



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

SUSTAINABILITY REPORT 2017



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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HIGHLIGHTS OF 2017

GRI 102-7, 102-8, 302-1, 307-1, 418-1, 419-1



68

Subsidiaries in
11 Countries



26,719,808 kWh

Renewable Energy
Resources



26%

Female
Employees



74%

Male
Employees



8,110

Employees Worldwide



ZERO

cases of
non-compliance with laws
and regulations concerning
our products and services



ZERO

cases with relation to
customer privacy



Switched to energy-efficient
lighting such as
low-energy
**Light-Emitting
Diode (LED)**
technology



**ECO CONSCIOUS
BUSINESS**

through Sustainability
initiatives such as recycling,
and water and energy
saving programmes

CORPORATE PROFILE

GRI 102-1, 102-2

This year, marks Oriental Holdings Berhad's ("OHB") 55th year since its humble beginning as a private company and 54 years being listed on the Main Market of Bursa Malaysia Securities Berhad. OHB is among the region's leading conglomerate with 68 subsidiaries covering seven industries across 11 locations worldwide and 8,110 strong employees base. Working with different sectors, people and needs, OHB has always aspired to reform the whole system to achieve noteworthy and lasting improvement in social, environmental and economic outcomes.

Our Journey



CORPORATE PROFILE

GRI 102-2, 102-4, 102-6, 102-7

Oriental Holdings Berhad, a diversified Group comprising 68 subsidiaries and 14 associated companies with business activities in the countries such as Malaysia, Singapore, Indonesia, Brunei, Australia, New Zealand, United Kingdom, Mauritius, Thailand, People's Republic of China and Vietnam. Oriental's business activities cover seven core segments, namely:



Under the **Automotive Division**, Kah Motor is the distributor for Honda vehicles in Singapore and Brunei and operates eight out of 88 of the Honda dealerships in Peninsular Malaysia and another dealership in Sabah. Kah Classic currently is a dealer of Mitsubishi Motor Malaysia Sdn Bhd, providing sales and services of Mitsubishi branded vehicles through two key outlets and is looking to expand its dealership network in Mitsubishi and explore into other brands.

The **Plastic Division** is headed by its 60% subsidiary, Teck See Plastic ("TSP"), one of the oldest auto parts manufacturing companies in Malaysia. It started a JV with Hicom since 1980s, to supply plastic molding to Proton and is one of the dominant players in the business. With the ongoing JV with Kasai Kogyo Japan, TSP Group is keen to expand into other related integrated services.

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

The **Plantation Division** has consistently provide a positive contribution to the Group's performance and endeavours to contribute significantly to the Group's performance. The division's operations in Indonesia currently comprises two matured plantations, one maturing with 34,257 Ha planted and three Crude Palm Oil Mills in Bangka Island. A further five companies are under development with over 60,000 Ha land bank in South Sumatra. To date, over 21,400 Ha of the concession area in South Sumatra has been acquired, over 9,350 Ha has been planted and the harvesting area is now over 4,000 Ha. The division plans to plant about 1,000 to 2,000 hectares each year in the next two years. It has generated a healthy cash pile over the years and is still expanding. A fourth CPO Mill, the first for South Sumatra is targeted to be commissioned by end of 2019. The division has a planted area of 4,825 Ha in Malaysia.

Most of the business activities in the **Investment Properties and Trading of Building Material Products Division** are in the supply of building materials. However, in 1994, Oriental was given a concession by the Melaka state government to reclaim a total of 1,125 acres in Klebang, Melaka.

The Group has reclaimed 985 acres of sea off the Melaka coastline out of the concession area. Reclamation works are ongoing for the remainder of the concession area which, when completed, will provide valuable land bank for the Group. The land that acquired in Melbourne, Australia has started the construction at the end of 2017 to develop into two floors of retail and commercial spaces and five floors of serviced apartments. In addition, an office building at Collins Street Melbourne was acquired in 2017 that is foreseen to generate a healthy income from rental.

The **Investment Holding & Financial Services Division** comprises mainly investment in subsidiaries and other investments for recurring income. The new **Healthcare Division** was launched following the acquisition of a nursing college in Melaka in September 2011 and the construction of the medical hub in August 2012 on the Group's reclaimed land at Klebang, Melaka. The Medical hub was officially launched in 2015. The Melaka Straits Medical Centre is a 300 bed medical hub comprising a nursing college and medical establishment. The eight levels medical unit is sited on a 25 acres of the reclaimed land at Klebang, Melaka, just a mere 10 minutes from city center.

OHB is open to new ideas when it comes to business opportunities and has always diversified prudently and will continue to focus on businesses that generate recurring and sustainable income.

As a responsible company, OHB is committed to move the business forward with integrity, complying with laws and regulations along with company codes and policies, valuing team diversity and contributions from all. We have always believed that our business should always follow fundamental principles of good corporate governance while striking a harmonious synergy between corporate pursuits and social obligations. At OHB, we are committed to **Our Community, Our Environment, Our Customers and Our People.**



The Australian Hospitality subsidiaries support the sustainability practices through the following:

- Water and energy saving program
- Participation in Earth Hour
- Participation in WaterMAP program
- Bathroom towel recycling program
- Recycling of cardboard and paper
- Recycling Rain Water through Rain Water Tanks
- Energy saving light globes
- Timers on lights and air conditioning
- Eco-friendly laundry chemicals
- Half cistern water flushing
- Power saving timers on TVs in rooms
- Flow control on tap-ware
- Water saver shower heads in guest rooms
- Participation in Government initiated automated non-essential power outlet shutdown device program in all accommodation rooms.

Market Presence



68
Subsidiaries in
11 Countries



8,110
Employees



> RM 4 billion
Market Cap

FINANCIAL HIGHLIGHTS

ECONOMIC PERFORMANCE: GRI 103-1, 103-2, 103-3, 201-2

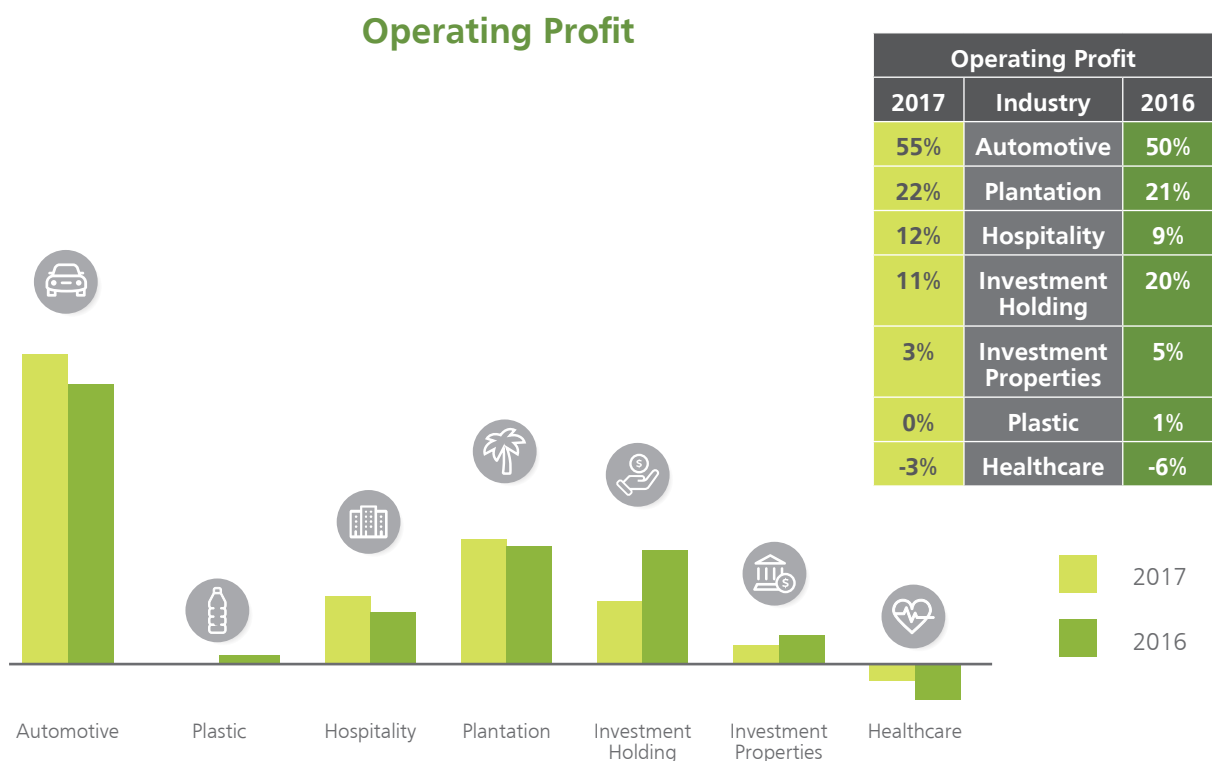
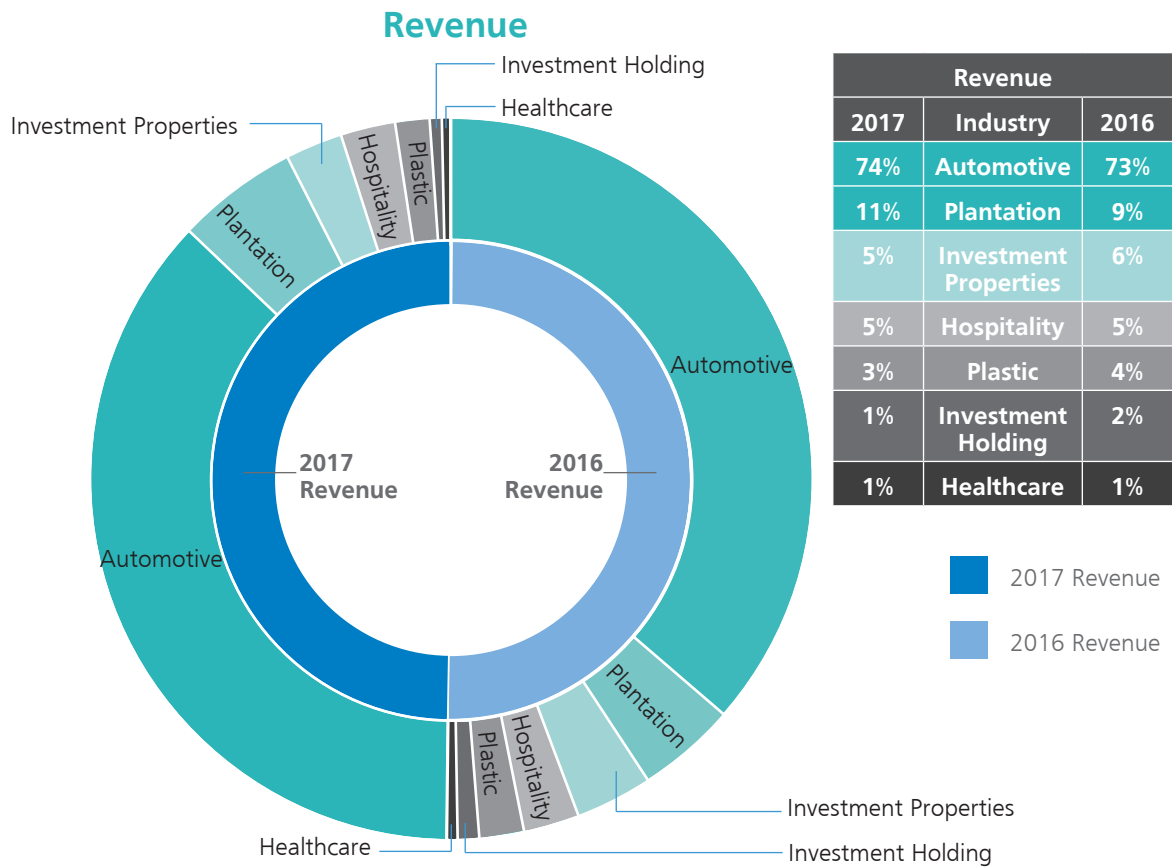
The economic performance is a fundamental part of our business. Through positive performance, effective management and reinvestment in the business can ensure the sustainability of market share. These provides stable, long-term employment and income for workers, which benefits the community and economy as our business hires exclusively from the local workforce, thereby generating and/or training local talent and skills. The more positive the performance, the more employment opportunities can be offered. The flow on impact of this into the local and national economies through salaries and wages and requirements from suppliers to enable the operation to function become a catalyst for economic and social growth.

As much as we do our best in operating our businesses in a smooth and seamless way, we do face challenges that interrupts our operations across all industry and divisions. We also do our best to leverage on opportunities caused by nature as well as find ways to mitigating the challenges or risks resulting from climate change. Some of the forecasted risk, opportunities and the financial implications caused by climate change are as follows:

Risk/ Opportunity	Impact	Financial Implication	Mitigation	Cost of Mitigating Action
Automotive				
Risk	Change in macro economic conditions	Increase by RM 0.8M for year 2017 vs 2016	Expand the export sales	To increase on export sales
Risk	Change in government policies	Increase by RM 2M for year 2017 vs 2016	To expand into REM and export market	Hiring marketing personal in automotive industry to penetrate REM
Risk	Adverse foreign exchange fluctuations	Six months FX rate mechanism with Honda, to negotiate FX rate with Proton and Sapura	Monitoring of exchange rate impact on our product costing	To negotiate with customers on the price revision due to forex impact for major customers
Plantation				
Risk	High rainfall - affect crop harvesting and collections	Lower earnings due to delay in crop harvesting and collections	Longer working hours and deploy more manpower	Higher operating cost
Risk	Lower rainfall - longer drought season and caused forest fire	Lower earnings due to lower productivity, interrupted palm oil mill daily operations because of unstable water supply, damage of the palm trees because of forest fire	Water conservation for palm oil mill operations, emergency response team	Higher operating cost
Hospitality				
Risk	Reduction in snow line level affects the Chateau Tongariro hotel during high winter season	Reduction in revenue	Diversification of markets/alternative activities	Ongoing marketing cost (low)
Risk	Increased inclement weather patterns for Wairakei resort during high summer season	Reduction in revenue	Diversification of markets/alternative activities	Ongoing marketing cost (low)
Risk	Future regulation could result in higher taxes and energy prices	Higher taxes and energy prices	Lower overhead spend	CSR team to review advice regarding carbon footprint
Risk	Future regulation could result in lower energy consumption	Lower energy consumption	Lower overhead spend	CSR team to review advice regarding carbon footprint
Risk	Flooding and cyclones could increase insurance premiums	Increase in insurance premiums	Lower overhead spend	Business continuity planning
Risk	Flooding and cyclones could result in potential loss of revenue	Potential loss of revenue	Lower overhead spend	Business continuity planning

FINANCIAL HIGHLIGHTS

GRI 102-7, 201-1



Note: Please refer to Financial Highlights of the Group in the Annual Report 2017.

GROUP CORPORATE STRUCTURE

GRI 102-5, 102-45

Name of Subsidiaries and Associates

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

GROUP CORPORATE STRUCTURE

GRI 102-5,102-45

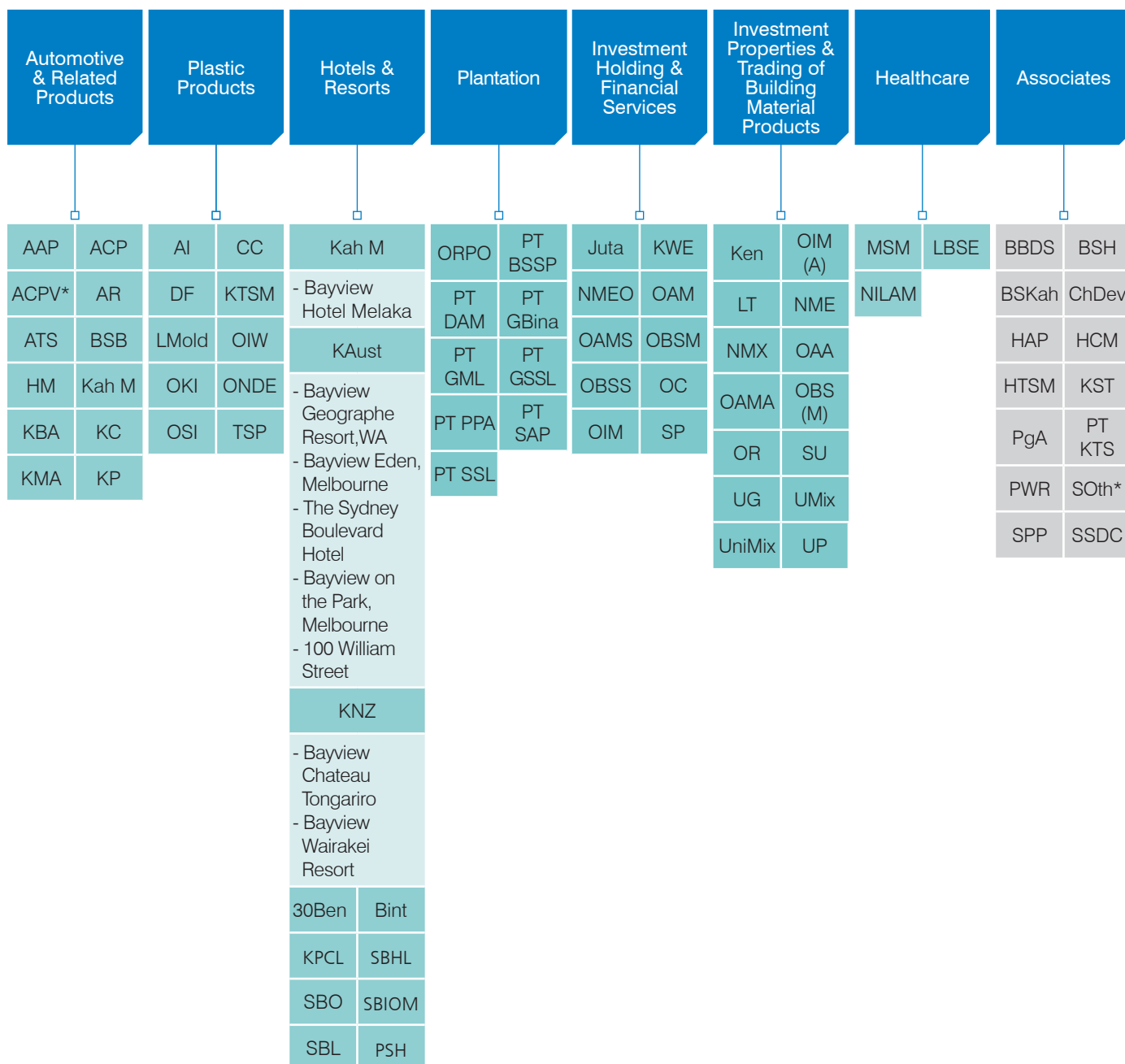
Name of Subsidiaries and Associates

Investment Holding and Financial Services	Juta	:	Jutajati Sdn. Bhd.
	KWE	:	Kwong Wah Enterprise Sdn. Bhd.
	NMEO	:	North Malaya Engineers Overseas Sdn. Bhd.
	OAM	:	Oriental Asia (Mauritius) Pte. Ltd.
	OAMS	:	OAM Asia (Singapore) Pte. Ltd.
	OBSM	:	Oriental Boon Siew (Mauritius) Pte. Ltd.
	OBSS	:	OBS (Singapore) Pte. Ltd.
	OC	:	Syarikat Oriental Credit Berhad
	OIM	:	Oriental International (Mauritius) Pte. Ltd.
	SP	:	Selasih Permata Sdn. Bhd.
Investment Properties and Trading of Building Material Products	Ken	:	Kenanga Mekar Sdn. Bhd.
	LT	:	Lipro Trading Sdn. Bhd.
	NME	:	North Malaya Engineers Trading Company Sdn. Berhad
	NMX	:	North Malaya (Xiamen) Steel Co., Ltd.
	OAA	:	Oriental Asia (Aust.) Pty. Ltd.
	OAMA	:	OAM (Aust) Pty. Ltd.
	OBS (M)	:	Oriental Boon Siew (M) Sdn. Bhd.
	OIM (A)	:	OIM (Aust) Pty. Ltd.
	OR	:	Oriental Realty Sdn. Bhd.
	SU	:	Simen Utara Sdn. Bhd.
	UG	:	Ultra Green Sdn. Bhd.
	UMix	:	Unique Mix (Penang) Sdn. Bhd.
	UniMix	:	Unique Mix Sdn. Bhd.
	UP	:	Unique Pave Sdn. Bhd.
Healthcare	LBSE	:	Loh Boon Siew Education Sdn. Bhd.
	MSM	:	Melaka Straits Medical Centre Sdn. Bhd.
	NILAM	:	Nilam Healthcare Education Centre Sdn. Bhd.
Associates	BBDS	:	Bukit Batok Driving Centre Ltd.
	BSH	:	Boon Siew Honda Sdn. Bhd.
	BSKah	:	B. S. Kah Pte. Ltd.
	ChDev	:	Chainferry Development Sdn. Berhad
	HAP	:	Honda Autoparts Manufacturing (M) Sdn. Bhd.
	HCM	:	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
	HTSM	:	Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
	KST	:	Kasai Teck See Co., Ltd.
	PgA	:	Penang Amusements Company Sdn. Berhad
	PT KTS	:	PT Kasai Teck See Indonesia
	PWR	:	Penang Wellesley Realty Sdn. Berhad
	SPP	:	Southern Perak Plantations Sdn. Berhad
	SOth	:	Super Othello Sdn. Bhd. (Commenced member's voluntary winding up on 23 October 2017)
	SSDC	:	Singapore Safety Driving Centre Ltd.

GROUP CORPORATE STRUCTURE

GRI 102-5, 102-45

ORIENTAL HOLDINGS BERHAD



Subsidiaries Associates

Note: * Under member's voluntary winding up

AWARDS AND RECOGNITION



Mitsubishi 3 Diamond Dealership Certificate
- Kah Classic Auto



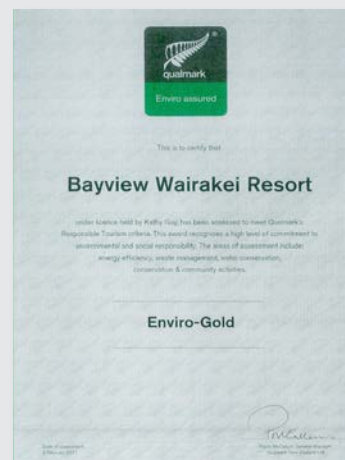
Proton Suppliers Award 2017
- Armstrong Auto Parts Sdn. Bhd.



Awarded 4 Stars for MyQuest 2016/2017 ratings
- Oriental Nilam



Pastry Chef of the Year
- Kah New Zealand



Enviro Gold Award
- Kah New Zealand

EXECUTIVE CHAIRMAN'S MESSAGE

GRI 102-14



"Sustainability for us is the outlook of future appreciation through current aspirations"

Oriental Holdings Berhad

Oriental Holdings Berhad has shown great appreciation towards sustainable business and we have embedded the essence of sustainability into our business strategies, management approaches and decisions. We are concerned of our stakeholders' interest on our business impacts to the social, economic and environment. We understand that our various businesses bring impacts that matter to both our business and stakeholders. Only through sustainability business, we can recognise and minimise risks or even change it to opportunities. Thus, we are proud to present you, as our most valued stakeholders, OHB's second Sustainability Report for year 2017.

EXECUTIVE CHAIRMAN'S MESSAGE

GRI 102-14

Our Governance

We strongly believe that good governance is the blueprint of any business success. Each year, we appraise and analyse the current available policies and find ways to improvise in order to adopt new business needs and challenges. We closely align our Group business governance with the Malaysian Code of Corporate Governance, Bursa's Listing Requirements, Securities Commission Act and other local laws. Besides that, we are also obliged to country legislations where our business influences are present. It is important for us to fulfil all legislation requirements and support good business conduct. Similar to last year, we are proud to record zero breach of any legal requirements or penalty imposed by the authorities.

Our People

Our biggest business assets of all, is our employees. We are committed to provide our people a well-deserved working environment. This is materialised by understanding the needs of knowledge evolution through meaningful and impactful trainings. We have conducted 469 talent development programmes through the reporting year. Recognising our employees' continuous efforts, we make sure that our people are recognised based on merit regardless of age, race, gender, religion, marital status and family responsibilities or disability. In 2017, we have a strong workforce of 8,110 employees with 26% are female employees. We have always believed in experienced employees to steer our core business, clearly shown as recorded 5% of our working strength consist of those above the age of 55. This does not mean we undermine the younger generations, as we also believe that the future experts are to be valued. This is shown by 34% of our people are aged 30 years and below.

Our Environment

We understand the importance of reducing our environmental footprint. As we continue to grow regionally, our direct influence to the environment also expands. We are taking steps to minimise environmental impacts through strategic monitoring and implementations. For instance, our plantation processes comply with requirement of both Roundtable on Sustainable Palm Oil (RSPO) and Malaysia Sustainable Palm Oil. We also strive to display our environmental commitments beyond compliance. Our hospitality industry implemented a number of green initiatives such as, effective lighting using sensors, eco-conscious business, food waste management and geothermal energy utilisation.

Our Community

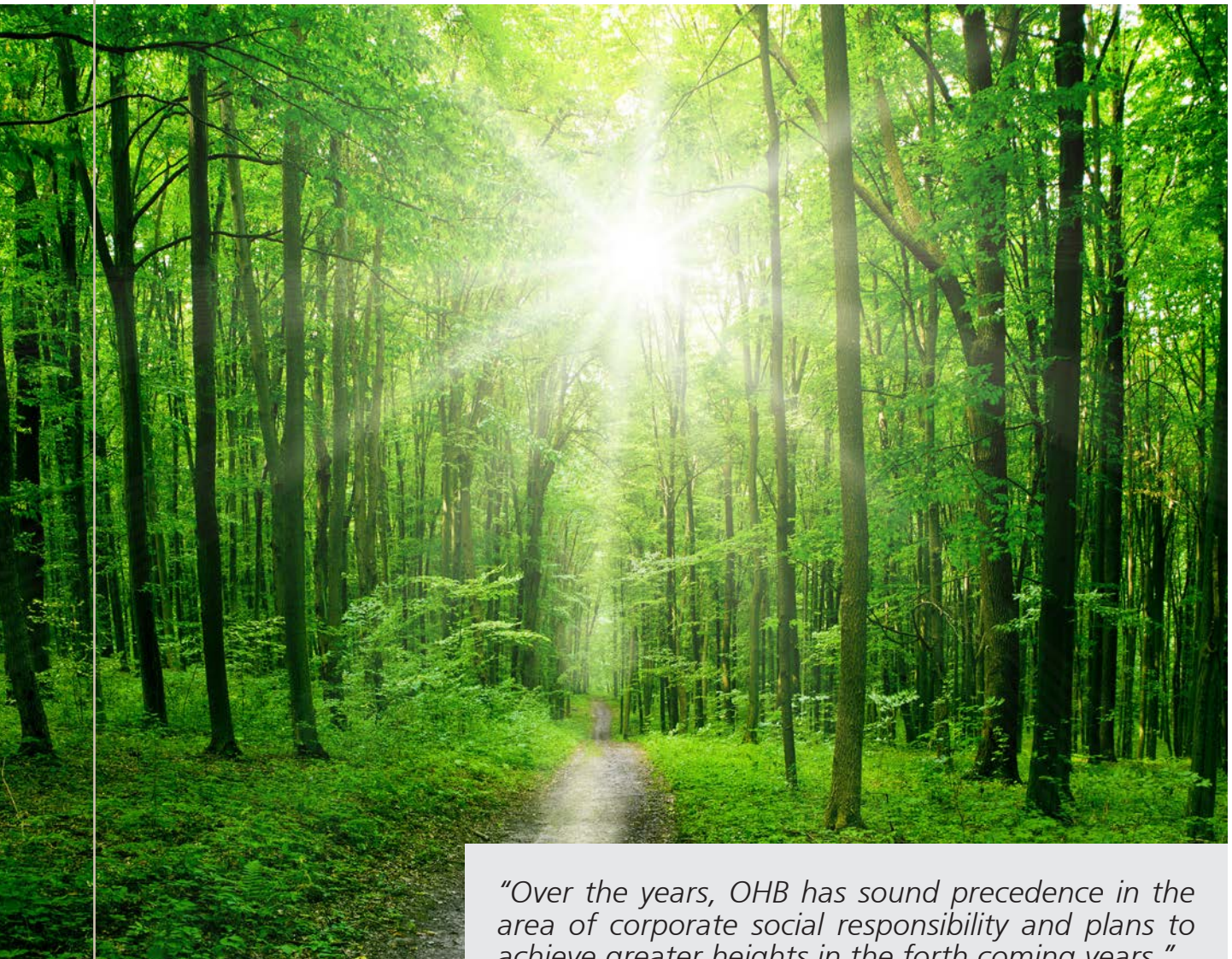
At OHB, we are committed in extending our compassion on social issues where our business operations exist. We always feel obliged to contribute, help impact the growth of local communities towards maintaining a sustainable harmonious relationship. Some of the community encouragement activities done during the reporting year are repair works for schools and mosques, supply clean water for consumption, flood mitigation, road repair and financial assistance.

Looking Ahead

We want sustainability to be part of our business processes, beyond compliance and reporting. The Group is committed to embrace the real meaning of sustainability by revisiting and including sustainability aspects in our current policies and practices. We look forward to establish better tracking mediums to evaluate and consider valuable changes. I trust you will find this Sustainability Report informative and delivers a fair and balanced view of our position and performance on identified material matters.

Datuk Loh Kian Chong
Executive Chairman

ABOUT THIS REPORT



"Over the years, OHB has sound precedence in the area of corporate social responsibility and plans to achieve greater heights in the forth coming years."

Oriental Holdings Berhad has set a strong legacy in the area of Sustainability. The Sustainability Report 2017 shares the Company's sustainability journey covering the successes and challenges faced over the past year. Our report articulates the continuous dedication in improving the integration of sustainability into our working environment across all divisions worldwide. Raising the bar towards aligning our initiatives with the GRI Standards, we have identified new gaps and understood crucial aspects and aspire to enhance key areas. The report further enunciates the positive growth we have achieved in creating meaningful impacts in economic performance, environment, social and community.

ABOUT THIS REPORT

GRI 102-3, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54

Scope of the Report



- This report has been prepared in reference with the GRI Standards¹ to meet Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- This report focuses on key industries mainly Automotive, Plantation, Hospitality and Healthcare as it is attempted to cover issues that are material to OHB (selected subsidiaries) for the financial year ended December 2017. Moving forward, the report will include the rest of the industries.

Boundary



This report refers to the period January 1st, 2017 to December 31st, 2017 (unless indicated otherwise), and covers:

- selected activities of OHB (including principal subsidiaries);
- address company's operations (offices, products and sales); and
- the performance data's collected from selected subsidiaries are within the organisation.

Availability & Coverage



This report will be publicly available online via our website **www.ohb.com.my**.

Reporting Period



Oriental Holdings Berhad has embarked on publishing sustainability report annually. The inaugural report was published in 2016. This report covers the period from January 1st, 2017 to December 31st, 2017 (Fiscal/Financial Year).

Audience



This report is published for the following list of stakeholders, not limited to, which include:

- Shareholders and Investors;
- Media;
- Government;
- Suppliers;
- Customers;
- Employees; and
- Local Communities.

Feedback for the Report

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

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

Telephone : +604 2638590
Email : ir@ohb.com.my
Webpage : www.ohb.com.my

¹This material references the following GRI Standards 2016 listed on pages 39, 40 and 41.

STAKEHOLDER ENGAGEMENT

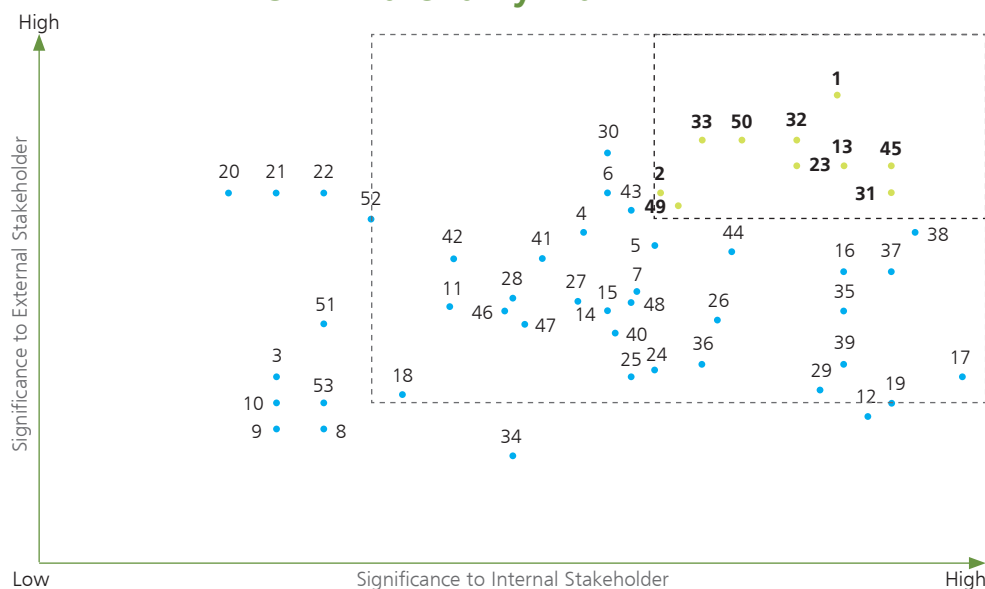
GRI 102-40, 102-42, 102-43, 102-44

“Our stakeholders are highly diverse, reflecting the depth of our footprint within local reach of global market. We have identified our main stakeholder’s groups using the GRI Standards (Stakeholder Inclusiveness). Based on the list below, we have identified seven main stakeholder groups and their sustainability concerns. Our robust approach through digital engagements led to identifying vital sustainability concerns from both internal and external stakeholders.”

The table below illustrates the list of sustainability concerns which resulted from the stakeholder engagements.

Stakeholders	Mode of Engagement	Frequency of Engagement	Stakeholder Concerns / Sustainability Issues
Shareholders and Investors 	<ul style="list-style-type: none"> Annual General Meeting (AGM) Briefing / Meeting Extraordinary General Meeting Performance Review Meeting with EXCO and Board Electronic Communication 	Annually As needed As needed Quarterly Quarterly As needed	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices Anti-Corruption Anti-Competitive Behaviour Energy
Media 	<ul style="list-style-type: none"> Media events Advertising agent Press Interviews / Releases 	As needed As needed As needed	<ul style="list-style-type: none"> Economic Performance Marketing and Labelling
Government 	<ul style="list-style-type: none"> Income tax filing Annual Return GST reporting Electronic Communication Local authorities 	Annually Semi Annually Monthly / Quarterly As needed As needed	<ul style="list-style-type: none"> Anti-Competitive Behaviour Occupational Health and Safety Environmental Compliance Marketing and Labelling Socioeconomic Compliance Economic Performance Indirect Economic Impacts Customer Health and Safety
Suppliers 	<ul style="list-style-type: none"> Project Centric Supplier Audit Orders Placement Meetings Electronic Communication 	Regular As needed Monthly Daily As needed	<ul style="list-style-type: none"> Supplier Social Assessment Procurement Practices Supplier Environmental Assessment Marketing and Labelling Materials
Customers 	<ul style="list-style-type: none"> Customer Feedback Questionnaire/Survey Social media Electronic Communication 	As needed As needed As needed As needed	<ul style="list-style-type: none"> Anti-Corruption Customer Health and Safety Customer Privacy Marketing and Labelling Local Communities
Employees 	<ul style="list-style-type: none"> Monthly payroll Staff appraisals Training and product knowledge Management Meeting with Union Performance Review / Incentives Individual Development Programme Electronic Communication 	Monthly Annually Periodically Monthly Annually As needed As needed	<ul style="list-style-type: none"> Training and Education Employment Occupational Health and Safety Labour Management Relations Diversity and Equal Opportunity Freedom of Association and Collective Bargaining Non Discrimination Forced or Compulsory Labour Rights of Indigenous Peoples Human Rights Assessment
Local Communities 	<ul style="list-style-type: none"> Community Engagement Programmes through Corporate Social Responsibility Responsible disposal of wastes and usage of energy efficient resources 	As needed As needed Monthly	<ul style="list-style-type: none"> Biodiversity Effluents and Waste Supplier Environmental Assessment Local Communities Socioeconomic Compliance

OHB Materiality Matrix



OHB Materiality Matrix (2017)

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

Material indicators



CORPORATE GOVERNANCE

Sustainability Governance Statement and Governance Structure

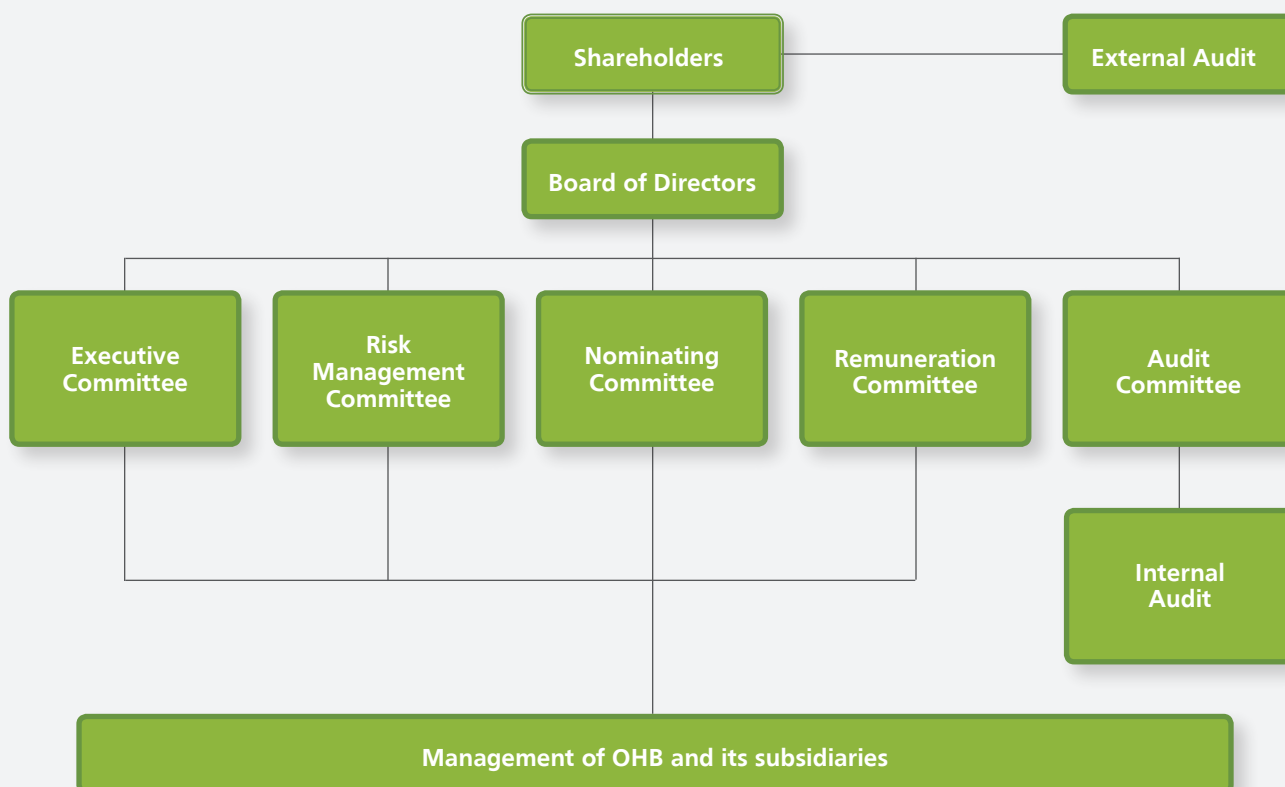
Oriental Holdings Berhad and its subsidiaries are committed to building a sustainable business that delivers value for all its stakeholders, including guests, customers, employees, business partners and the community. We constantly benchmark ourselves against our peers and across industries, consults with corporate governance experts and engages with key stakeholders to strengthen our processes at OHB. Compliance and governance are infused in every aspect of our business. Our commitment in instilling good governance is underscored by an extensive system of policies, processes, training and communications. This has set the tone for better governance and performance throughout the organisation.

Environment

We constantly strive to reduce environmental impacts throughout our operations. We take constructive and progressive actions to develop data, mechanisms and processes to integrate environmental impacts in our business strategies.

Social

We strongly believe that prioritising the importance of keeping our people engaged and motivated correlates to our growth as well as the key driver in achieving our mission. We also value a healthy and safe work place which stimulates and positively supports our people to achieve outcomes in a safe manner, thereby contributing to operational effectiveness and business sustainability. We are committed to deepening our understanding of social issues and our responsibility to the locals.



Sustainability Policy and Code of Ethics

The Group remains dedicated to maintaining good corporate governance and business integrity in all its business activities, which is essential for the long-term sustainability of our business. We believe that good governance is more than just a pursuit towards complying with all the prescripts but that it translates into better business performance and creates a more sustainable value for the Group by way of the following:

- adhere to the requirements of all laws and regulatory requirements, standards and better practices to which the Group subscribes and establishes;
- adopt high ethical values and ensure these practices are upheld across our business through our code of ethics and employee training programmes;
- establish and nurture open, honest and timely communications, and being responsive to concerns;
- establish robust policies and procedures to ensure the adequacy and integrity of the Group's internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- establish a comprehensive enterprise-wide risk management framework, which includes a process to identify, evaluate and manage risks faced by the Group in its pursuit of its business objectives and strategies;
- establish emergency response plans to ensure official, coordinated and fully-resourced response and control measures can be activated to meet the specific needs of all emergency situations within the site of our operations, communities and transportation routes in the event of emergency; and
- establish shareholder's communication policy which allows the Group to effectively communicate with its shareholders, prospective investors, stakeholders and the general community, including maintaining a dedicated website which facilitates easy access to corporate information, annual reports and Group announcements.



Liquor License law are strictly adhered to and regulated with renewals undertaken every three years. All Staff are trained and must hold a RSA (Responsible Service of Alcohol) certificate. There are severe penalties under the Act which can result in the closure of the operation and individual prosecution should the Duty Manager or Staff member not comply.

Source: KAH Australia Pty Limited

Sustainability Policy and Code of Ethics

Corporate Governance models OHB refers to:

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

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

Code of Ethics

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

Code of Ethics on External Environment

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

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

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



Sustainability Policy and Code of Ethics

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 operation instructions, including putting on the necessary safety equipment, where applicable.

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

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



The hotels staff accommodation in New Zealand are **insulated** to **reduce the usage of power** especially during winter.

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

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

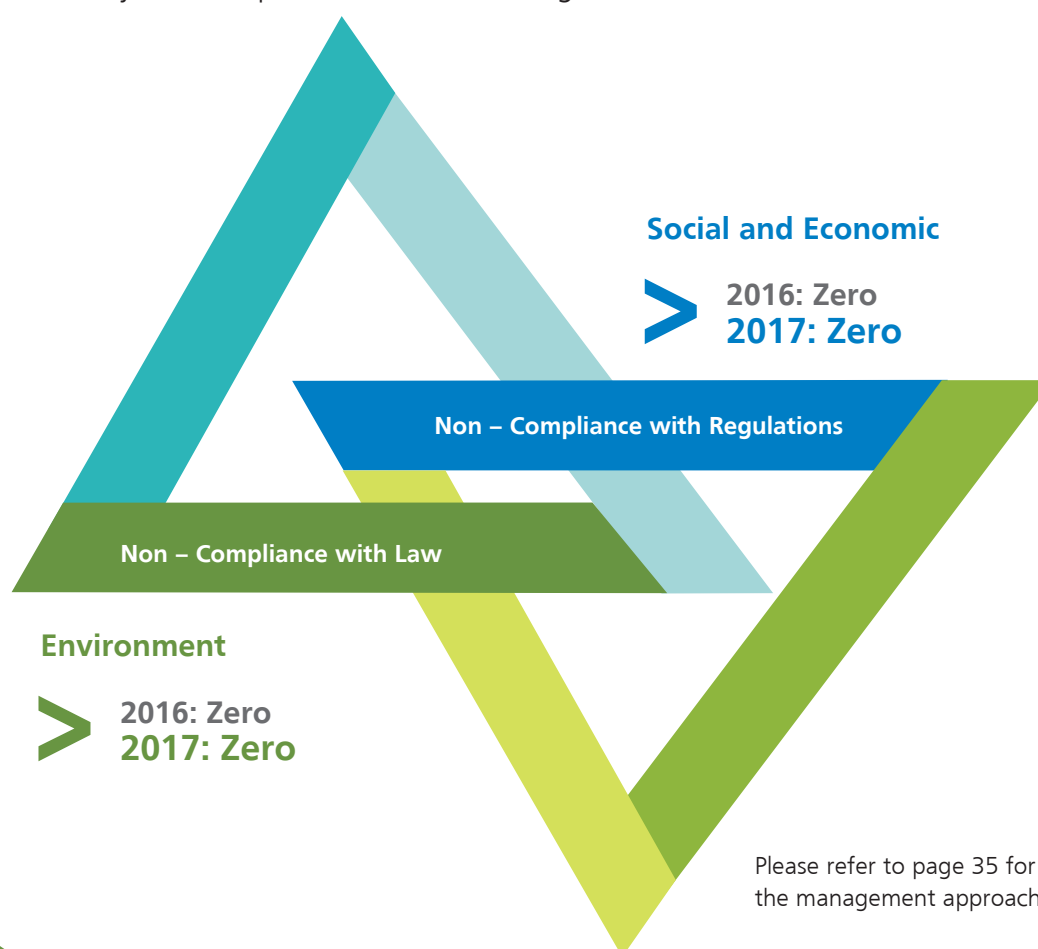
Buying, selling and bidding on our behalf must be done on an "arm's length" basis. Covered Persons are not permitted to offer, give or solicit or accept any payment, gift, bribe, secret commission, favours or other business courtesies that constitute or could be reasonably perceived as constituting,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

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

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

Compliance

OHB remains committed to all regulations set by the government body where it operates. We are closely monitoring all regulated aspects to minimise or to have zero significant fines and non-monetary sanctions. We have set a much stringent set of regulations for ourselves in operational areas where we feel important. We make a great deal of effort in complying with all the requirements. As of 2017, OHB has continued being an exemplary organisation as we have not identified any non-compliance with laws or regulations.



Customers should always be well informed about our products. This has become our value to the buyers. We view product knowledge as an important customer engagement process. We are responsible to inform our stakeholders with full transparency about our products or services.



OHB views any issues on health and safety as priority concern. We set and follow highest standards when it comes to deliverable products. Quality and quantity is our concern but safety is our utmost concern. Understanding each health and safety aspects throughout cradle to grave of our product, allows us to manage and monitor after sales closely.

SOCIAL



WORKPLACE

TRAINING AND EDUCATION: GRI 103-1, 103-2, 103-3, 404-3

In OHB, we strongly believe that prioritising the importance of keeping our people engaged and motivated correlates to our growth as well as the key driver in achieving our mission. Talent engagement means employees are conscious of their business's mission and vision, they understand the vitality of their role and driven to be part of the company's success.

Over the years, we have matured in applying various approaches and investments, nurturing our talents. We constantly find ways to improve our talent pools skill and knowledge, primarily through training and knowledge sharing. Training programmes are undertaken based on industry, role and special skills.

In the hospitality sector, following our Corporate Policies and Procedures as the basis, our managers, supervisors and staff are involved in the development of the standard operating procedure for their respective department. These standard operating procedures are used as training tools to ensure consistent standards are met and to identify any performance gaps that may require further training. Learning attitude is instilled and maintained to elevate the capacity and performance of our talent pool as part of our succession plan for talent retainment.

Key components of Training and Development¹



40 hours of training per year



Monthly monitoring



All level employee



Annual programmes, KPI and training materials



Online eLearning platform



Annual budget for talent development

¹The above illustration data is derived from Silver Beach Operations and Park Suanplu Holdings

Career Performance Review by Employee Category and Gender

Our employees undergo career performance review annually or periodically. We take a systematic and/or unconventional approach depending on the size of the organisation towards engaging with our fellow employees for regular performance and career development. The figures below illustrate our approach for regular performance and career development review.



Training and Education

The table below illustrates the area of topic covered for training and development at each industry level and a total of 469 sub-topic programmes were conducted across all four industry divisions.

Talent Development Programme			
Automotive	Plantation	Hospitality	Healthcare
<ul style="list-style-type: none"> • Health and Safety • Finance • Human Resources • Work Knowledge and Skills • Personal Development • Process Management • Sales and Marketing • Human Resource • Government Compliance • Problem Solving • Management and Leadership Skill • Energy Conservation • Sales Strategies • Advanced Product Quality Planning (APQP) Tools • Waste Management • Quality Assurance • Tax 	<ul style="list-style-type: none"> • Health and Safety • Work Knowledge and Skills • Human Resources • Tax • Corporate Governance 	<ul style="list-style-type: none"> • Health and Safety • Finance • Human Resources • Tax • Work Knowledge and Skills • Personal Development • Guest Service • Soft Skill • Induction Programme • Environment and Health • Communication Session • Team Activity • Safety Training • Fire Drill • Flood Drill • Refresher Programme • System Training • Engineering • Business Continuity Plan • Development Programme • First Aid • Brainstorming Session • Drug Prevention Training 	<ul style="list-style-type: none"> • Health and Safety • Finance • Work Knowledge and Skills • Tax • Personal Development • Corporate Governance







On 5th November 2017, a devastating and calamitous flood hit the Penang state and left its victims struggling with damaged houses and affected livelihood.

Thus, on 10th November 2017 Oriental Holdings Berhad contributed RM 2,000,000 to the Penang State Government's flood relief fund to alleviate the grief and distress experienced by the victims.

469

Total talent development programmes conducted in 2017

Industry	Employee Category	Average Hours of Training	Gender	Average Hours of Training
	Executive	11.31	Male	12.63
			Female	9.43
	Non-Executive	9.85	Male	11.00
			Female	7.37
	Executive	4.86	Male	4.72
			Female	11.5
	Non-Executive	3.51	Male	3.48
			Female	3.86
	Executive	4.66	Male	4.38
			Female	5.09
	Non-Executive	3.58	Male	3.97
			Female	3.33
	Executive	11.87	Male	9.47
			Female	12.62
	Non-Executive	13.65	Male	10.00
			Female	14.18

WORKPLACE EQUALITY

Our working relationship with the local governments is that of a regulatory basis with resource consents, licencing and compliance. For example, KAH Australia Pty Limited supports and complies with the Equal Employment Opportunity Act and Workplace Anti Discrimination Act. We are also in compliant with the Workplace Gender Equality Act (2012), which is committed in supporting organisations to maximise the full potential of female and male employee.

GRIEVANCE MECHANISM

New Zealand has a very strict Employee Relations Legislation that protects the employee and forms part of all Individual Employment Agreements. As part of this legislation, there is strict and legal process for any grievance that cannot be deviated from. Our New Zealand Practise encourages employees to be open and communicative at all levels and these have been implemented as part of our training in 2017 Communication Training which gives employees an opportunity and confidence to confront and address any issues that may arise before it becomes a problem.

TRAINING AND EDUCATION

Training programmes for our hospitality industry are undertaken for varying levels of employment, beginning with staff induction programme. Industry training organisations are introduced to staff in all levels and specific to individual departments. All Head of Departments (HODs) conduct on the job training on varied areas as identified by the HODs and management.



Chemical Training
Source: Kah New Zealand



Fire Extinguisher Training
Source: Kah New Zealand



Daily Safety Reminders Training
Source: Park Suanplu Holdings

Government funded training is also used when available to aid staff development. Our goals are to meet industry standards and to offer all staff a professional opportunity to train while on the job which in turn will benefit the Hotels. Staff retention is a primary focus of our HR Department as it is essential for providing consistent service and also a reduction in training and recruitment costs.

The plantation sector believes that via talent development, employee's skills will be upgraded into a higher level leading to improving the efficiency at workplace and costs will be reduced accordingly over time.



Training of FFB Grading
Source: Plantation Division, Indonesia



Forest Fire Fighting Training
Source: Plantation Division, Indonesia

Apart from acquiring new knowledge and skills, our automotive sector also focuses on providing new models training for sales and service staff prior to product launching in order to meet the requirements, current demands as well as the market change.



Sales Product Training
Source: Kah Motor Company Sdn. Berhad (Singapore Operations)



Workplace Gender Equality Agency Notice of Compliance
Source: KAH Australia Pty Limited

CUSTOMER HEALTH AND SAFETY

Health and Safety is an utmost important matter across every aspect of our operations. We value a healthy and safe work place which stimulates and positively supports our people to achieve outcomes in a safe manner, thereby contributing to operational effectiveness and business sustainability. We have implemented a WHS (Workplace Health and Safety) System which ensures that all our businesses are compliant and updated with the Work Health and Safety Act and regulations leading to an environment and systems of work which are free, as far as practicable, from risk of injury or disease for all our guests as well as employees.

To date, no grievances, complaints or fines recorded.

Selected Initiatives:

Automotive

Singapore Dealer – Customer health and safety has a direct impact on our business as it can lead to loss of business and loss of stakeholders' (customer, staff and management) trust. Thus, to prevent any mishap from happening, we restrict access for customers going into dangerous area such as workshop and drawing walking path for pedestrian crossing in our workplace. These are constantly monitored by our respective managers and supervisors.

Plantation

Indonesian Operations - As we have zero tolerance towards customer safety and health, all customers are briefed on safety and health talk during their visit to the plantations. All products (CPO and CPKO) delivered to the buyers (customers) must meet the safety and health requirements.



Responsible Service of Alcohol certificate



Fire Training Schedule

Hospitality

Silver Beach Operations - We have implemented standard safety and security practices into all our hotel operations and activities, and these are regularly reviewed to ensure they are sufficient. In our hotel kitchens, we strictly adhere to regulate food safety standards to ensure the highest levels of food safety. To ensure customers and employee safety, we undertake quarterly audits from an external company (NSF) covering six audit scopes such as health and safety, food hygiene, food safety, security, licensing and fire compliance. The practice scored green for all six scopes of the audit for financial year 2017.

Kah Australia - Food safety compliance and controls are monitored to ensure the highest standards of food safety are adhered to. This is a daily task of Chefs and food and beverage staff to ensure monitoring is mandatory as part of their everyday duties. Refrigeration temperatures are monitored, rotation of stocks controlled, quality control of all products received, all chemicals labelled and used in the correct and appropriate manner in the correct and appropriate containers. Training is mandatory and audited by internal management processes and external regulators to ensure we are compliant at all times.

Kah New Zealand - WHS Officer meets with HSR (Health Safety Representatives) and HODs on a regular basis and assist them on various aspects of training staff on safe work practices. HSRs and Department heads are responsible for identification of potential risks and hazards and they must be reported promptly. Maintenance department plays a crucial role rectifying any issue reported promptly. WHS Officer ensures that HODs conduct Tool Box Meetings regularly with their respective team in which various issues are discussed to make team members aware of safe working practices, avoid hazardous practices and identify any potential areas that could be improved. Identification of all hazardous materials in workplace is monitored internally by chemical companies engaged by the Hotels. Chemicals substances are stored, handled and signed as required by law.

Grievances on
Customer Health and Safety: **0%**

CUSTOMER PRIVACY

Protecting customer's privacy is our duty and we take it very seriously. Customer privacy is paramount and can, if not monitored and regulated, impact our reputation and have a financial implication should it lead to legal recourse. Thus, we have taken a top down approach on this matter, and embedded into our internal policies where required as well as ensuring all division are complying to the Personal Data Protection (PDP) Law or Regulations. Some of the locally adhered regulations are as follow:

- Information Privacy Principles (IPPs) 1980;
- Data Protection Act 1998;
- Personal Data Protection Act (PDPA) 2010;
- Private Healthcare Facility Act 2006;
- Medical Act; and
- Privacy Act 1993.



ZERO

Breaches on Customer Privacy
and Data Loss in the year 2017

Selected Initiatives:

Automotive

Engaged lawyers considered all aspects of the business where PDPA is concerned and drafted various PDP forms to be embedded as part of the process flow. These forms are reviewed and sign-off by department heads. The Singapore division hides the customer's identification number in their invoices. The manufacturing division uses a Non-Disclosure Agreement (NDA) with the relevant stakeholders to safeguard their privacy.

Plantation

The Indonesian operations sees a correlation between customer privacy and business reputation. We believe customers are becoming more educated and savvy about the privacy concerns. Besides, they are also becoming more distrustful of how companies gather and use these information. Thus, embedded in their internal policy is the restriction that all estates and palm oil mills must fully comply to "No sharing of customer's data with third parties without their consent". This initiative is monitored and reviewed via internal audit.

Hospitality

The Australian division fully adhered to the 10 Information Privacy Principles (IPPs) developed by the Organisation for Economic Cooperation Development embedding it into their internal policies. The IPPs cover the following areas such as collection, use and disclosure, data quality, data security, openness, access and correction, unique identifiers, anonymity, transborder data flows and sensitive information.

The New Zealand division has taken all reasonable effort to ensure the customer is aware that personal information is being collected, what it will be used for, the recipients of that information whether the supply of information is voluntary or mandatory, the consequence of not providing the information and the person's right of access to and correction of that information. In addition to that, all credit card information when given by individuals, is held inside the PMS Opera and is only viewable based on user rights to access this information. After departure, this credit card information is held for a period of 120 days before becoming masked in the system for all users with only guest personal profile remaining and the last four digits of credit card number as a reference. Should the guest make a future booking, the Reservations Department can retrieve the card details by retrieving from the encrypted part of the guest's profile.

Healthcare

Every healthcare personnel has their own user account and password to login into Electronic Medical Record (EMR). The accessibility of patient information in this system is subject to their position and operation needs. The access is traceable by the system and a medical practitioner can only release patient's medical documents upon receiving the patient's consent.

LOCAL EMPLOYMENT

Our hospitality industry demonstrates a strong commitment to local employment. As our business grows, employment opportunities grow with both full time and part time work available to locals. We work closely with schools and tertiary providers offering on the job training and career pathways to senior students. Furthermore, our in-house training and professional development opportunities for all staff adds value to the greater hospitality industry as staff migrate into other areas with skills developed through their training modules.

As a response of providing employment opportunities to Iwi (local indigenous people in New Zealand), our hotels are able to maintain strong regional alliances enabling future growth of the hotels and further opportunities for both parties (particularly important at the Chateau where Iwi is the land owner and decision maker on the lease renewal opportunity).

ENHANCING LOCAL COMMUNITIES THROUGH OUR PRESENCE

Being two of the largest employers in the area, our hotels in New Zealand are major economic contributors to the central North Island region and within those districts, with salaries and wages being reinjected into the local economies. At the same time, with four hotels in Australia, KAH Australia Pty Limited is a major economic contributor to the country. Goods and services purchased locally make an impact on the economy given the increased spend of our hotels across all sectors.

Our Australian subsidiary has supported many local sporting teams, schools, hospital, religious establishments, NGOs and other organisations. Following this, we had been awarded with several awards. Certainly, our memberships and involvements with various industry organisations have enabled us to share and gain knowledge, as well as have made our voices heard at the central level.



In the meantime, our plantation sector recognises and embraces its role in the socioeconomic welfare of local communities by portraying its ongoing commitment to both corporate contribution and community outreach through programmes with indigenous communities. For example, PT GML conducted the development of farms for local people known as Revitalisation Programme and provided training assistance to local farmers such as the correct understanding of the Standard of Procedures (SOP) for oil palm cultivation.

Active participation and support of community groups and activities by our Australian subsidiaries:

- Woolloomooloo Police Community Scholarship Foundation
- Eastwood Rugby
- Canterbury Bulldogs
- New South Wales (NSW) Netball Swifts
- Volleyball Australia
- Crossing The Line
- Eastwood / Ryde Netball Association
- Sydney Children Hospital Foundation
- Volunteering Australia
- Cancer Council NSW
- National Heart Foundation
- Royal Hospital for Women Foundation
- Swim 4 Autism
- Autism Spectrum Australia
- Fire and Rescue NSW
- Giant Steps
- Special Olympics
- NSW police Force – St Georges Charity Ball
- Flight Centre Foundation Trivia
- The Shire Society Events
- Streetwork
- Brad Connellan Cancer Fight Fund (Thyroid Cancer)



Some of the membership listing joined by the Group:

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



ENVIRONMENT

Climate change and environmental risks are real issues that the global community faces today. As a business organisation that directly and indirectly produces environmental footprints, we constantly strive to reduce environmental impacts throughout our operations. We take constructive and progressive actions to develop data, mechanisms and processes to integrate environmental impacts in our business strategies. Our success in 2016 was replicated in 2017, when we once again recorded zero total monetary value of significant fines.

Similarly in the plantation arm, we have placed emphasis on managing environmental impacts. We have committed to comply with high standards of Sustainability Schemes including Indonesia Sustainable Palm Oil, Roundtable Sustainable Palm Oil (RSPO) and Malaysia Sustainable Palm Oil (MSPO). This is made possible by setting and implementing environmental policies, such as protecting High Conservation Value (HCV) and High Carbon Stock (HCS) land. In addition, we strongly believe in upskilling our sustainability officers to provide them with the necessary knowledge to uphold sustainability standards. Internal and external audits conducted by relevant organisations further improve the quality of our environmental management. In the long run, we target to join RSPO membership and achieve full RSPO certification in 2020, adding further value to our business.



Plantation in Malaysia

Total Planted 4,825 ha in Malaysia (as of Dec 2017)

Oriental Rubber & Palm Oil Sdn. Berhad



Plantations in Indonesia

Total Planted 34,257 ha in Indonesia (as of Dec 2017)

Pulau Bangka:

- I. PT Gunung Maras Lestari
- II. PT Gunungsawit Binalestari
- III. PT Bumi Sawit Sukses Pratama

South Sumatera:

- I. PT Gunung Sawit Selatan Lestari
- II. PT Pratama Palm Abadi
- III. PT Dapo Agro Makmur
- IV. PT Surya Agro Persada
- V. PT Sumatera Sawit Lestari



Our Plantation arm organises environmental compliance related training programmes for our on-site employees. We abide to all environmental policies by:

- Protecting high conservation values (HCV) areas ;
- No deforestation;
- Conserving and managing peat land and high carbon stock (HCS) areas; and
- Zero non-compliance and fines.

ENVIRONMENT

ENERGY: GRI 103-1, 103-2, 103-3, 302-1

Energy Consumption in our Conglomerate

Our divisions namely Automotive, Plantation, Hospitality and Healthcare are responsible for energy consumption for multiple reasons. A majority of our energy consumption is almost entirely from electricity usage. To play our part as global citizens, we have launched initiatives to reduce our energy use to curb carbon emission. Fundamental to this effort is establishing a robust system to monitor our energy consumption throughout our business. We realise the importance of reducing business carbon footprints, thus we have begun utilising energy-efficient appliances and sourcing electricity from renewable sources such as on-site turbine generators and geothermal power.

Healthcare

Electricity (kWh): **8,865,646**
Diesel (kWh): **0.1**



Plantation

Electricity - Renewable (kWh): **18,033,068**
Electricity (kWh): **392,728**
Fossil Fuel (kWh): **51**



Renewable Energy Generated - Geothermal (kWh): **6,083,089**

Hospitality

Electricity (kWh): **6,972,440**
Fossil Fuel (kWh): **0.0042**
Coal (kWh): **7,009,725**
Natural Gas (kWh): **6,259,596.2**
LPG (kWh): **1.3**
Diesel (kWh): **0.8**
Steam (kWh): **5,857,599**
Petrol (kWh): **0.9**



Automotive

Electricity (kWh): **5,588,637**
Natural Gas (kWh): **277,440**
Electricity - Renewable (kWh): **2,603,651**



Total Energy Consumption (kWh)
67,943,673.3

Renewable and Non-Renewable Energy Consumption throughout OHB in 2017



Non-Renewable Energy
41,223,825.3 kWh

Renewable Energy
26,719,808 kWh



One of our efforts is to convert more than 50% of lights to LED (in one of our subsidiaries) to achieve an average six months saving around RM 8,000.

Conversion factors source:-

1. <http://www.kylesconverter.com/energy,-work,-and-heat/litres-atmosphere-to-kilowatt-hours>
2. <https://www.convertunits.com/from/ton/to/kWh>

Beyond Compliance in the Hospitality Industry

Our efforts in monitoring energy consumption asserts our long-term commitment to improve organisational sustainability. In line with our goals in energy efficiency and waste management, we have taken steps in the right direction by rolling out energy-saving initiatives such as LED lights replacement, investment in energy-saving appliances and staff training awareness to promote energy conservation.

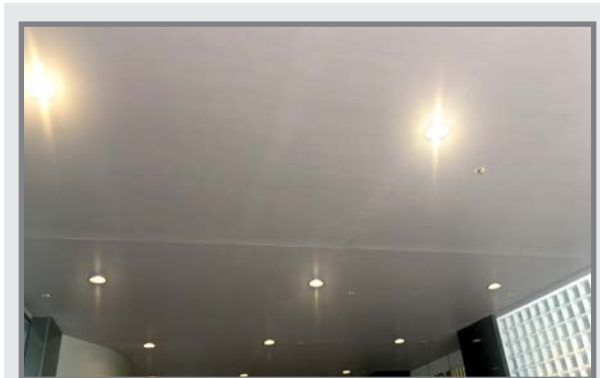
ENERGY EFFICIENCY

Our energy efficiency initiatives in hospitality include installing sensor lighting and timed lighting in outdoor areas such as car parks and fire stairs to reduce energy wastage. Besides that, LED lighting are introduced in public areas including accommodation and function rooms to ensure savings on both energies cost and bulbs.



Guest rooms are equipped with power saving key card activation for lighting and air conditioner.

Source: KAH Australia Pty Limited



LED lighting is introduced in public areas, including accommodation and function rooms.

Source: KAH Australia Pty Limited

WATER MANAGEMENT

We monitor water consumption against occupancy levels on monthly basis in order to better understand usage trends. At our Wairakei Resort New Zealand operations in particular, we are fully compliant with local resource management regulations. We strive to optimise water usage by only taking up to 700 cubic metres of water per day, at a maximum rate of 12 litres per second from the Waikato River.



Water sharing head installed in guest rooms

Source: KAH Australia Pty Limited

ECO-CONSCIOUS BUSINESS

Eco-conscious businesses generally attract employees who are seeking companies with good reputation and having a positive business culture. Our focus on ensuring sustainability fundamentally builds a culture of accountability throughout the organisation. More importantly, consumers increasingly do not just shop for the products, but also the organisations. Our hotels are on a mission of environmental sustainability to build a reputation among consumers as eco-friendly hotels. Some of our efforts to create sustainability awareness include:

- Green guest amenities
- In room green message



Source: KAH Australia Pty Limited

Our Hospitality operations in New Zealand has shown a unique commitment to reduce carbon emissions by creatively utilising renewable energy. As the Wairakei Resort sits within the geothermal fields of the Wairakei Valley, natural steam is used to heat pools and water. Power consumption is monitored monthly and is reviewed every three years to ensure the best rates on usage are hedged.

In the long run, we aim to decrease our usage by 5% in 2018. The plan is facilitated by our ongoing efforts to increase the uptake of energy-efficient practices such as using LED lighting, reduced flow taps in guest rooms and investing into more energy-efficient equipment.



Wairakei Resort in Lake Taupo, New Zealand has been awarded **Gold** under the Sustainable Tourism Business by Qualmark in 2017. This award recognises high level of commitment to environmental responsibility including energy efficiency, waste management, water conservation and energy conservation.



- Donation of food waste to local farmers
- Using grey water to irrigate forestry block and organic garden
- Utilise geothermal energy from steam produced by a nearby power station
- 100% recycling of all paper, cardboard, glass and plastic
- Waste cooking oil is collected by Biodiesel NZ
- Collecting water from the river and treating on-site rather than from the mains
- Squash courts operate on a token systems so that they are only used when required
- Bicycles provided to maintenance team to reduce use of vehicle on property
- Monitoring use of steam and electricity and set targets to reduce usage
- Ensuring all pumps are running efficiently and where possible replace with modern, efficient pumps/motors
- Replace broken bulbs with energy saving bulbs throughout the property
- Using preventive measure maintenance to prevent leaks occurring

Healthcare

We take environmental compliance in a medical environment earnestly as we understand its importance to ensure the safety of patients. As a private medical provider, we comply with requirements in the Private Health Act Regulation pertaining to hygiene and safety of facilities. For instance, we have infectious control policies in place to uphold standards in risk assessment, waste disposal and equipment use among many others. These processes, audited by Malaysian Society for Quality in Health (MSQH), ultimately provide a clean, safe and comfortable environment for our esteemed patients.

SUSTAINABILITY REPORTING

GRI CONTENT INDEX

GRI 102-55

GRI Standard Disclosures	Description	Chapter	Page Reference
ORGANISATIONAL PROFILE			
GRI 102-1	Name of the organisation	Front Cover, Corporate Profile	4
GRI 102-2	Activities, brands, products and services	Corporate Profile	4, 5, 6
GRI 102-3	Location of headquarters	About This Report	17
GRI 102-4	Location of operations	Corporate Profile	5, 6, 7
GRI 102-5	Ownership and legal form	Group Corporate Structure	10, 11, 12
GRI 102-6	Markets served	Corporate Profile	5, 6, 7
GRI 102-7	Scale of the organisation	Corporate Profile	3, 5, 6, 7, 9
GRI 102-8	Information on employees and other workers	Highlights of 2017	3
GRI 102-9	Supply chain	N/A	N/A
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