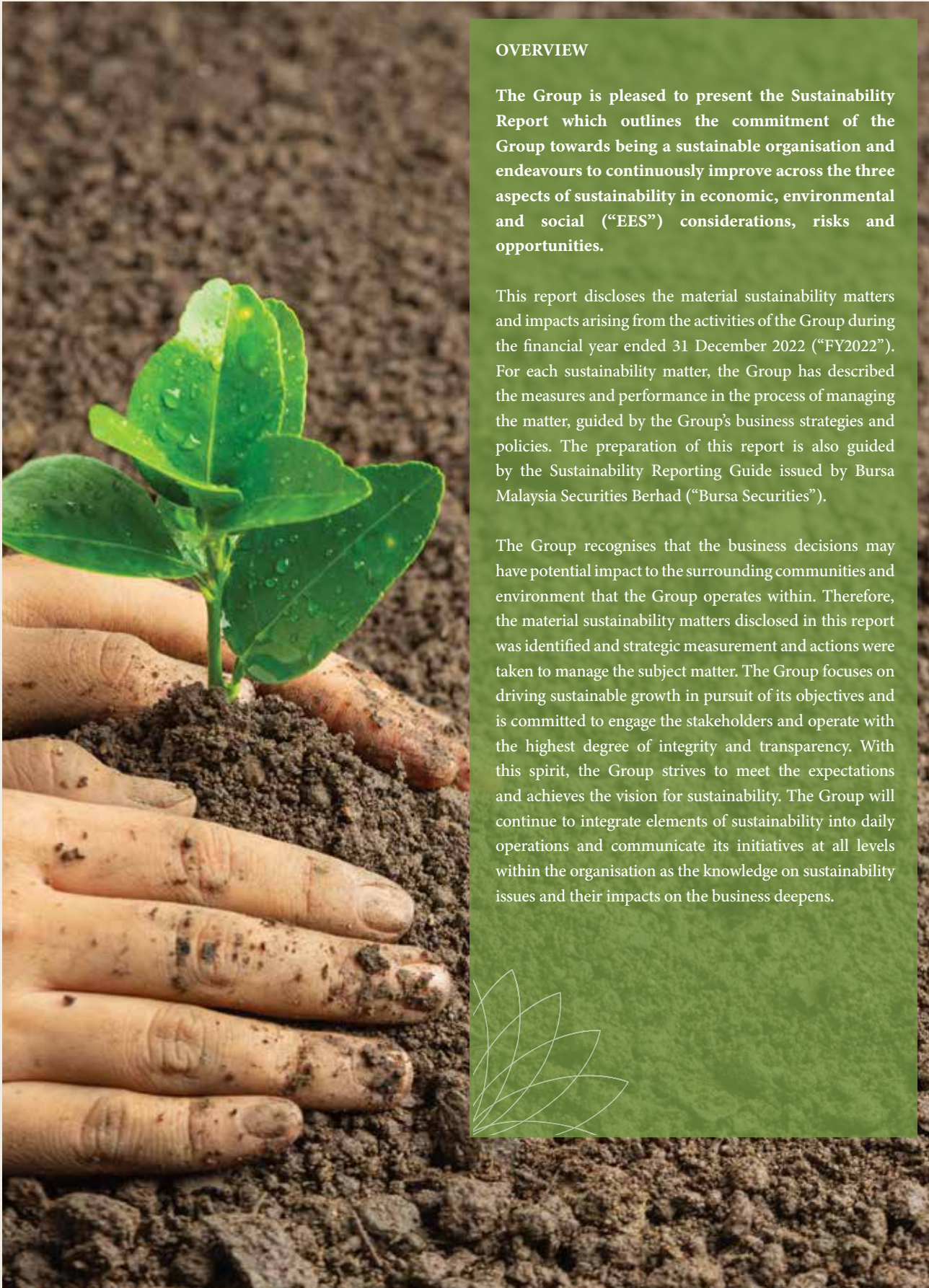




# Sustainability Report



## OVERVIEW

The Group is pleased to present the Sustainability Report which outlines the commitment of the Group towards being a sustainable organisation and endeavours to continuously improve across the three aspects of sustainability in economic, environmental and social (“EES”) considerations, risks and opportunities.

This report discloses the material sustainability matters and impacts arising from the activities of the Group during the financial year ended 31 December 2022 (“FY2022”). For each sustainability matter, the Group has described the measures and performance in the process of managing the matter, guided by the Group’s business strategies and policies. The preparation of this report is also guided by the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Group recognises that the business decisions may have potential impact to the surrounding communities and environment that the Group operates within. Therefore, the material sustainability matters disclosed in this report was identified and strategic measurement and actions were taken to manage the subject matter. The Group focuses on driving sustainable growth in pursuit of its objectives and is committed to engage the stakeholders and operate with the highest degree of integrity and transparency. With this spirit, the Group strives to meet the expectations and achieves the vision for sustainability. The Group will continue to integrate elements of sustainability into daily operations and communicate its initiatives at all levels within the organisation as the knowledge on sustainability issues and their impacts on the business deepens.



## Sustainability Report (cont'd)

### GOVERNANCE STRUCTURE

At PRG, the sustainability leadership is led by the Board who is responsible to oversee the integration of sustainability initiatives across the Group and its business strategy, and that adequate resources, systems and processes are in place for managing the sustainability matters.

In order to assist the Board in driving and reporting the Group's sustainability practices, the Group Executive Vice Chairman with the assistance of the Executive Directors of each division and the key members of senior management team are responsible for the management and oversight of sustainability matters which are aligned with the Group's business strategy, direction and operation; the implementation of appropriate measures and actions as well as monitoring of key performance indicators, if applicable.

### SCOPE OF SUSTAINABILITY STATEMENT AND BASIS

Unless otherwise stated, this Sustainability Report covers the overall EES performance of all the operating divisions of PRG Group, namely the Manufacturing Division, Property Development & Construction Division, Agriculture Division and the new Energy Efficiency Division which the Group completed its acquisition in August 2022, with operations in Malaysia, Vietnam, China and Singapore.

Furniweb Holdings Limited ("FHL"), a 50.45%-owned subsidiary of the Company, is the holding company of the subsidiaries operating in the Manufacturing Division. FHL is listed on the GEM of The Stock Exchange of Hong Kong Limited and is subject to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). FHL had published its Environmental, Social and Governance Report in accordance to Environmental, Social and Governance Reporting Guide set out in the GEM Listing Rules.


### MATERIALITY ASSESSMENT

#### Identification

The Group conducts materiality review every year to identify the sustainability matters that are important and relevant to the Group and its stakeholders. The result would help the Group to address and manage the material sustainability matters.

#### Stakeholder Engagement

Continuous engagement with the stakeholders is important in order for the Group to develop more robust and comprehensive sustainable business strategies. Due to their considerable influence and impact on the business, the Group values the relationships with its stakeholders. High emphasis is placed on two-way communication with all stakeholders who are impacted by or have the ability to influence the business. The Group strives to continuously engage with these stakeholders to address their needs and concerns on issues related to the business operations through various channels such as but not limited to those stated below:-






Stakeholder	Key Areas of Concern	Engagement Platform
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Performance and remuneration</li> <li>• Training and career development</li> <li>• Talent retention</li> <li>• Employee welfare</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Appraisal meetings</li> <li>• Training programmes</li> <li>• Individual development plans</li> <li>• Circulation of internal memos</li> <li>• Email communications</li> <li>• Employee engagement activities</li> <li>• Festive gatherings</li> <li>• Team building activities</li> <li>• Meetings with the management</li> <li>• Weekly sport activities</li> </ul>



## Sustainability Report (cont'd)

### MATERIALITY ASSESSMENT (CONT'D)

#### Stakeholder Engagement (Cont'd)

Stakeholder	Key Areas of Concern	Engagement Platform
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Brand reputation</li> <li>• Products and services quality</li> <li>• Delivery schedule</li> <li>• Customer satisfaction</li> <li>• Data privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Official website</li> <li>• Launches/Marketing Events</li> <li>• Dedicated sales and marketing personnel to liaise with customers and to follow up with customers' feedback</li> </ul>
<b>Shareholders &amp; Investors</b> 	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business strategies and directions</li> <li>• Compliance with regulations</li> <li>• Corporate governance and transparency</li> <li>• Ethics and integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and quarterly reports</li> <li>• Annual and quarterly results announcements</li> <li>• Annual General Meeting ("AGM")</li> <li>• Extraordinary General Meeting ("EGM")</li> <li>• Announcements on Bursa Securities</li> <li>• Investor relations section of the Company's website</li> <li>• Press release and coverage</li> </ul>
<b>Regulators &amp; Authorities</b> 	<ul style="list-style-type: none"> <li>• Compliance with laws, regulations, guidelines and national policies</li> <li>• Governance compliance</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Emails/ letters</li> <li>• Dialogues with the authorities</li> <li>• Workshops and trainings organised by the relevant regulatory authorities</li> </ul>
<b>Vendors/ Suppliers</b> 	<ul style="list-style-type: none"> <li>• Development of vendor and supplier long-term relationship</li> <li>• Stable quality supply and on time delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiations with vendors/ suppliers</li> <li>• Supplier periodical performance evaluation</li> <li>• New vendor evaluation and registration</li> </ul>
<b>Media</b> 	<ul style="list-style-type: none"> <li>• Company Reputation</li> <li>• Publicity</li> <li>• Business performance</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing engagement sessions and interviews</li> <li>• AGM and EGM</li> <li>• Press release and coverage</li> <li>• Press conference</li> </ul>

With regards to sustainable development, the Group believes stakeholders' inputs are essential in shaping the roadmap and strategy to strengthen the EES management and the Group will actively engage in different platforms to communicate with the stakeholders.





## MATERIAL SUSTAINABILITY MATTERS

In this report, materiality in sustainability terms is not limited to the matters that have significant financial impact to the organisation but also includes the consideration of ESS impact to the Group's ability to meet the needs of present and future generations. As defined in Paragraph 6.3, Practice Note 9 of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), sustainability matters are considered material if they:

- (a) reflect the listed issuer's significant economic, environmental and social impact; or
- (b) substantively influence the assessments and decisions of stakeholders.

### 1. Economic

#### 1.1 Supply Chain Management

The Group has a wide range of suppliers globally providing various products and services. Supply chain management is critical in facilitating the operations and the Group aims to build mutually beneficial relationships with the suppliers in the long run. Therefore, the Group engages with suppliers fairly, transparently and ethically. The Group will review the suppliers based on, amongst others things, price and payment terms, product and service quality, operation scale and geographical proximity to the production facilities. The Group will take all reasonable efforts to conduct appropriate evaluations and assess the background information of the potential suppliers and communicate the Group's expectation to promote environmentally and socially responsible practices to the suppliers. To identify and manage environmental and social risks along the supply chain, the Group also performs tests on samples collected from potential suppliers and may engage them on trial basis. Quality evaluation reports for each of these potential suppliers are compiled and those who pass the evaluation procedures to the satisfaction will be admitted as the qualified suppliers. A qualified supplier list for the principal raw materials is maintained by the purchase and procurement department and all principal raw materials must be purchased from the qualified suppliers. The Group closely monitors the performance of the suppliers and quotations from different suppliers that are generally obtained prior to certain procurements to ensure the competitiveness of their pricing. Suppliers failed to keep up with the requirements on product and service quality or contribute to material product defects at any stage of production may be removed from the qualified supplier list.



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**The Group will take all reasonable efforts to conduct appropriate evaluations and assess the background information of the potential suppliers and communicate the Group's expectation to promote environmentally and socially responsible practices to the suppliers.** ”

#### 1.2 Product Responsibility

With the knowledge that reliable delivery of quality products to the customers is critical to the Group's success, the Group has implemented quality control procedures throughout the production process. For instance, the Group only sources raw materials from suppliers on the approved suppliers list and evaluates the suppliers from time to time and performs tests on samples collected from potential suppliers before engaging them as approved suppliers.

The Group ensures none of its products would harm the safety and health of the customers. Over the years, the Group had received a number of awards and certifications in recognition of the business development and quality standards including GB/T19001-2016/ISO 9001: 2015, GB/T24001-2016/ISO 14001: 2015, IATF 16949:2016, Oeko-Tex® Standard 100 Product Class I & II, ISO 13485: 2016 and BRC Global Standard for Packing Materials Issue 6: August 2019. As the Group is to supply to textile industry, the Oeko-Tex® Standard 100 is widely used in this industry as a uniform global standard of testing and certification. The Oeko-Tex® Standard 100 tests harmful substances at all stages of production, including raw materials, semi-finished products and finished products. Only manufacturers who comply with strict testing and inspection procedures



## Sustainability Report (cont'd)

and provide verifiable quality assurance are allowed to place the Oeko-Tex label on their products. The Group's management team members have equipped themselves with risk management knowledge by having attended risk management training, including understanding of ISO 9001 quality management system.

For any complaints from customers in relation to product quality, the quality control team will analyse the details of the complaints and the respective products and determine the reasons of and take safeguard measures to prevent it from happening in the future. The quality control team will identify reasons of defective products such as defective raw materials, improper or errors in manufacturing process or improper loading/unloading during transportation. The procurement team will communicate and verify with suppliers for the quality issues on raw materials. Suppliers shall bear the responsibility once identified and confirmed, such raw materials supplier will be removed from the suppliers list if defective raw materials are being identified repeatedly. If the errors are identified in manufacturing process, the quality control team will analyse the details including going through the manufacturing process with production team. The production team will take immediate assessment on the production process so as to improve the production process and avoid the repeated mistakes from occurring. The procurement team will communicate and verify with carriers for the improper loading/unloading and carriers shall bear the responsibility once identified and confirmed. Defective products will be collected from customers and replaced with new batch of products.

The Group secures its intellectual property by using trademarks, confidential information and other applicable forms of legal protection. The Group had registered seven trademarks and eight domain names in Malaysia, Vietnam, Singapore and People's Republic of China which are material in relation to the business. In addition, the Group has set up customer services team that are in charge of handling customer complaints. The Group is also committed to protecting customers' personal data. Data is the valuable asset to the Group. The Group has developed a policy of information management system to provide guidance to employees on control and usage of company data and to restrict access or use where necessary to protect the interests of the Group. Data is classified into different levels according to the confidentiality as public, internal, and restricted/confidential data.

## 2. Environmental

### 2.1 Environment Management System

The Group understands the importance of environmental sustainability and protection. The Group takes measures to protect the environment in which the Group operates through the implementation of an environmental management system at the factories.



The Group is committed to operating in compliance with applicable environmental laws and regulations in all material respects and protecting environment by minimising the negative impact of the Group's operation on the environment. A subsidiary of the Group has been certified with the ISO 14001:2015 Certification for Environmental Management Systems issued by SGS (Malaysia) Sdn. Bhd. and SGS United Kingdom Limited. For the other subsidiaries, the Group has also put in place the environmental management system that identifies and manages the environmental risks concerning the businesses. The Group is able to identify environmental opportunities, enforce programs, promote awareness among the employees and stakeholders and seek continuous improvement.

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**The Group had registered seven trademarks and six domain names in Malaysia, Vietnam, Singapore and People's Republic of China which are material in relation to the business. ”**



## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## 2. Environmental (Cont'd)

## 2.1 Environment Management System (Cont'd)

## 2.1.1 Emissions

Major emissions of the Group are gas emissions from boilers and machines, sewage discharges from dyeing process and other associated hazardous waste from other production phases and construction sites.



As the Group is committed to abide by all respective laws and regulations in the areas the Group operates in, the Group had obtained the registration books of hazardous waste generator for generating hazardous waste (such as waste oil, waste sludge, containers of chemicals) produced in the manufacturing activities. The non-hazardous waste, such as waste water from dyeing process, or other solid waste generated from the production process that require special treatment are complied with applicable environmental standards and measures in Malaysia and Vietnam.

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**A subsidiary of the Group has been certified with the ISO 14001:2015 Certification for Environmental Management Systems issued by SGS (Malaysia) Sdn. Bhd. and SGS United Kingdom Limited. ”**

For the manufacturing process and construction sites, the Group has adopted the following measures including engaging an independent and licensed pollutant treatment company to dispose the hazardous waste, and wastewater was centrally collected and treated before discharged. The non-hazardous wastes and hazardous wastes were collected and stored separately before being transferred to landfill for disposal. All disposals and handling of the non-hazardous wastes and hazardous wastes produced during the production from the Group are strictly compliance to related laws and regulations in Malaysia and Vietnam.



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**All disposals and handling of the non-hazardous wastes and hazardous wastes produced during the production from the Group are strictly compliance to related laws and regulations in Malaysia and Vietnam. ”**

## 2.1.2 Use of resources

The Group focuses on the use of resources such as energy, water and paper and packing materials. By utilising them efficiently not only helps lowering the operating cost, but also reduces its carbon footprint. The Group believes that it relies on the efforts from all of the employees, therefore, the Group has to raise the environmental protection awareness among employees and proactively seeks opportunities for increasing operating efficiency in order to reduce the use of resources through key initiatives set up to achieve higher energy efficiency.



## Sustainability Report (cont'd)

### MATERIAL SUSTAINABILITY MATTERS (CONT'D)

#### 2. Environmental (Cont'd)

##### 2.1 Environment Management System (Cont'd)

##### 2.1.2 Use of resources (Cont'd)

###### Electricity

The Group's electricity is mainly consumed by operations of machineries at factories and construction sites, the confinement centres and office daily use. Besides upgrading our facilities with higher energy efficiency, the proper production planning was in place and monthly monitoring on the energy consumption are carried out to manage the use of energy. The Group also carried out the energy saving equipment enhancement where appropriate to achieve high energy efficiency. In the previous financial year, the Group had replaced the traditional light bulbs with electricity-saving light bulbs at the offices and factories to reduce energy consumption.



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**Employees are encouraged to use natural ventilation instead of air-conditioning whenever the conditions are allowed. ”**

In addition, the Group has encouraged employees to use electricity efficiently and the lights are being switched off during lunch and after normal working hours. Employees are encouraged to turn off idle machines and office equipment when they are not in use. The temperature of the office will maintain between 24°C and 26°C and employees are encouraged to use natural ventilation instead of air-conditioning whenever the conditions are allowed. The Group will continually review the energy consumption and seek to further reduce energy consumption and electricity consumption.

Apart from exploring opportunities to further improve energy efficiency, the Group has also taken green initiatives into account for our network related operations and production and we work closely with the energy consultant by exploring opportunities to apply energy-efficient solutions at our plants.

The new energy efficiency business of the Group is using energy efficiency management system to help our customers to optimise energy usage and contribute positively to environmentally-regenerative growth at the corporate and national levels, for the benefit of current and future generations.

###### Water

Water is mainly consumed for dyeing process at factory, building materials at construction sites and daily operations. The wastewater from dyeing process was treated in accordance to applicable environmental standards and measures before discharged. The Group strives to minimise the water pollution with monitoring the water use in all facilities and construction sites. The Group has encouraged the employees to increase the awareness of environmental protection, water pollution as well as water conservation.

The following practices were adopted to further improve the utilisation efficiency of water resources:



Regular inspection and maintenance on water tap, water pipe and water storage; and



Reduction in usage of bottled water in meeting rooms by employees.



## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## 2. Environmental (Cont'd)

## 2.1 Environment Management System (Cont'd)

## 2.1.2 Use of resources (Cont'd)

## Paper

Paper was mainly consumed by office. The Group makes every effort to reduce the environmental impact of paper use.



In order to achieve paperless workflow across our operations, the Group has actively developed a variety of workflow systems that replaced traditional paper forms and physical documents by providing customers with electronic billing and electronic statements via email;



Engaging employees to use double-side printing and reuse papers on one side in order to reduce paper;



Using 70gsm paper for printing;



Any announcement or information, the management would notify the staff and workers through emails; and



Use email to reduce fax paper consumption.

## Packing materials

The Group uses carton box, paper and plastic as packing material. The Group continues exploring the use of alternative packaging method or use of recycled packaging materials in order to reduce the consumption of packaging materials.

Adhere to that, the Group's energy, water, paper and packing materials consumption were reduced, the greenhouse gas ("GHG") emissions also declined accordingly. The Group will continue to closely monitor the utilisation of resources and to conduct regular assessment to seek better ways to contribute to environmental protection.

## 2.1.3 Environmental and natural resources

The Group is not involved in any activities that have direct or significant impact on the natural resources in the course of the business operation.





## Sustainability Report (cont'd)

### MATERIAL SUSTAINABILITY MATTERS (CONT'D)

#### 2. Environmental (Cont'd)

##### 2.1 Environment Management System (Cont'd)

##### 2.1.3 Environmental and natural resources (Cont'd)

In consideration of the potential threats of climate change to the communities, the Group has made steady progress in reducing its carbon footprints across its businesses. Emissions of GHG by the Group were mainly contributed by the boiler steam, consumption of electricity of machineries and wastewater. Regular assessments were carried out on the wastewater and steam emission from boiler to ensure the Group's operation does not have negative impact to the surrounding environment and in compliance with local government standards. Routine inspection on the machineries to minimise the breakdown of machineries, in order to reduce production wastage and consumption of electricity.

As part of Group's strategy to reduce the emissions, hazardous and non-hazardous wastes as well as electricity and water consumptions, a series of machine upgrades such as dyeing machine and water treatment plant has been planned.

For our Agriculture division, the process of harvesting the wood and re-planting of commercial crops is in accordance to the Environment Impact Assessment (EIA) and Environmental Monitoring Plan (EMP) as stipulated in the National Forestry Act 1984. The vacant land will be re-planted with commercial crops post the wood-harvest. The Group had obtained the permits and approval from the state forestry department and to be renewed annually with the relevant government authorities.

##### 2.1.4 Climate change

Climate change is one of the biggest global challenges faced by the society nowadays. The Group adheres and responds to local government policies and initiatives in the identification and mitigation of significant climate-related issues. Extreme weather may cause physical damage to our assets or impact to our supply chain, increase our repair and maintenance costs, hence directly and indirectly affecting the Group's operational efficiency and financial performance. Although such events might be beyond control, the Group believes that all stakeholders could work together to address climate change.

Apart from the steps and actions as set out above, the Group employs multiple ways to reduce GHG. For instance, such as telephone conference is held where possible to avoid any unnecessary overseas business travel while direct flights are chosen to reduce carbon emission caused by any inevitable business travel. The Group will continue to achieve the targets of reducing our own operational GHG emissions and support energy efficiency solutions and technologies.



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**The process of harvesting the wood and re-planting of commercial crops is in accordance to the Environment Impact Assessment (EIA) and Environmental Monitoring Plan (EMP) as stipulated in the National Forestry Act 1984.**”



## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

### 3. Social

#### 3.1 Employment

Employees are the Group's greatest assets. The business success is dependent on how well the Group can attract, retain and develop talents. The Group offers the employees ample opportunities to develop their career and competitive remuneration incentives. The Group expects that all employees and contractors treat one another with respect and dignity. The Group has put in place human resources policies and guidelines in compliance with the relevant labour laws and regulations of the local governments. The policies cover issues relating to compensation and dismissal, recruitment and promotion, working hours, leaves, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

The Group recruits its employees based on their industry experience and interpersonal skills. The Group reviews and evaluates the performance and the development competencies in the context of each person's role annually. The review results will be taken into account in the salary review and promotion appraisal.

The employees are one of the key stakeholders of the Group, the human resource policies are conducive to build a better working environment, more development opportunities and attractive employee benefits which have contributed to employees' satisfaction levels and retention level. The Group aims to provide an enriching environment of a professional and harassment-free working environment. As part of its human resources policies, the Group organises recreational activities, such as team building and training programs, celebration of festivals and annual dinners to strengthen the bond among the employees. The team building and/or celebration of festivals and annual dinners were not organised since year 2020 due to the outbreak of COVID-19, as part of preventive measures of the Group. The Group always adhering to the Standard Operating Procedures ("SOPs") in relation to COVID-19, maintaining social distancing and reducing physical interaction, to protect health and safety of our employees.

##### 3.1.1 Health and Safety

The Group endeavours to ensure the employees are provided with a safe working environment. The Group has an Occupational Safety and Health Policy and has implemented various measures at the production facilities and construction sites to promote occupational health and safety and to ensure compliance with applicable laws and regulations. Health and safety on-the-job training will be conducted for all new employees as and when appropriate for continuous improvement. The Group also publishes bulletins with occupational health and safety guidelines, rules and procedures to remind and promote the importance of safety in the workplace at all times and maintain an internal record of workplace accidents.

As required by the relevant laws and regulations in Malaysia, the Manufacturing and Construction Divisions have set up an Occupational Safety and Health Committee ("OSHC") to review health and safety matters from time to time to oversee safety in the work environment and regular internal meetings to discuss safety issues, review any recent industrial accidents and to design any required remedial actions. Fire drills, gas leakage control and spillage control are conducted on a regular basis and briefings in relation to evacuation procedures are given to employees. An Emergency Response Team was set up under purview of the OSHC to ensure that a quick response will be available to the people in the event of an emergency. Members of the team are given training on the use of firefighting equipment, first aid, Cardiopulmonary Resuscitation ("CPR") and other measures to be taken in the event of emergency.



“ Members of the team are given training on the use of firefighting equipment, first aid, Cardiopulmonary Resuscitation ("CPR") and other measures to be taken in the event of emergency. ”



## Sustainability Report (cont'd)

### MATERIAL SUSTAINABILITY MATTERS (CONT'D)

#### 3. Social (Cont'd)

##### 3.1 Employment (Cont'd)

##### 3.1.1 Health and Safety (Cont'd)

The Group also provides the employees with proper personal protective equipment to prevent potential accidents at work and to minimise the impact of occupational hazards on the health of the employees at every job position. The Group provides supplies to the employees, where applicable, including but not limited to: ear plugs, goggles, dust respirators, masks, rubber gloves, boots, insulated shoes, safety belts, etc.

For the Agriculture Division, the Group strictly adheres with the general health standard operating procedures ("SOPs") and safety SOPs provided by Jabatan Keselamatan dan Kesihatan Pekerjaan (JKKP). All staffs and contractors entering to the teakwood farm must comply with the SOPs.

As part of the Group's internal reporting protocol, any workplace accidents, identified cases of occupational diseases and health and safety incidents shall be first reported to the human resources department while cases such as industrial accidents or accidental spills or discharges of pollutants may be referred to local labour or environmental government authorities.

To curb COVID-19, the Group has proactively established a series of SOPs which was strictly aligns with government's prevention and control strategies. The SOPs include:



all visitors must wear a face mask, temperature check and perform self-test before entering into office/factories;



employees must notify the head of department or human resource, if he/she has close contact with a confirm or probable positive COVID-19 person;



providing hands sanitiser for all employees and visitors;



adopting work from home for management staff to reduce social contact;



cleaning and disinfecting offices and factories regularly;



adopting alternate working day to minimise the number of employees in the office. These arrangements were modified in line with the various phase of the Movement Control Orders ("MCO");



employees must practice physical distancing at all time;



leverage on technology by providing the video conferencing tools to reduce or avoid face-to-face interactions; and



employees are advised not to come to work, and to see doctor immediately, if found any symptoms of the COVID-19;



performing mandatory COVID-19 testing for all manufacturing staffs and construction workers at project sites.

**MATERIAL SUSTAINABILITY MATTERS (CONT'D)****3. Social (Cont'd)****3.1 Employment (Cont'd)****3.1.1 Health and Safety (Cont'd)**

The Group is striving to raise employees' safety and health awareness by providing training programs, anti-COVID-19 memos and guidelines to ensure the working environment is healthy, safe and congenial.

During the FY2022, there was 132 work-days lost due to work-related injury. During the past three years including the current financial year, no serious work injury case and no work-related fatality was recorded. The Group has always put emphasis on the assessment of potential hazards in the plant, and according to the results of the assessment of safety executives, training to enhance occupational health and safety has been strengthened, thereby enhancing the safety awareness and operational skills of employees. The Group has stepped up training for all employees, in particular for the training of the new employees who may lack the awareness of occupational health and safety as well as experience, in order to minimise cases of work injuries.

**3.1.2 Shift to virtual engagement platforms**

In order to ensure the safety of our stakeholders, the Group had moved some of our engagement activities to virtual platforms. In FY2022, the Company had organised our Annual General Meeting and Extraordinary General Meeting with shareholders' remote participation and voting.

**3.1.3 Development and Training**

The Group aspires to develop and grow with the employees and is willing to invest in both work-related training and personal development of the human capital. In general, the Group provides diversified on-the-job trainings based on the needs of respective positions, talents and interests of employees. The Group provides both internal and external trainings for the employees, including specialised trainings for different departments, management trainings as well as soft skills trainings. Moreover, the Group's guidelines are established to assess the performance of employee so as to identify and implement development programs for employees.

The Group also organised some trainings for employees to improve in work efficiency and better awareness of rules and regulations, such as:-

- briefing for new employees to familiarise with the company environment and departmental requirements;
- first aid training for proper and effective way to handle accidents related to injured employees at work, as well as to strengthen occupational health and safety to prevent unexpected occupational diseases or viruses;
- fire-fighting protection training to enhance the awareness of fire prevention, and fire drill in a proper and effective manner;
- on-the-job trainings based on the needs of respective positions and talents and interests of employees to enhance the employees' work skills and techniques in term of technical and management skills; and
- internal and external trainings for employees, including specialised trainings such as ISO trainings, tax and financial trainings, management trainings as well as soft skills trainings.



## Sustainability Report (cont'd)

### MATERIAL SUSTAINABILITY MATTERS (CONT'D)

#### 3. Social (Cont'd)

##### 3.1 Employment (Cont'd)

###### 3.1.4 Labour Standards

The Group prohibits child and forced labour. The Group has guidelines setting the procedures and standards on recruitment by the management and human resource team. It is to ensure staff employment strictly complies with local employment regulations. The guidelines are reviewed on a regular basis so as to ensure the consistency with any update of the relevant rules and regulations in all locations of the operations. Once any case that violates the relevant labour laws, regulations or standards is found, the relevant employment contract will be immediately terminated and the individuals responsible for the management of human resources will be disciplined accordingly.

###### 3.1.5 Work-life balance

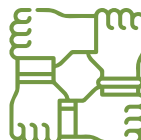
Work-life balance is one of the important elements in retaining employees in the organisation. In this spirit, the Group has organised various recreational activities to help relieve employees from work stress, as well as to foster employees' relationship and bonds, such as:-



Weekly sports activities



Annual dinners



Team buildings activities



Festive celebrations

However, the weekly sports activities, annual dinners and team building were not organised since year 2020 due to the outbreak of COVID-19 as part of preventive measures of the Group.

#### 3.2 Anti-Corruption

A series of policies, operating manuals and handbooks are in place which allow the Group to maintain high ethical standards and a workplace free from corruption. The Group has provided training on anti-corruption to all the directors and staff of the Group.

All employees are expected to discharge their duties with integrity and to follow relevant local laws and regulations. The Group monitors closely the conduct of its management staff to prevent wrong-doings among the Board, senior management and staff, such as prohibiting transfer of benefits while considering new customers, suppliers or any project investment.

The Group has implemented the whistle blowing reporting procedures through the adoption of Whistle-Blowing Policy and Guidelines. Any person may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Group, the Group's customers, shareholders, employees, investors or the public at large.





## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## 3. Social (Cont'd)

## 3.2 Anti-Corruption (Cont'd)

The Group adopted the Anti-Bribery & Corruption Policy pursuant to subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 that set out the Company's responsibilities, and the responsibilities of those working for or with the Company including all directors, officers, employees, consultants and contractors in observing and upholding the Company's position on bribery and corruption. The key business associates, contractors, suppliers, vendors had made their integrity pledge to the Group in FY2022 as part of the Group's effort to comply with Anti-Bribery and Corruption Policy.

## 3.3 Corporate Social Responsibility

As a continuous effort in giving back to the society, the Group would seek opportunities to get involved in various community programmes. The Group's approaches towards community involvement are as follows:



foster collaboration with local authorities in the areas of charity work;



engage with the community and ensure the Group's business activities are always carried out in the interests of the community; and



provision of career opportunities to the locals and promoting the development of the community's economy.

Apart from that, the Group also involves in charity programmes devised to provide support to the organisations or institutions that are involved in welfare, health and educational activities aimed at improving quality of life of the society.