees
- Employees are required to maintain high personal hygiene standards
- Employees are to maintain social distancing of more than 1m to the next person throughout the day, as much as possible
- Hand sanitisers are made available to employees in strategic locations (e.g. canteens, entrance to mills, etc.)
- Disinfection of locations with a high volume of employees is carried out frequently (e.g. canteens, suraus, workers' transport etc.)
- Operations are encouraged to use a reduced number of employees at any given time

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

### The Plantation Segment's Safety and Health Plan

In line with MSPO and ISPO requirements, the segment's comprehensive Safety and Health Plan is implemented at the operating centres, featuring the following key initiatives:

Actions carried out and reviewed regularly:

- Internal and external training on safety and health
- Body check-ups
- Safety risk assessments
- Workplace inspections

Actions monitored to ensure compliance:

- Provision of PPE (e.g. hand gloves, safety boots, goggles and safety helmets)
- Displaying safety and health signage
- Emergency Response Plan (ERP)

### Investment Properties and Trading of Building Material Products

With the aim of continuously improving workplace safety and health standards, eliminating hazards and protecting employees, customers and other stakeholders, the segment has developed subsidiary-level OHS policies and protocols. This enables a customised approach to meeting business requirements while maintaining compliance with the regulations of bodies including CIDB, the National Ready - Mixed Concrete Association of Malaysia and other local authorities. In UMix, for instance, the policies developed place extra emphasis on controlling hazards related to transport, production and quality control, in line with its primary business activity of supplying ready-mix concrete.

With the goal of achieving zero health and safety incidents, the subsidiaries boast robust health and safety management structures. These structures each leverage the collective expertise of a Health and Safety Committee and Health and Safety Officers, who are responsible for monitoring and reviewing the performance of the entity in maintaining safe work environments. Considering the evolving demands placed on employees in the segment, the practices they implement and manage are continuously evaluated by the Board of Directors, with the Human Resource Department guiding the development of revised and improved health and safety measures. ISO certified internal and external audits are also employed by some subsidiaries as a benchmark and driver of high standards in employee safety.

In line with this segment's high standards and pursuit of continuous improvement, a slew of practices encompassing on-the-job employee training, investment in machinery and process upgrades, and regular inspections of equipment, vehicles, fixtures and fittings, are rigorously followed. Flexibility is also maintained so that the segment can introduce new procedures to meet prevailing requirements, such as the addition of COVID-19 briefings for all staff and the installation of HEPA filters to ensure clean air in LT and SU.

A systematic process for identifying and reporting risks is followed, with the potential hazards reported directly to the General Manager of relevant Head of Department and discussed in the next Health and Safety Committee meeting. Should an accident occur on site, the injury is first assessed and medical treatment is obtained if necessary, with first aid kits used to treat minor injuries and major injuries referred to the nearest hospital. Thereafter, an investigation is launched into the accident, whereby the affected employee and any witnesses are interviewed. This allows for the root cause of the accident to be identified and corrective measures to be implemented to minimise risk moving forward.

To minimise the occurrence and impact of such accidents, however, safety SOPs are followed and HIRARC assessments are frequently conducted. Employees are also educated on health and safety practices through notices, memos, direct communication from safety officers and regular safety briefings, fostering a company culture that puts workplace safety first. Employees are also provided with relevant PPE such as safety shoes and vests, and are sent to annual conferences held by the Federation of Malaysian Manufacturers (FMM) to expand their knowledge on health and safety best practices.

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

### Initiatives and Benefits introduced to Enhance Employee Health and Wellbeing

Looking beyond safety on the job, the segment adopts and promotes a holistic approach to health and wellbeing by:

- Investing in ergonomic office chairs and air filters for improved air quality
- Providing insurance that covers the employees and provides access to panel clinics
- Delivering employee wellness programmes

Extending the segment's commitments across its supply chain, legal work permits are required for the vendors and suppliers, alongside strict compliance to established safety SOPs.

### COVID-19 Protection Measures introduced in the Segment

Responding quickly to the demands of COVID-19, new measures to safeguard employees were quickly put in place with reports provided to the Ministry of International Trade and Industry (MITI) on a weekly basis as required for certain subsidiary. The measures included:

- Encouraging the employees to get fully vaccinated, with updates on their vaccination status required
- Strictly following the SOPs recommended by the Ministry of Health (e.g. social distancing, wearing of masks, eating individually)
- Providing Work from Home (WFH) arrangements wherever possible (with connectivity to the company server and laptops provided where necessary)
- Establishing more stringent SOPs for contractors
- Conducting regular workplace sanitisation
- Mandating that the employees take a COVID-19 self-test every two weeks

### Healthcare

In alignment with OSHA 1994 and the Factory Machinery Act 1967, with KPIs based on the 5th edition of MSQH, the segment's safety and health practices are guided by the Safety, Health and Environment Policy detailing prescriptions and protocols governing the identification and management of workplace hazards pertinent to the healthcare industry.

In addition to the general procedures and practices detailed within, the policy also provides guidance on specific safety issues and potential incidents including:

- Chemical safety
- Radiation safety
- Waste management
- Vector and pest control
- Disaster management
- Emergency codes
- Use of PPE in healthcare settings

Across the segment's subsidiaries, Health and Safety Officers and Health and Safety Committees are responsible for ensuring that the key practices contained within the policy are effectively implemented. In doing so, they drive performance against well-established key performance indicators such as the number of new hires attending safety trainings and the number of hazards identified and controlled, within which segment and subsidiary-level performance is reviewed on a quarterly basis.

By using emergency colour codes to indicate the nature and severity of incidents, quicker and more effective responses are empowered. This is supported by compulsory safety training safety drills for Code Red (fire emergency) and Code Orange (emergency evacuation) incidents which are attended by the employees. Furthermore, employees and vendors are required to undergo safety briefings which cover essential information on evacuation routes and fire safety protocols.

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

Standing for industry leading practices in risk management, the segment strictly implements HIRARC procedures to identify, assess and control emerging risks, and reports the incidents in accordance with prevailing rules and regulations (e.g. reporting to DOSH through JKPP 6/ JKPP 8), in addition to conducting a root cause analysis for the incidents.

Recognising the vital role that they play as the eyes and ears of the segment within its facilities, employees are provided with detailed training and relevant updates by the Health and Safety Officers and are represented fairly in the segment's Health and Safety Committee. The segment also seeks to safeguard employee health by providing access to yearly cholesterol checks and immunisation programmes, with employees receiving personal insurance coverage as part of their employment package.

To safeguard employees and patients, especially in the age of COVID-19, the vendors and contractors must submit swab/saliva test results, wear face masks and face shields in order to enter healthcare premises.

### COVID-19 Protection Measures introduced in the Healthcare Segment

A robust response to COVID-19 is especially important in the context of the healthcare industry, where our success in containing the spread directly impacts our reputation and business prospects. With this in mind, the following measures have been implemented in line with recommendations by the Ministry of Health Annex and Guidelines:

- Mandating MySejahtera scanning, temperature checks and the filling of declaration forms for relevant personnel including visitors and vendors
- Mandating the wearing of face masks for employees and vendors
- Establishing separate routes for staff, vendors and customers to enter and exit buildings
- Setting up flu tents to provide isolated COVID-19 screenings
- Setting up triage tents (provided in the main lobby for outpatients, with an Emergency Department triage tent for Emergency patients)
- Mandating the use of full PPE for frontline and clinical staff in the Emergency Department, and for those covering flu tents or working in COVID-19 wards
- Mandating the wearing of SevereAcute Respiratory Infection (SARI) PPE for employees covering triage tents
- All visitors, vendors and staff exhibiting symptoms are attended separately at the Emergency Department

## OCCUPATIONAL HEALTH AND SAFETY (cont'd)

### Our Performance

Reflecting the priority placed on the health and safety of our employees, a culture of continuous improvement is nurtured across the Group, enabling our teams to identify emerging risks and implement mitigation actions that safeguard our most valuable resource. Our performance below reflects the value that we have gleaned from this proactive approach.

**OHB's Occupational Health and Safety Performance based on Segments**

Indicator \ Segment	Automotive and Related Products		Plastic Products		Hotels and Resorts		Plantation		Investment Holding		Investment Properties & Trading of Building Material Products		Healthcare		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Year	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total number of fatalities (N4)	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0
Total number of injuries	12	12	2	4	17	19	276	381*	0	0	2	7	0	5	309	428
# Total number of occupational disease cases	0	2	7	1	0	0	0	19	0	0	6	0	0	0	13	22
# Total number of incidents resulting in lost workdays	11	14	8	4	10	8	272	333*	0	0	9	7	0	53	310	419
# Total number of missed (absentee) days (N5)	4,949	5,042	1,663	2,268	1,638	4,989	22,050	33,228	39	65	975	2,458	4,094	1,445	35,408	49,495

\* A correction is made for our performance data for 2020 due to an error noted subsequent to the data gathering exercise carried out in the prior year.

N4: Reported fatality was a COVID-19 related fatality.

N5: Total number of missed (absentee) days included the non-operational period of our entities due to the various COVID-19 lockdown period as enforced by the local authorities in the regions where the Group has its operations.

Note:

# **Total number of occupational disease cases** = The number of cases resulting from disease contracted primarily as a result of an exposure to risk factors arising from work activity

# **Total number of incidents resulted in lost workdays** = The number of cases that contained lost work days (each incident only counts as one for the purposes of this calculation, no matter how many days of work were missed as a result)

# **Total number of missed (absentee) days** = The number of days where worker absent from work because of incapacity of any kind, not just as the result of work-related injury or disease



# TRAINING AND EDUCATION

## Why It Matters?

We recognise the importance of training and development as a key strategy to enhance the business sustainability and growth of the Group, as the benefits we are able to unlock are numerous.

Firstly, by enriching the competencies of our workforce, we are empowered to maintain and advance our competitiveness within the various industries in which we operate and keep our customers happy by continually improving the quality of our product and services. At the same time, we are able to cultivate greater job satisfaction, enthusiasm and loyalty amongst our workforce by providing them with valuable opportunities for personal and professional development during their engagement with the Group. This heightens our capacity to attract and retain talent, and consequently increases our ability to achieve our business growth objectives in the long term.

To realise all of the above, we have put into place a comprehensive and holistic training and education framework that has been customised to meet the specific needs of each of our business segments.

## How We Approach It?

At an overarching Group-wide level, we place our focus on ensuring that the training and development initiatives we undertake enable us to meet the various industry-relevant regulations and standards and equip our employees with the latest skills and qualifications they require to undertake their jobs effectively.

Beyond this, we empower the Human Resource Department of each subsidiary to operate with a significant level of autonomy in customising and facilitating training programmes that cater specifically to the unique requirements of their segment and industry.

## Automotive and Related Products

Our training and development initiatives across the subsidiaries in this business segment are firstly designed to address requirements put forth by the Human Resource Development Corporation (HRDC) and is supported by specific training plans put forth by Heads of Department and other forms of general in-house training.

These initiatives are overseen by the Human Resource Department, as well as individual Head of Department, who together collaborate to identify training plans based on the needs of each individual. At AAP, we have recently established a new Organisational Development department to spearhead the activities related to employment and training and is further tasked with implementing a Training Planner based on recommendations and requisitions by Heads of Department on their employee needs.

While the training courses undertaken depend on each subsidiary's approach and the availability of the courses identified, we place special emphasis on trainings related to sales and service skills, product familiarisation and technical competencies, while also enhancing the soft skills of our workforce, which will improve their ability to develop a rapport with customers, hold engaging conversations and retain customers through relationship building.

With the objective of continually improving our training programmes, we require the trainees to fill up and submit a Training Feedback and Effectiveness Evaluation Form upon completion of each course. We also practice an open-door policy that permits employees to provide feedback at any time by raising issues with their Heads of Department.

The feedback is reviewed during regular meetings that involve the Human Resource Department, which empowers our management team to assess the effectiveness and relevance of each programme and to upgrade their efforts wherever required. At AAP, the review of feedback is undertaken by the Organisational Development team in collaboration with Heads of Department, with the latter being responsible for subsequently evaluating the effectiveness of these training programmes.

## Plastic Products

Our plastic products segment employs a training and development approach that emphasises the long-term development of our employee competencies so as to maintain the superior quality of our products and services. To this end, we have established clear Human Resource KPIs within this segment that govern and guide our training and development approach and framework.

## TRAINING AND EDUCATION (cont'd)

To meet these KPIs, we require employees to undergo a series of internal and external training programmes each year. The Human Resource team, together with the support of relevant Heads of Department, will identify suitable programmes and assign them to employees, and may employ the use of Human Resource Development Funds (HRDF) resources where appropriate to achieve their objectives.

The success of our training initiatives is analysed via post-training evaluation forms, which provides the Human Resource Department and management teams with the necessary insights to improve training needs and allocation in line with the key objectives of ensuring our long-term innovativeness and competitiveness within the plastic industry.

A new initiative undertaken during FY2021 for KTSM was to establish a training programme that extolls the virtues of Japanese working culture and professional dedication. This initiative was open to operations staff from other companies and was undertaken by our Kasai Japanese partners at our KTSM premises.

### Hotels and Resorts

Within the hospitality industry, we recognise that our success is primarily driven by the quality of our service and the satisfaction of our clientele. Thus, the training and development initiatives undertaken by our subsidiaries in this segment appropriately reflect this emphasis and are designed to enhance the competencies of our staff in meeting or exceeding the discerning expectations of our customers.

Each subsidiary within this segment tailors their approach to training and development to meet the specific needs of their respective markets and demographics of their patrons. The Human Resource Departments are tasked with setting training objectives at the departmental and employee level, while each Head of Department is then charged with undertaking specific Training Needs Assessments for their department.

The responsibility for allocating training funds is assumed by the Senior Management and General Manager of each property, with programmes undertaken mainly falling within the scope of cross training, on-the-job training, mentorship, coaching and attainment of specific qualifications. At 30Ben, we have pre-established sufficient training resources within our yearly budget to increase efficiency by placing unimpeded focus on the implementation of training initiatives.

To ensure the ongoing effectiveness and relevance of our training initiatives, we have a stringent framework that empowers us to receive feedback and optimise our approach. Human Resource Departments work together with management teams to conduct post training evaluations via interview sessions, and subsequently analyse and cross reference the feedback received against retention rates and customer satisfaction to holistically assess the success of each training module. The insights gained from this process empowers us to review and enhance our training efforts on an annual basis.

### Plantation

Within our plantation segment, our training efforts are primarily focused on fulfilling the stringent OHS requirements specific to the industry so that our employees may fulfil their job functions in an effective, safe and conducive manner. As work within this industry often involves the need to operate specialised machinery and undertake physically demanding tasks, we ensure that comprehensive training is provided to employees immediately upon their engagement with the Company. We require the new hires to undergo a predetermined and thorough training programme that equips them with the necessary competencies, and only sanction their commencement of work once they have passed an evaluation process that is overseen by an immediate supervisor.

At the same time, Training Needs Assessments are carried out annually to evaluate the competency levels of employees, thus empowering us to craft customised yearly training programmes to address the skill gaps that are identified. In general, our training modules encompass industry-related themes such as safety and health, environmental protection and other sustainability-related topics such as socialisation, traceability and supply chain oversight, amongst others. Our training efforts are also geared towards ensuring compliance with regional and global regulatory standards, including RSPO, MSPO and ISPO.

While training funds are allocated within the annual budget, the responsibility for maintaining oversight for training and development within this business segment rests upon the Human Resources Department. Concurrently, the management teams of our estates and palm oil mills, which comprise of managers, assistant managers, Sustainability Officers and Health and Safety officers, will oversee the development and progress of training programs within each individual subsidiary.

## TRAINING AND EDUCATION (cont'd)



*First aid training at Far East Estate staff and workers (ORPO)*

To ensure we undertake appropriate assessment of our initiatives and progressively make essential improvements to our framework, internal and external audits of our training and development programmes are undertaken on an annual basis by each subsidiary.

### Investment Properties and Trading of Building Material Products

Within this segment, we have focused our training efforts on developing competencies amongst our workforce that will enable the enhancement and upkeep of our product quality while empowering us to attain continual efficiencies in the cost per sale of our products. To this end, we often leverage on external specialised training initiatives to equip employees with the knowledge and skills required to meet the varying and challenging needs of their job roles.

The Human Resource Department, together with respective Heads of Department, maintains the responsibility for identifying training needs, submitting training plans for each employee and subsequently sourcing for relevant programmes that meet the identified requirements. Heads of Department will plan and oversee training programmes under their purview to provide clear guidance to employees of their expectations and to ensure each employee is fit and prepared to undertake their respective roles.

We adopt both a qualitative and quantitative approach in ascertaining the effectiveness of our training framework. From a quantitative standpoint, we have established various goals and KPIs that can be cross referenced against our performance, while our qualitative assessment efforts focus on evaluating the development of our employees' soft skills pertinent to our operations.

To ensure our ongoing ISO 9001:2015 certification is retained, we further ensure that our training activities are aligned with the requirements set out within this international standard. In conjunction with this, Heads of Department are tasked with identifying the improvement

of staff performance in terms of knowledge, skills and behaviour so as to discover the level of impact of each training programme.

In the spirit of continuous improvement, we regularly conduct internal audits for each subsidiary to ensure the continual effectiveness of our training programmes and make improvements where feasible.

### Healthcare

In the constantly evolving healthcare industry, training and development of our employees plays a crucial role in ensuring our competitiveness within the industry. To ensure our employees are able to adopt the specialised technical skills and competencies required to keep pace with advancements and maximise the effectiveness of our services, we have established a five-year staff development programme for our workforce.

Within this framework, nursing staff are required to undertake a minimum of 25 hours of training per calendar year in order to obtain and renew their annual license, while non-nursing staff are encouraged to accrue at least 10 hours of training per annum. At the same time, we have since 2018 instituted various on-the-job training programmes and initiatives that focus on providing guidance that is customised to the needs of each employee.

To oversee the training and development initiatives within this segment, a dedicated Training Committee has been established to spearhead our efforts in cooperation with the Human Resource Department and Nursing Education Department. Their responsibilities include, but are not limited to, budget management, the procurement of training programmes (including HRDF certified courses) and reviewing the effectiveness of trainings provided by analysing feedback received through the evaluation forms.

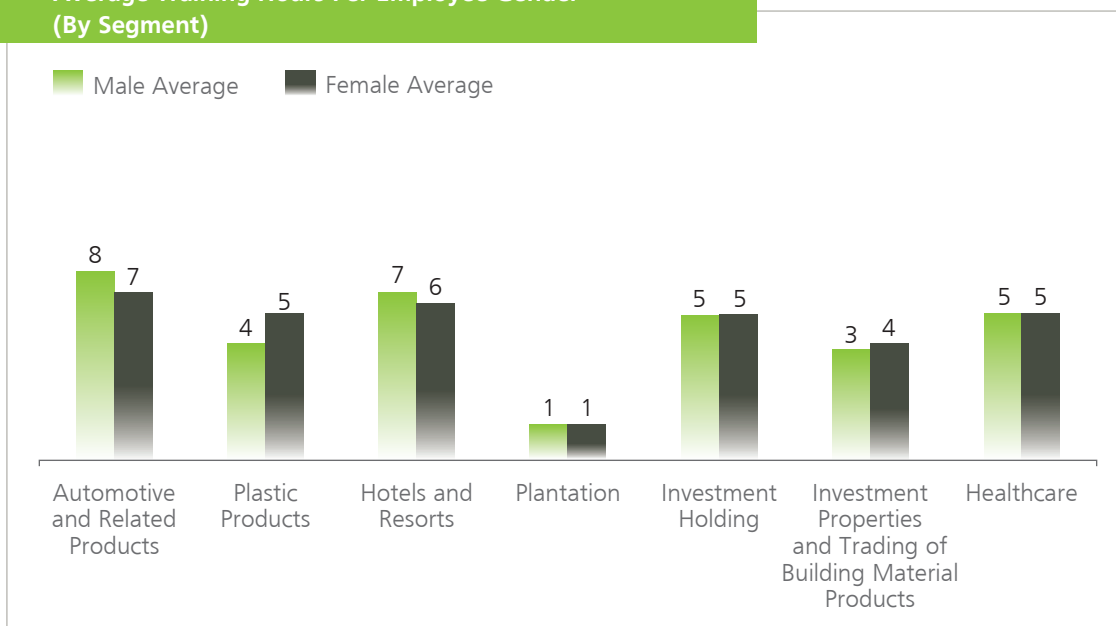
## TRAINING AND EDUCATION (cont'd)

### Our Performance

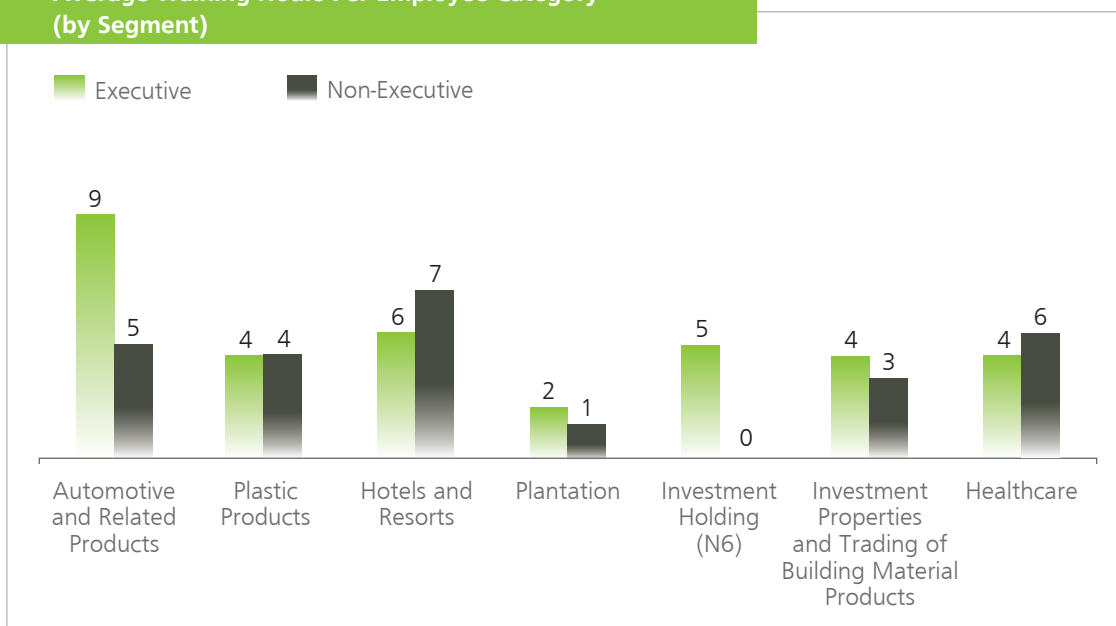
In FY2021, we continued to ensure that employees across the Group were given sufficient access to training and education opportunities to adequately equip them to undertake their job functions and contribute meaningfully to our success. We also strived to ensure that employees are provided equal opportunity to training programmes so as to support their personal and professional advancement.

Having designated training and education as a high priority matter in our sustainability framework, we will continue to monitor our progress each year with the objective of continually enhancing our approach and benchmarking our performance against industry best practices.

**Average Training Hours Per Employee Gender  
(By Segment)**



**Average Training Hours Per Employee Category  
(by Segment)**



N6: No participant from non-executive category as the segment headcounts are categorised under executive category.

# NON-DISCRIMINATION

## Why It Matters?

Our businesses span multiple countries, seeking to impact lives and positively transform economies across Asia and beyond. As such, nurturing a diverse workforce with a variety of talents and skillsets is central to achieving our objectives and driving the sustainability of our business.

Towards this imperative, we enshrine a culture of diversity, equity and inclusion, with a strict adherence to non-discrimination at all levels. By providing a level playing field to everyone regardless of race, colour, religion, national origin, gender, age, ancestry, sexual orientation, political and social affiliation, we are better placed to attract the best talent to our businesses and retain their services for the long term.

Ultimately, our employees should know that the only determinant of their success with us are the skills they bring to the table and their dedication in applying them for the betterment of the Group and our stakeholders.

## How We Approach It?

Guided by our Group-wide Code of Ethics and Sustainability Policy, we have embedded the principles of meritocracy and non-discrimination within our employee-facing practices including recruitment, training and performance assessment. In delivering these practices within our segments, outcomes are continually benchmarked against industry standards and best practices. This empowers our management teams to drive improvements over time that bring benefit to employees and ultimately, to our bottom line.

## Automotive and Related Products

Within a crowded and competitive marketplace for talent, our goal in this segment is retain our reputation as an employer of choice, towards which we comply fully with the Government-mandated requirements and strive towards achieving zero cases of discrimination.

Merit-based company cultures are central to this objective, with standardised approaches adopted in carrying out performance appraisals, providing employee incentives and more. Annual performance reviews are carried out for the employees - led by the relevant management teams and Heads of Department - with rewards tied to clearly communicated KPIs which are set according to each employee's job scope. A similarly standardised approach is

adhered to in the recruitment process, whereby approval matrices are used to enforce a fair basis for the evaluation of potential hires.

Open and transparent communication is practiced across our subsidiaries, providing employees with clarity on the expectations of management and on their ongoing performance. Furthermore, an open-door policy means that employees can contact their immediate superior should they have any issues to discuss, or alternately speak to the Human Resource Department or their Head of Department should the issue concern their immediate superior, with the issues investigated based on available evidence. Employees can furthermore utilise the segment's grievance mechanism, whereby the grievances are tabled first to their immediate superior and Head of Department and, if unresolved, escalated to the Human Resource Department, top management and/ or to regulatory authorities if necessary.

Industry unions are yet another avenue which employees can utilise to advocate for their rights and voice concerns, with the segment having established collective bargaining agreements with unions that represent the best interests of workers. An example is Kah Motor Malaysia's collective bargaining agreement with the National Union of Transport Equipment and Allied Industries Workers of Malaysia.

In furthering fair employment practices, additional measures have been implemented including making exit interviews mandatory for the departing staff, monitoring and analysing turnover levels to identify trends, and introducing an Employee Suggestion Scheme which staff can utilise.

### Non-discrimination Practices at our Subsidiaries

AAP introduced its Employee Satisfaction Scheme (ESS) in Q3 of FY2021, providing an avenue for employees to make suggestions on ways that the company can improve work culture and practices.

Meanwhile, Kah Motor Singapore has signed up to the TAFEP, pledging to adopt the Tripartite Standards towards driving improvement of its employment practices and achieving alignment with leading global standards.



## NON-DISCRIMINATION (cont'd)

### Plastic Products

Led by a diverse management team, the segment adheres to the Group's fair employment practices, mandating that employment, career advancement and training opportunities should be offered purely on the basis of merit.

Cognisant that discrimination-free workplaces encourage employee satisfaction and increased productivity, a dedicated budget has been earmarked for training modules, which are in turn offered to the employees irrespective of race, age and gender. A well-established grievance mechanism has also been put in place, whereby the grievances are channelled to the relevant Human Resource Department for appropriate action to be taken.

### Hotels and Resorts

In line with the spirit of hospitality, where having a diversity of perspectives, cultures and backgrounds is valued and celebrated, this segment boasts robust non-discrimination practices which nurture the development of a multi-cultural workforce across our countries of operation.

A zero-tolerance approach to all forms of direct and indirect discrimination reflects the segment's firm commitment to maintaining fair and supportive work environments. To this end, employees are encouraged to provide feedback on existing practices and suggestions to improve their company culture, with the Human Resource Departments consistently seeking ways to incorporate their input and feedback in day-to-day employment practices.

Looking beyond our core responsibility to ensure discrimination-free and merit-based workplaces, the segment places great stock in developing camaraderie and a sense of community within the workforces of their operations. Meaningful get-together events are organised such as the monthly staff lunches and quarterly departmental gatherings held for employees in KA and KNZ. Orientation and townhall sessions are also held across our hotels and resorts, encouraging employees to develop stronger bonds within teams and encourage greater collaboration between employees in different departments. While COVID-19 has naturally impacted our ability to hold these gatherings, they will be reintroduced as limitations on social distancing are lifted.

With regard to reporting any issues of discrimination, employees may utilise a standardised grievance mechanism whereby grievances are directed to the relevant management including the immediate supervisor of the employee lodging the grievance, his or her department head, the relevant Human Resource Department and top management. An investigation is then launched in accordance with stipulated timeframes, with discretion strictly maintained throughout the process.

### Plantation

Operating in an industry which has historically employed far more men than women, the segment recognises and embraces its role in providing safe work environments and non-discriminatory recruitment and compensation practices that encourage women to pursue a career in this space.

Led by Sustainability Officers, the segment takes a proactive stance - raising awareness amongst women of the career opportunities offered by its businesses, all while launching initiatives to address invisible biases which may impede the ability of women to achieve career advancement in line with their performance. Equal pay for men and women by job position is mandated across the segment, and detailed evaluation mechanisms are applied to thoroughly review and improve employment practices at the subsidiaries.

### Investment Properties and Trading of Building Material Products

The segment recognises that a safe and conducive working environment free from discrimination is central to unlocking greater productivity, driving employee retention and achieving growth targets. To this end, it complies fully with the relevant laws and regulations in the jurisdictions where its businesses operate, with compliance at the subsidiary level guided by the Group's Code of Ethics and the Employee Handbook of the subsidiary in question. Subsidiaries furthermore ensure that deadlines to renew the relevant licenses are strictly followed.

Additional measures have been implemented across the segment to ensure that employees are free from exploitation, violence and other negative or potentially disruptive elements in the course of their work. This is along with the monitoring of industry best practices with a view to expanding the segment's policies that govern non-discrimination.

## NON-DISCRIMINATION (cont'd)



### Healthcare

The segment values the contributions of its experienced and dedicated healthcare professionals and strive to maintain working environments which enable them to give their best, free of fear of discrimination or other unfair employment practices.

To facilitate ongoing discussions in these areas, employee suggestions are actively encouraged while complaints can be made through the segment's grievance mechanism. Grievances are submitted directly to the Human Resource Department in question and, if unresolved, immediately escalated to the Senior Management for resolution. To ensure they are fully aware of their options in raising such issues, new employees are also given a full orientation of these grievance procedures upon their appointment.

### Our Performance

In line with our efforts to be recognised as employers of choice in our respective industries, we report the total number of incidents of discrimination at our subsidiaries on an annual basis, with a total of zero incidents of discrimination reported in FY2021. Moving forward, we will continue to improve our performance and ensure that the principles of non-discrimination, diversity, equity and inclusion act as cornerstones of our approach to sustainability.



*International Women's Day 2021  
(MSM)*

## FEATURE: SUPPORTING SOCIETY'S FIGHT AGAINST COVID-19



In upholding our commitment towards making positive contributions with meaningful impacts for our community, OHB has been diligently carrying out its role as a responsible business in the midst of the ongoing COVID-19 pandemic situation. With acknowledgement of the scale of impact this unprecedented situation has brought to the society, other inherent social and economic challenges have rose along the way with detrimental effect particularly to the vulnerable and less fortunate communities. Amidst this difficult time, we fully embrace our responsibility to advance our social contribution by taking on a proactive role in assisting on the fight against COVID-19.

In view of the abovementioned objectives, OHB has initiated a full scale COVID-19 relief programme which was led by Dr. Tan Hui Ling as our corporate social responsibility project leader. As a representative of our healthcare business segment with an extensive medical background, Dr. Tan has leveraged her experience in the field by liaising with local healthcare providers that cater for the care of COVID-19 patients to work out relevant arrangements to assist in their ongoing battle against the disease. In particular, OHB has donated various medical equipment and supplies, such as ventilators, ultrasound machines, defibrillators, electrocardiograph machines, patient monitors, drip stands, syringe pumps, canvas beds, wheelchairs and trolleys, among others. Through our efforts, we have managed to support the following hospitals and health facilities during FY2021:

- Penang Hospital
- Caring Society Complex
- Seberang Jaya Hospital
- Bukit Mertajam Hospital
- ICU Hospital Medan Angkatan Tentera Malaysia
- Kepala Batas Hospital

- Kulim Hospital
- Malacca Hospital
- Segamat Hospital

Collectively, the Group has donated RM2.4 million worth of medical equipment to the country's healthcare providers. With this contribution, we hope to join forces with healthcare providers to realise our common goal of curbing the COVID-19 pandemic and enhancing public health within the nation.



*Donation to Kepala Batas Hospital*



*Donation to Bukit Mertajam Hospital*

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