

**MOVING
FORWARD,
PROGRESSING
TOGETHER.**



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ABOUT THIS SUSTAINABILITY REPORT

REPORTING PERIOD

1 January to 31 December 2016

REPORTING CYCLE

OSK is committed to reviewing the key sustainability matters and reporting its sustainability performance on an annual basis in accordance with the provisions of Bursa Malaysia's Listing Requirements. The Group endeavours to provide all stakeholders with an accurate, meaningful and balanced view of the Group's sustainability initiatives.

REPORTING SCOPE

OSK conducted a materiality assessment as part of the initial scoping of the project. This approach ensures adequate coverage is given to each aspect of OSK's sustainability. The assessment helps identify and prioritise the most material sustainability issues for both business performance and company stakeholders. It acts as a guiding principle that ensures the report is relevant and focuses on what matters.

REPORT COVERAGE

This report covers OSK, which is a public company listed on the Main Board of Bursa Malaysia Securities Berhad. It also covers OSK's main subsidiaries, namely OSK Property Holdings Berhad (OSKP) and PJ Development Holdings Berhad (PJD).

Limitations on the boundaries of this report include the operations of occupants, tenants and sites that are not within the purview of OSK. This report focuses on Malaysia and excludes all overseas operations. Business activities of entities that are not under OSK's direct control are not reported here.

This is the first sustainability report to be produced by OSK Holdings Berhad (OSK or the Company) and its subsidiaries (OSK Group or the Group). This report provides a clear, comprehensive and transparent representation of the Company's performance in managing the economic, environmental and social aspects of its operations. The report includes the management's approach to integrating sustainability into OSK Group's policies, structure, management and operations. It shares the Group's sustainability journey, provides insight into its strategies while highlighting the economic, environmental and social aspects of the Group's operations.





REFERENCE AND GUIDELINES
PRINCIPAL GUIDELINES

GRI - G4 Sustainability Reporting Framework

ADDITIONAL GUIDELINES

- Bursa Malaysia Sustainability Reporting Framework
- ISO 26000:2010 Guidance on Social Responsibility
- ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies

FEEDBACK

This report is available to all stakeholders in hard copy on request and can be downloaded from our corporate website at www.oskgroup.com. All comments are welcomed and vital for OSK’s continuous improvement. For further enquiries, please contact:

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OSK Holdings Berhad

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Glossary

Company Name	Abbreviation
Acotec Sdn Bhd	Acotec
Atria Shopping Gallery	Atria
Olympic Cable Company Sdn Bhd	OCC
OSK Holdings Berhad	OSK
OSK Property Holdings Berhad	OSKP
PJ Development Holdings Berhad	PJD
PJD Construction Sdn Bhd	PJDC
Swiss-Garden International Hotels, Resorts and Inns	SGI
SGI Vacation Club	SGIVC

CORPORATE PROFILE

OSK Holdings Berhad (OSK) began operations in 1963 as a small stockbroking company, which grew into a regional investment bank under OSK Investment Bank (OSKIB). In 2012, OSKIB merged with RHB Investment Bank in a share swap exercise, which resulted in OSK becoming a substantial shareholder in RHB Banking Group. Today, the Company is a major shareholder with a 10.13% equity interest in RHB Bank Berhad.

In 1997, OSK diversified into properties through its subsidiary OSKP, which then became a listed company on Bursa Malaysia in 2002. As OSKIB became a Bank Negara Malaysia regulated entity in 2007, the shares of OSKP were distributed to the shareholders of OSK due to regulatory requirements. In recent years, OSKP has become a multi-award winning developer as it grew aggressively in the Klang Valley through a successful integrated development strategy, while continuing to build a successful township in Sungai Petani. In 2015, OSKP was acquired back into the OSK Group and was subsequently delisted from the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).





PJD was established in 1965 as a plantation and property development company and was listed on Bursa Securities in 1974. Over the years, PJD divested its plantation business and grew its business in four key areas of property development, construction, manufacturing of Industrialised Building System (IBS) wall panels and cables under the Acotec and Olympic Cables (OCC) brands respectively, and hospitality under the Swiss-Garden International (SGI) and SGI Vacation Club (SGIVC) brands.

As part of the merger exercise in 2015, PJD also became part of the OSK Group. Subsequently in 2016, OSK increased its shareholding in PJD via an unconditional voluntary take-over offer of all remaining ordinary shares and outstanding warrants in PJD not owned by the Company. Upon completion of the exercise, PJD was delisted from the Main Market of Bursa Securities on 13 December 2016. As at 28 February 2017, the Company owns 96.83% equity interest in PJD.

Today, having consolidated its businesses, OSK Group is a conglomerate with diversified interests in five areas of businesses namely, Property Development and Investment; Financial Services; Construction; Industries; and Hospitality.

OUR BUSINESSES



PROPERTY

FINANCIAL SERVICES



CONSTRUCTION

INDUSTRIES



HOSPITALITY

OUR MILESTONES



1963

1963 OSK was established as a small stockbroking company.

1965 PJD was formed as a plantation and property development company.

1974 PJD was listed on the Main Market of Bursa Securities.

1982 OSK transformed into a financial services group.

<p>1991 OSK was listed on the Main Market of Bursa Securities.</p>	<p>2005 OSK began expanding regionally through acquisitions.</p>	<p>2012 OSKIB merged with RHB Investment Bank Berhad. OSK became a shareholder of RHB Banking Group.</p>
<p>1997 OSK diversified into properties under OSKP.</p>	<p>2007 OSK obtained the Investment Bank licence by Bank Negara. OSKP's shares were distributed to OSK's shareholders due to regulatory requirements.</p>	<p>2015 OSKP and PJD officially became subsidiaries of OSK. OSKP was delisted from Bursa Securities.</p>
<p>2001 OSK acquired three Malaysian brokers and gained the Universal Broker status.</p>	<p>2008 OSK obtained and commenced commercial banking in Cambodia.</p>	<p>2016 PJD was delisted from Bursa Securities.</p>
<p>2002 OSKP was listed on the Main Market of Bursa Securities.</p>	<p>2011 OSKIB's regional presence includes Singapore, Indonesia, Thailand, Cambodia, Hong Kong and Shanghai.</p>	<p>2016</p>

OUR VISION & MISSION

At OSK, our vision is to be a long-term business builder that delivers superior value to all our internal and external stakeholders.

SHAREHOLDERS

We seek to create long-term value for our shareholders through delivering strong and sustainable returns.



EMPLOYEES

We aim to be an employer of choice through maintaining a good work culture and adopting a genuine interest in the long-term career development of our staff.



BUSINESS PARTNERS

We create and nurture mutually rewarding long-term partnerships with our suppliers, consultants, business associates and customers.



BUSINESS UNITS

We help our businesses deliver unique and high quality products and services to our customers through the expertise of our business leaders, our willingness to invest in talent, our efficient infrastructure and our effective operational processes.



COMMUNITY

We aim to enrich the lives of the communities in which we operate.

OUR VALUES

We aim to achieve our vision by embracing these values in our daily work.



EXCELLENCE

We make decisions and formulate strategies based on objective facts. We try our best to have a thorough understanding of our businesses and the markets in which we operate so that we make decisions that are well thought-through.

We adopt high standards in all that we do so that our businesses consistently deliver high quality products and services.

HUMILITY & RESPECT

In all our internal and external dealings, we seek to create an environment of mutual respect by demonstrating humility, appreciation and cooperation.

FORWARD THINKING

We adopt a long-term view of our businesses and the markets in which we operate, and we are conscious of the long-term effects of the decisions we make.

INTEGRITY

We are dedicated to building strong relationships that are mutually beneficial to all our stakeholders and us. Even in the most challenging situations, we behave in a professional and ethical manner.

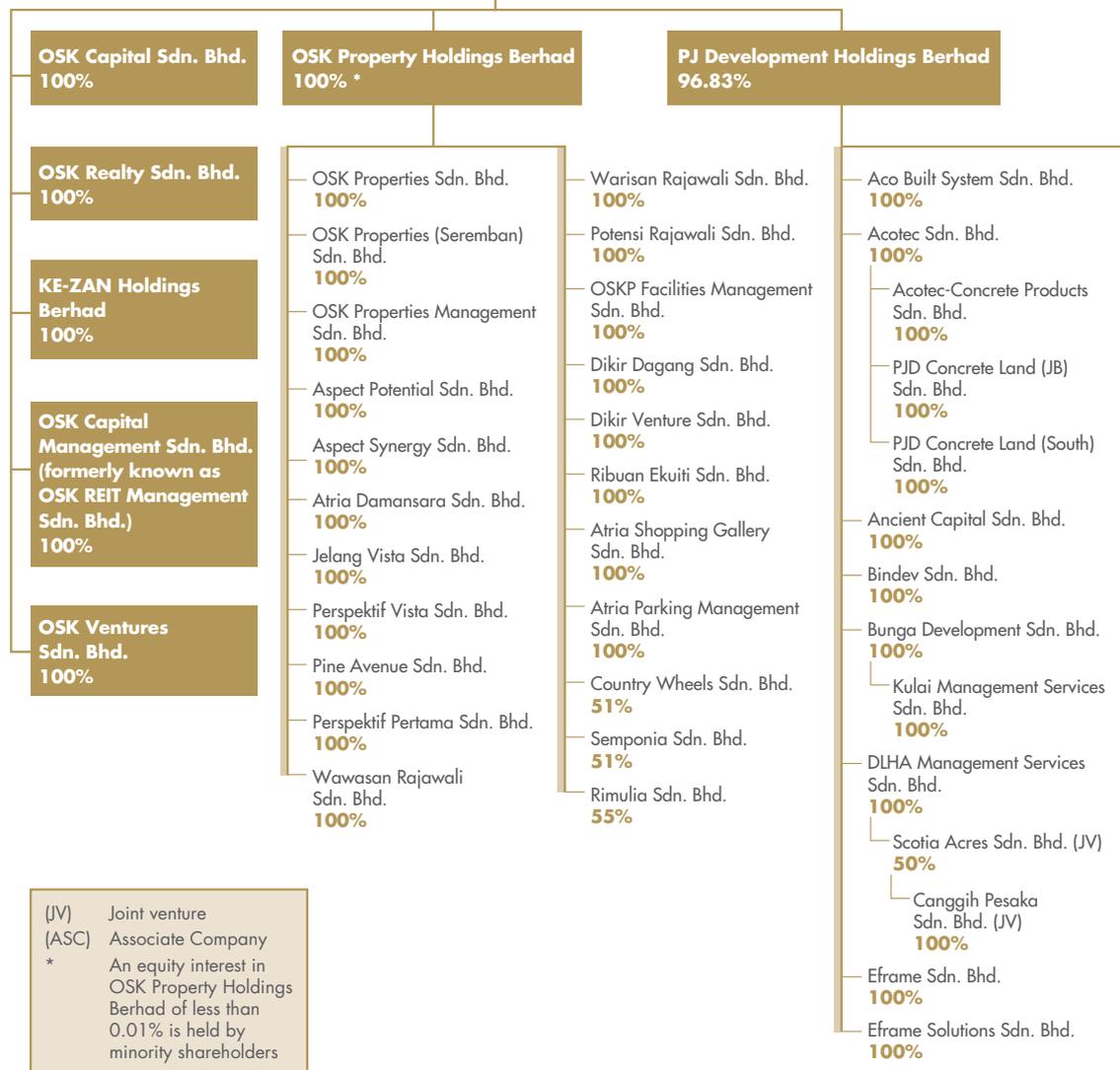
PEOPLE DRIVEN

Our people are the ones who power the organisation. As such, we try our best to recruit, groom and retain people who have good character, are committed to the organisation and are highly skilled in their areas of expertise.

CORPORATE STRUCTURE

OSK OSK Holdings Berhad

SUBSIDIARY COMPANIES



ASSOCIATE COMPANIES

RHB Bank Berhad
10.13%

RHB Capital Berhad
(in Members' Voluntary Winding Up)
10.13%

Harbour Place Management Services Sdn. Bhd. 100%	OCC Cables Berhad 100%	Putri Kulai Sdn. Bhd. 100%	PJD Pravest Sdn. Bhd. 100%
HTR Management Services Sdn. Bhd. 100%	Olympic Cable Company Sdn. Bhd. 100%	Swiss-Garden Rewards Sdn. Bhd. 100%	PJD Properties Management Sdn. Bhd. 100%
Kota Mulia Sdn. Bhd. 100%	Olympic Cable (Singapore) Pte. Ltd. [Singapore] 100%	Swiss-Garden Rewards (Singapore) Pte. Ltd. [Singapore] 100%	PJD Realty Sdn. Bhd. 100%
PJD Highland Resort Sdn. Bhd. 100%	OVI Cables (Vietnam) Co., Ltd. [Vietnam] 100%	PKM Management Services Sdn. Bhd. 100%	PJD Regency Sdn. Bhd. 100%
PTC Management Services Sdn. Bhd. 100%	PJ Exim Sdn. Bhd. 100%	PJD Hartamas Sdn. Bhd. 100%	PJD Sejahtera Sdn. Bhd. 100%
Swiss-Garden Hotel Management Sdn. Bhd. 100%	Pengerang Jaya Pte. Ltd. [Singapore] 100%	Agile PJD Development Sdn. Bhd. (ASC) 30%	SGI Vacation Club Berhad (formerly known as Swiss-Garden International Vacation Club Berhad) 100%
Swiss-Garden International Sdn. Bhd. 100%	P.J. (A) Pty. Limited [Australia] 100%	PJD Hotels Sdn. Bhd. 100%	Vibrant Practice Sdn. Bhd. 100%
Swiss-Garden International Limited [British Virgin Islands] 100%	Yarra Park City Pty. Limited [Australia] 75%	Damai Laut Golf Resort Sdn. Bhd. 99%	Swiss Inn JB Sdn. Bhd. 100%
Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd. [Australia] 100%	Equity & Property Investment Corporation Pty. Limited (ASC) [Australia] 27.40%	MM Hotels Sdn. Bhd. 100%	PJD Eastern Land Sdn. Bhd. 100%
Superville Sdn. Bhd. 100%	PJD Central Sdn. Bhd. 100%	Swiss-Garden Management Services Sdn. Bhd. 100%	PJ Equity Sdn. Bhd. 100%
Olympic Properties Sdn. Bhd. 100%	PJD Construction Sdn. Bhd. 100%	PJD Land Sdn. Bhd. 100%	
	PJDC International Sdn. Bhd. 100%	PJD Landmarks Sdn. Bhd. 100%	
		PJD Management Services Sdn. Bhd. 100%	

A LETTER FROM OUR CEO/GMD



It is a pleasure to present OSK's inaugural Sustainability Report 2016 on behalf of the Board of Directors. In this report, we outline our contribution to many areas of sustainable development including those that directly influence the economy, the environment and society.

We have adopted a top down approach to sustainable development and have formalised our practices in the form of a Sustainability Policy. This policy clearly establishes the sustainability objectives and strategies for OSK and its subsidiaries and applies to all directors and employees.

Selecting sustainability initiatives for inclusion, and those to be omitted, was a daunting task. We required an objective and impartial way to ascertain the most important aspects for the Group and its stakeholders. In 2016, we conducted our first ever materiality study to understand our stakeholders' most significant priorities so that we could disclose topics that matter most to them. Our approach to materiality adheres to the guidelines of both the Global Reporting Initiative and the latest Bursa Malaysia Sustainability Framework.

The very nature of our business has a significant impact on the economic conditions of our local communities. At OSK, we try to use our influence positively by supporting local hiring and businesses. We also play a significant role in advancing the industry through our involvement in many business and industry associations.

Our sustainable development should only negatively affect the environment as much as is absolutely necessary. Recently, our property and construction divisions have become involved in more green projects that look into ways to reduce the impact our buildings have on the local environment.

OSKP's green projects include Atria Shopping Gallery and SOFO in Damansara Jaya, USJ One in Subang Jaya, You City in Cheras and Woodsbury Suites in Harbour Place, Butterworth.

We continue to raise public awareness of the need to protect our marine ecosystem by cleaning up Balok Beach in Kuantan, Pahang, where many of our properties are located. Our Waste to Wear programme encourages waste materials to be recycled. In 2016, we collected some 26,997 plastic bottles that were turned into recycled polyester for use in OSKP's corporate uniforms.

In May 2015, we established OSK Foundation, the philanthropic arm of OSK Group. We have committed to allocating up to 0.5% of the Group's net profit to OSK Foundation. This formalised approach governs the effective and efficient disbursement of funds so that this money can have the strongest possible impact. Our employees and management support this Foundation with their time and attention through volunteerism.

Happy employees are productive employees and I am proud of our many initiatives that improve the well-

being of our employees. In 2016, we launched OSK's HR Fun Club and we are already witnessing more active employee engagement and an improved teamwork spirit.

The OSK brand represents quality and attention to detail. This is apparent as OSK and its subsidiary companies have implemented quality management systems that are customised to their particular industries.

I would like to thank my fellow board members and our leadership team, who have helped develop our long-term sustainable vision. I am also grateful to the management and all employees who have contributed towards OSK's sustainable journey.

Finally, I would like to extend a word of acknowledgement to all our supportive stakeholders for their constant support over the years. This sustainability report is dedicated to all of you and we welcome your feedback on how we can improve our sustainability efforts.

**Tan Sri Ong Leong Huat @
Wong Joo Hwa**
Chief Executive Officer /
Group Managing Director

INTEGRATED SUSTAINABILITY AT OSK

OSK considers sustainability as managing and coordinating environmental, social and economic demands and concerns to ensure responsible, ethical and ongoing success. Sustainability is now more than merely philanthropy and should be inculcated into all aspects of business operations.

Although OSK has incorporated many aspects of sustainability in our businesses for many years, sustainability reporting is still in its infancy. As we continue on this journey, we understand that change cannot occur overnight. However, we are committed to examining all aspects of sustainability and improving disclosure over time.

OSK's view of sustainability is broader than solely its environmental or social impact. Our aim is to delve further into corporate social responsibility as we strive to create shared value for all stakeholders.

Integrated sustainability to us refers to our ongoing ability to meet the needs of society and the expectations of all our stakeholders without compromising the ability of the future generations to meet their own needs. Sustainability is not part of a separate strategy but is integrated into our overall corporate strategy that focuses on the following three core objectives:

OBJECTIVES OF OSK'S SUSTAINABILITY POLICY



In 2016, OSK updated and formalised its Sustainability Policy which clearly establishes the sustainability objectives and strategies for OSK and its subsidiaries. The Sustainability Policy applies to all directors and employees and is based on the following commitments:

- To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice.
- To integrate sustainability considerations into our business decisions.
- To ensure that all Directors and employees are fully aware of our Sustainability Policy and are committed to its implementation and improvement.
- To ensure that external parties involved in any business dealings with the Group are aware of this Policy and to seek the external party's understanding and adherence to this Policy, where practicable.
- To engage with relevant stakeholder groups i.e. shareholders, employees, business partners, customers, suppliers, media, non-governmental organisations and the local community to identify and align their concerns with the Group's sustainability strategy, where applicable.
- To review and report the key sustainability matters annually and continually strive to improve our sustainability performance.

As an enlarged group with diversified business interests in Property Development and Investment, Financial Services, Construction, Industries and Hospitality, OSK is committed to addressing the key sustainability matters identified below.

ECONOMIC



- With operations predominantly in Malaysia, we understand our role in the economic development of local communities through employment and supporting the livelihood and sustainability of local communities for future generations.
- We are mindful of the importance of conducting business in a responsible manner by embracing professional business ethics which include responsible materials sourcing and procurement in our quest to provide customers with sustainable and quality products.

ENVIRONMENT



- We understand that effective environmental protection is a fundamental aspect of good and sustainable business operations. We endeavour to reduce our environmental impact by adopting prudent waste management, monitoring water and energy consumption and reducing our carbon footprint where possible.

INTEGRATED SUSTAINABILITY AT OSK

SOCIAL



- We understand that employees power the organisation and are our greatest asset. We value our employees and are committed to providing them with a workplace that is healthy, safe and secure.
- We aim to develop a culture of equal opportunity where every employee is treated fairly and with respect. We recognise the value that a diverse and inclusive workforce can bring and we reject any form of discrimination.
- We believe in creating an inspiring workplace and are committed to developing our employees and young talents to allow them to achieve their full potential.
- We will not tolerate the use of child or forced labour in any of our operations and facilities.

GOVERNANCE



- In the interest of all our stakeholders and to ensure the long-term success of our company, we are committed to upholding the highest standards of corporate governance, business ethics and transparency in all our dealings, taking into consideration all relevant legislation and regulatory requirements.

COMMUNITY



- We have a responsibility to give back and enrich the lives of the communities where we operate. We have established the OSK Foundation as the Group's philanthropic arm to consolidate and further enhance the company's on-going commitment to contributing to the well-being of our community. The Foundation's core focus areas are Education, Community Development and the Environment.
- The Foundation is committed to disbursing funds for the strongest impact by ensuring we give effectively and efficiently. Going beyond donations associated with charitable giving, the Foundation also devotes time and attention by advocating volunteerism by our management and employees.

SUSTAINABILITY GOVERNANCE

OSK’s sustainability strategy is driven by the Board. Responsibility is delegated to the Chief Sustainability Officer (CSO) and the Group Management Risk Committee, which comprises the Group’s senior management. These key people govern and shape the overall sustainability strategy and implementation across the Group.

The CSO is supported by a Sustainability Working Group that drives, tracks and monitors progress and improvements towards achieving the Group’s key sustainability objectives. Business and functional heads, together with their appointed sustainability champions, are responsible for planning and implementing relevant initiatives by ensuring operational activities and business decisions are aligned to the Group’s Sustainability Policy.

Sustainability Governance Structure



MATERIALITY MATTERS

Materiality refers to how we determine the relevance of issues to address and report on and being mindful of their significance to both the business and our stakeholders.



In the last quarter of 2016, we conducted our first materiality review to understand our stakeholders' most significant priorities so that we could disclose topics that matter most to them. Materiality is the process of identifying the most important sustainability aspects. It helps us prioritise issues we should focus on in our strategies and programmes and disclose in our sustainability report. Our approach to materiality has evolved in line with the GRI G4 reporting guidelines and the latest Bursa Malaysia Sustainability Framework.

THE PROCESS

We believe that the only credible way of ascertaining the most salient issues for stakeholders is by consulting them directly. A wide range of engagement methods was considered including focus groups and informal discussions. However, getting several representatives from each stakeholder group to sit down together was challenging. We were also worried that the most vocal members of the group might dominate the proceedings, which would skew the results further. We opted for a stakeholder survey as this method is objective and we were able to reach out to a greater number of respondents. The survey was conducted by an independent external consultant to ensure the anonymity of the respondents.

STEP 1: IDENTIFICATION OF TOPICS

We reviewed how the wider sustainability context is examined by our internal and external stakeholders. Adding to our list of topics, we considered various local and international sustainability references including the GRI list of 'Aspects', Bursa Malaysia Sustainability Guide on Materiality Assessment and the FTSE4Good Index Series. The shortlisted sustainability topics included in our survey are summarised below.

CORPORATE GOVERNANCE

Ethics, board management, transparency, risk management

ECONOMIC PERFORMANCE

Economic and business performance, sustainable procurement, local hiring, nation building, responsible financing

ENVIRONMENT

Responsible sourcing of materials, climate change, energy, water, green buildings, waste

SOCIAL: LABOUR PRACTICES AND DECENT WORK

Occupational safety and health, diversity, training and career development, recruitment and retaining, employee engagement and satisfaction

SOCIAL: HUMAN RIGHTS

Child and compulsory labour, discrimination, employer/employee relations

SOCIAL: SOCIETY

Local community engagement, stakeholder engagement, corruption, anti-competition, employee volunteerism

SOCIAL: PRODUCT RESPONSIBILITY

Customer feedback, customer privacy, public and customer safety, quality

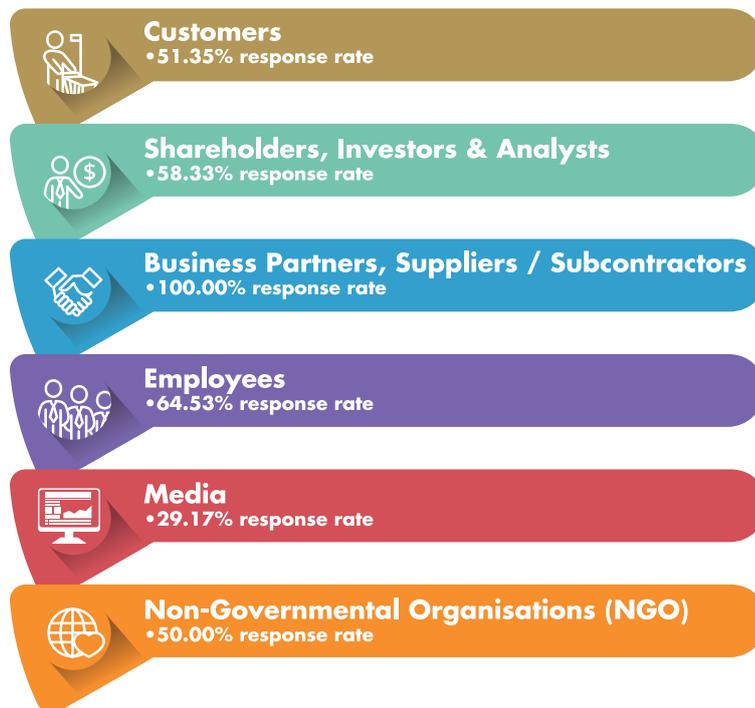
MATERIALITY MATTERS

STEP 2: MATERIALITY ANALYSIS

Respondents were asked to rate the importance they placed on 32 issues related to corporate governance, economic performance, the environment and social issues pertaining to labour practices and decent work, human rights, society and product responsibility.

STAKEHOLDERS CONSULTED FOR THE MATERIALITY STAKEHOLDER SURVEY

We approached approximately 300 of our key contacts from our six stakeholder groups. The breakdown of the responses received for each category is presented below.



We asked respondents to indicate how important each criterion was, from 'Very unimportant' at (1) to 'Very important' at (5).

The data was naturally skewed with employees being the most represented stakeholder group. Fewest responses were received from the media, shareholders, investors and analysts and NGOs.

We calculated a separate average score for each of the 32 areas within each stakeholder group, following which an average from all six stakeholder groups was obtained. We checked this methodology by giving each respondent equal weight regardless of their stakeholder group, and the results did not differ greatly.

The same survey was completed by 10 members of the Board and 16 senior managers, whose responses were used to represent the relevance to OSK. Similarly, a separate average score was calculated for both Board members and senior managers before an average of both groups was derived. We are confident that the results are credible and accurately reflect the opinions of stakeholders and OSK.

STEP 3: MAPPING MATERIALITY ASPECTS



STEP 4: INTERPRETATION OF THE RESULTS

Sustainability is a broad topic and this process allowed us to understand our key priorities so that we can allocate time, resources and investment for the greatest possible impact.

However, we also understand the limitations of the materiality survey. For example, areas that are very important to one division within the Group may be less important to another.

Following the finalisation of the materiality matrix, the Sustainability Working Group convened to discuss the findings and form a future strategic plan, which was subsequently endorsed by the Board. Our future direction is discussed at the end of this report in the chapter, 'Future Strategic Sustainability Plan'.

COMMUNICATION WITH STAKEHOLDERS

OSK defines stakeholders as parties that have an interest in a company and can either affect or be affected by the business.

Understanding the views of our numerous stakeholders helps us to make better and more informed decisions. Although we understand that we will not always meet all stakeholders' expectations, their views help us:

- Strengthen our policies and practices
- Understand the challenges faced
- Communicate and solve these challenges more effectively

We continued to engage with our key stakeholders throughout 2016 and held a number of events across our various geographies and sectors. We enjoyed two-way communication with stakeholders and proactively opened up the most appropriate communication channels in order to gather feedback from various stakeholder groups.

Stakeholder Group	Engagement Methods	OSK's Stance	Areas of Interests
Employees	<ul style="list-style-type: none"> • Internal engagement activities • Training and development • Employee volunteering • Employees engagement survey • Internal staff portal • Whistle-blowing channel 	OSK is committed to providing an engaging, inclusive and stimulating work environment that encourages quality performance, high employee satisfaction and loyalty.	<ul style="list-style-type: none"> • Career development • Attractive remuneration • Work-life balance
Customers including Tenants, Shoppers and Guests	<ul style="list-style-type: none"> • Feedback channels • Social media tools • Market research • Loyalty programmes • Events and road shows 	Relationships and trust are the foundation of everything we do. OSK envisions being the partner of its customers and maintaining a long-term perspective of business operations.	<ul style="list-style-type: none"> • Pleasant experience • Value for money • Confidence and trustworthy relationship
Government and Regulators	<ul style="list-style-type: none"> • Formal meetings • Performance reports 	Each subsidiary is responsible for complying with all relevant regulations. We support the Government's initiatives and place great emphasis on being an exemplary corporate citizen.	<ul style="list-style-type: none"> • Compliance • Contributions to the economy and the nation
Shareholders and Investors	<ul style="list-style-type: none"> • Investor Relations (IR) meetings • Annual and sustainability reports • Annual general meetings • Shareholder updates • Quarterly financial results 	OSK's overall goal is to create sustainable shareholder value while fulfilling the expectations of other stakeholders. A strong focus on financial performance, risk management and internal control is instrumental in achieving this goal.	<ul style="list-style-type: none"> • Future competence • Long-term relationship development • Brand reputation • Positive investment growth • OSK's position within the industry • Risk management



Stakeholder Group	Engagement Methods	OSK's Stance	Areas of Interests
Business and Industry Partners	<ul style="list-style-type: none"> • Forums and dialogues • Events and road shows • Annual and sustainability reports • Corporate presentation • Membership in associations • Consultation on industry matters 	Together with our industry peers, OSK is committed to advancing the industry through regular updates on our progress, challenges and other developments	<ul style="list-style-type: none"> • OSK's position within the industry • Innovation that advances the industry • New business opportunities
Community	<ul style="list-style-type: none"> • Website, catalogues and brochures • Community engagement activities • Community partnership 	OSK is an integrated part of society and we understand that business operations have an impact on the community. We continue to build a society that we can be a part of.	<ul style="list-style-type: none"> • Impact of operations on community • Local community development • Charity and giving • Staying connected with the company
Supply Chain Partners	<ul style="list-style-type: none"> • Supplier events • Supplier audits • Satisfaction surveys 	OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.	<ul style="list-style-type: none"> • Support of local suppliers and local produce • Fair procurement • Staying connected with the Company
Media	<ul style="list-style-type: none"> • Events and launches • Media visits • Media networking sessions 	Delivering the right message to the media is key especially at corporate events and launches where we disseminate first-hand project information.	<ul style="list-style-type: none"> • Updates and happenings • Upcoming events

ECONOMIC

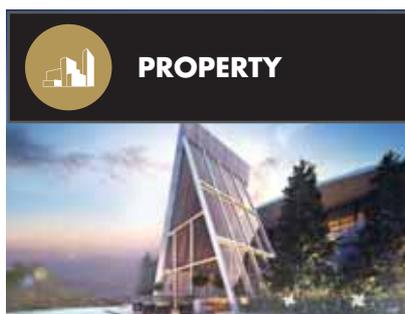


With diversified businesses in Property Development and Investment, Financial Services, Construction, Industries and Hospitality, we continue to contribute to Malaysia's economic development through innovation, advancing the industries and by providing employment.

LOCAL HIRING

One of the greatest challenges in human resources is staffing. For an international conglomerate such as OSK, recruiting and retaining skilled local staff is particularly complicated.

We do not have a formalised policy specifying that OSK on the first hand must employ personnel locally. However, in practice we first try to recruit from the local community before looking nationally and regionally. We only recruit internationally if suitable Malaysians cannot be found. OSK believes there are significant benefits to hiring from the local community especially with regards to the easier assimilation into the work culture and being able to understand the needs of the local community.



PROPERTY

We are one of Malaysia’s leading property groups with our development and investment presence spanning Peninsula Malaysia. We have since ventured into our first overseas development in Melbourne, Australia.



FINANCIAL SERVICES

Our financial services undertakings include a substantial stake in RHB Bank Berhad, Malaysia’s 4th largest banking group. We also provide moneylending and capital financing through OSK Capital Sdn Bhd.



CONSTRUCTION

We have developed a respectable industry presence over the years, having built multiple residential and commercial properties including the accompanying infrastructure for our projects in Malaysia.



INDUSTRIES

With our own manufacturing facilities and state-of-the-art machinery, our cables and IBS wall panels are industry-renowned for their quality and value. We will continue to identify and introduce new products that meet the industry’s needs across domestic and regional markets.



HOSPITALITY

SGI currently manages and operates 12 hotels and resorts with an inventory of over 2,800 rooms in prime locations in Malaysia and Australia. SGIVC provides vacation club programme and services which offers several home-based locations in Malaysia and gives members access to over 2,900 quality hotels and resorts in over 80 countries around the world via their affiliation with Interval International.

FY2016

RM' million	Property (Development & Investment)				Financial Services		Total
		Construction	Industries (Cables & IBS)	Hospitality (Hotels & Vacation Club)	Capital Financing	Investment Holdings	
Revenue	824.9	13.7	298.3	120.7	44.1	4.0	1,305.7
PBT	201.5	6.7	33.3	(22.2)	28.6	73.5	321.4

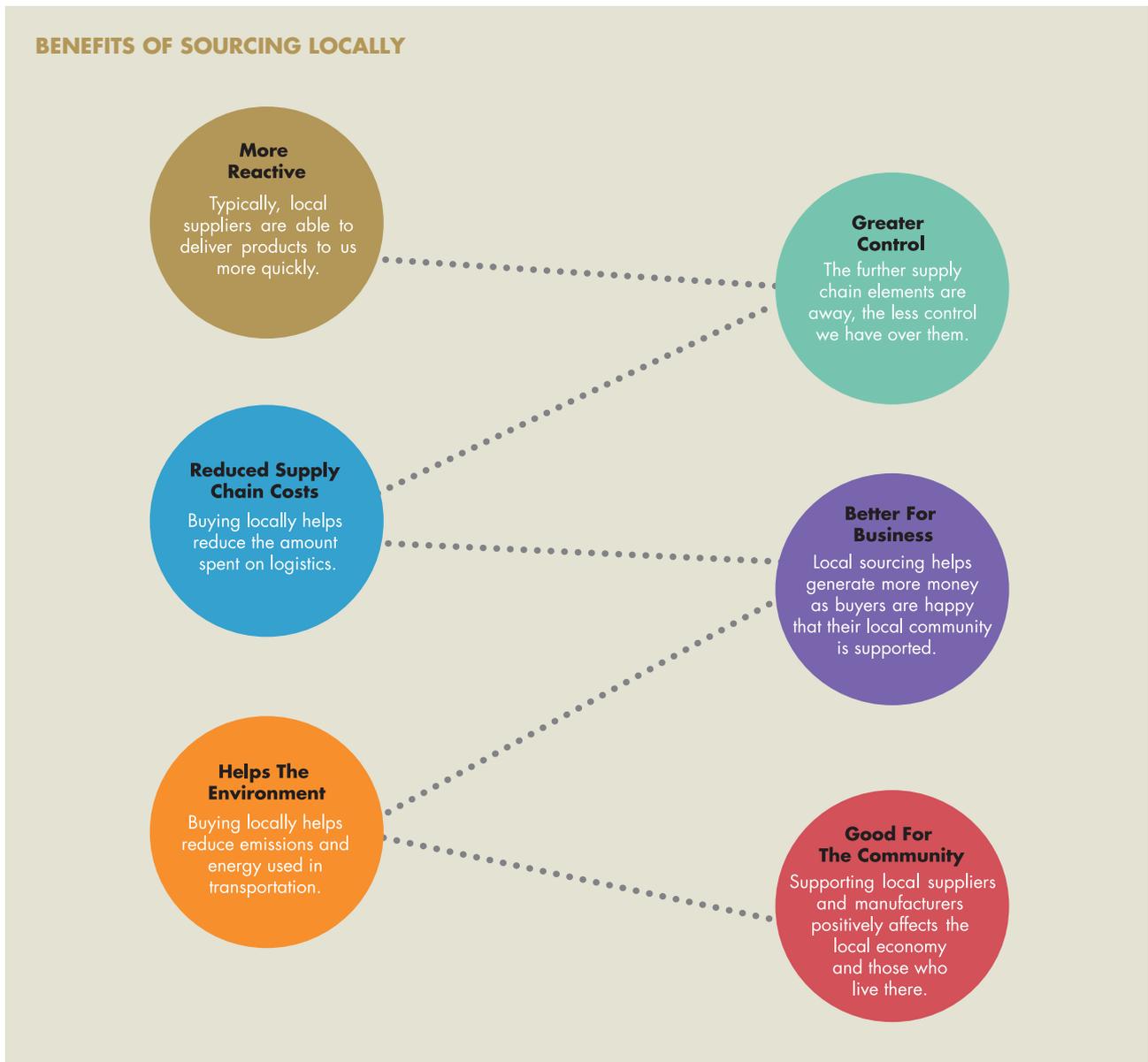
ECONOMIC

SUSTAINABLE SUPPLY CHAIN
Helping Small and Local Businesses

We use our influence positively by supporting local businesses, helping them to grow and foster social regeneration. A strong local supply chain is vital as it keeps value within the local economy. Our procurement activities promote local suppliers and we encourage our subsidiaries to do the same.

INTEGRATING SUSTAINABILITY INTO OUR SUPPLY CHAIN

Whenever possible, we select partners, contractors and suppliers who share our values and are willing to work responsibly and innovatively.



OUR ROLES IN ADVANCING THE INDUSTRY

Business and industry associations can significantly influence corporate sustainability. Our membership in associations helps us contribute to industry advancement as we contribute to critical sustainable development issues and other industry-related matters. We engage with our industry partners on a range of activities and advise each other on industry best practice.

Associations bring together companies of all sizes within a sector and help develop technical standards on corporate sustainability performance. Well-developed and coherent technical standards allow effective benchmarking and relevant data to be tracked effectively.

The associations we belong to have long engaged with policymakers and other key stakeholders to advance various key public policy issues. Through these memberships, we also engage with consumers and the general public to raise awareness of our sectors' contributions to society. Our leaders actively participate in many of these organisations as presented in the subsequent tables.

BY COMPANY

Company	Association
Atria	<ul style="list-style-type: none"> Member, Malaysia Shopping Malls Association
Acotec	<ul style="list-style-type: none"> Member, Construction Industry Development Board (CIDB) Member, Malaysian Fire Protection Association
OCC	<ul style="list-style-type: none"> Member, Malaysian Cable Manufacturers Association
OSK	<ul style="list-style-type: none"> Member, Federation of Public Listed Companies Berhad (FPLC) Member, Malaysian Institute of Corporate Governance (MICG) Member, The Institute of Internal Auditors Malaysia
PJDC	<ul style="list-style-type: none"> Member, Construction Industry Development Board (CIDB) Member, Master Builders Association Malaysia (MBAM)

BY INDIVIDUAL

Company	Name	Position & Association
OSK	Ong Ju Yan, Deputy Group Managing Director	<ul style="list-style-type: none"> Member, Malaysia Australia Business Council Member, REHDA Youth
	Ong Ju Xing, Group Executive Director	<ul style="list-style-type: none"> Member, Malaysia Australia Business Council Member, REHDA Youth
OSKP	Ong Ghee Bin, Chief Executive Officer	<ul style="list-style-type: none"> Member, Malaysia Australia Business Council Committee Member of REHDA Selangor
SGIVC	Francis Chan, Executive Director	<ul style="list-style-type: none"> Fellow of the Chartered Institute of Management Accountants U.K. Fellow of the Chartered Accountant of Malaysian Institute of Accountants (MIA) Member of CIMA South East Asia Regional Board
	Ivan Ting, Chief Executive Officer	<ul style="list-style-type: none"> Vice Chairman of the Malaysian Holiday Timeshare Developers' Federation (MHTDF)

ENVIRONMENTAL

Sustainable development recognises that growth must be both economically viable and environmentally sound.



SK is committed to improving our environmental performance and demonstrating good environmental practice across all operations. We work with our subsidiaries to reduce water and energy usage, improve waste management processes, raise awareness of environmental issues and incorporate environmental elements into our operations.

Although we do not have a formal conservative energy policy, we are committed to achieving environmental excellence in our business operations through various systems such as the 5S checklist at Acotec, green building projects and green computation.

We also acknowledge the importance of managing our carbon footprint and we are currently looking into putting in place mechanisms to track and manage our carbon emissions more efficiently. We hope to improve our disclosure in this area in the years to come.

SUSTAINABLE DEVELOPMENT



The classical definition of sustainable development is meeting the needs of the present without compromising the ability of future generations to meet their needs.

Recently, our property arm has become involved in more green projects. Eco-construction, or sustainable construction, proposes various ways of reducing the environmental impact of buildings. OSKP's green projects include Atria Shopping Gallery and SOFO in Damansara Jaya, USJ One in Subang Jaya, You City in Cheras and Woodsbury Suites in Harbour Place, Butterworth.

BIODIVERSITY AND CONSERVATION

Biodiversity refers to the variety of life on earth. Concerns about global biodiversity loss have emerged as an issue with potentially negative health, societal and economic consequences. Opportunities to reduce our impact on the environment exist all along our value chain across all companies within the Group. We are mindful of ensuring that our operations do not negatively affect nature. All operations are conducted in accordance with

applicable laws and regulations which provide the minimum acceptable performance for OSK's businesses.

OSKP TOOK A BIG STEP IN RECYCLING



On 23 October 2016, OSKP in collaboration with OSK Foundation, Malaysian Nature Society (Pahang) and the Turtle Conservation Society of Malaysia cleaned up Balok Beach in Kuantan, Pahang to minimise the impact on the marine ecosystem and raise public awareness on the importance of conservation.

More than 200 people took part in this activity including employees, school children, university students, NGO representatives and members of the public. During the event, 368 kg of refuse was removed from a 1 km stretch of public beach in front of the TimurBay Sales Gallery and Swiss-Garden Resort Residences. The rubbish was separated and sent to the most suitable recycling centres.

Located along the main coastal road from Kuantan to Terengganu, Balok Beach is

one of Asia's leading windsurfing and kitesurfing destinations. This beautiful sea front is also home to numerous OSKP properties including its latest project, TimurBay Seafront Residence.

This beachfront clean-up raised public awareness of the need to maintain a clean beach for the well-being of our seas, oceans and as a food source. It created a sense of ownership to ensure the beach remains clean for the continued enjoyment of everyone and conservation of our marine ecosystem.

OSKP and OSK Foundation donated RM3,000 each to the Pahang Branch of Malaysian Nature Society and Turtle Conservation Society of Malaysia in support of their environmental education and turtle conservation projects, respectively.



WASTE TO WEAR

In July 2016, OSKP partnered with Green Tech Malaysia and Kloth Lifestyle for its recycling effort, Waste to Wear. OSKP showed the public a practical way that recycling can benefit the environment and mankind.

Plastic bottles can take 700 years to degrade in landfill so OSKP decided

ENVIRONMENTAL

to use this waste as a material in its corporate uniforms. We invited our stakeholders to help recycle by placing recycling bins in Atria Shopping Gallery, Plaza OSK, Faber Towers, Swiss-Garden Hotel & Residences Kuala Lumpur, Swiss-Inn Kuala Lumpur and D'Majestic Place. Employees wear their uniforms with pride as they have also helped conserve the environment. A total of 26,997 plastic bottles, weighing about 435 kg were collected during this initiative.



Through this partnership, OSKP was also the first property development company in Malaysia to receive a partnership programme certificate from GreenTech Malaysia Alliances for its effort to support sustainable corporate transformation under the waste management initiative.



OSKP makes uniforms from 10,000 recycled plastic bottles. The new corporate uniform is 40% recycled polyester and 60% organic cotton. Each shirt diverts 8.5 plastic bottles from landfill or the ocean.

The regenerated polyester fibre made from recycled plastic bottles is environmentally friendly and safe to use. Its overall production uses 70% less energy than normal polyester and produces 65% fewer carbon emissions. However, its performance is comparable to 100% virgin polyester.

The production of the uniquely custom made mandarin collar uniform is certified by two international organisations: Scientific Certification System (SCS) and Global Recycling Standard (GRS).

MATERIALS MANAGEMENT

Materials management is a systemic approach to using and reusing materials more productively over their entire life cycles. The world's population is growing larger, living longer and consuming more. As pressure on our finite natural resources and materials increase, society has moved beyond low-cost, recyclable materials to renewable products.

OSK understands the importance of managing our materials use, responsibly. We are currently examining our management systems and materials management processes. It is important to streamline our processes so we can use and reuse materials more productively. Examining how these materials are used throughout their lifecycles will help us:

- Use them in the most productive way.
- Reduce wastage.
- Reduce toxic chemicals and environmental impacts throughout their lifecycles.
- Assure we have sufficient resources to meet the needs of today and tomorrow.

Managing waste means eliminating waste where possible; minimising waste where feasible; and reusing materials which might otherwise become waste.

ENVIRONMENTAL

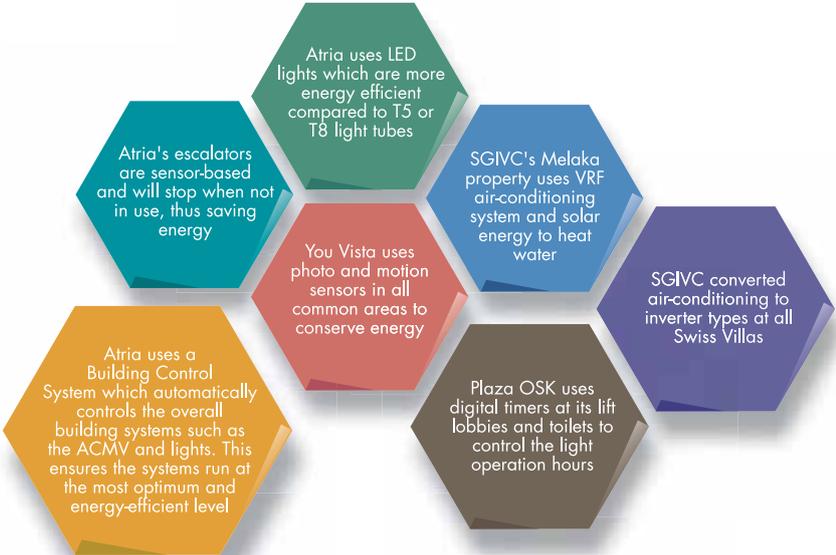
ENERGY MANAGEMENT

Access to dependable energy supply directly affects all businesses and communities. Energy use and climate concerns require systematic change and a collective approach across all operations.

OSK takes a proactive and collaborative approach to addressing energy demand and climate change. Partnering with business partners, suppliers, customers, guests and patrons, we address the effective use of energy resources and climate change.

Several green projects have been introduced that have already reduced energy use, promoted energy efficiency and helped tenants reduce their greenhouse gas emissions.

ENERGY INITIATIVES AT OSK



We ensure that all construction waste materials are cleared and disposed of safely as work proceeds. All materials delivered to construction sites are stored safely so that they do not impede access. Steel and nylon banding is safely disposed of in a skip as soon as it is cut. Waste materials and spillages are cleaned up as work proceeds and are disposed of correctly.

WASTE MANAGEMENT

Managing waste responsibly is an integral aspect of sustainability. Reducing, recycling and reusing solid wastes are essential for the sustainable management of resources.

Recycling has always been the common practice across the Group with recycling bins being placed in Atria Shopping Gallery, Plaza OSK and all of our hotels and property sites.

Waste has been identified as our most material environmental aspect in our materiality study. Senior management has decided that waste will be a focus area in 2017. For more details, please refer to the 'Future Strategic Sustainability Plans' in the closing chapter of this report.

ENVIRONMENTAL

CONSERVING WATER

OSKP showcases its green developments through the rainwater harvesting systems, which result in a more than 50% reduction in potable water consumption. We have also reduced potable water consumption for landscape irrigation by almost 50% by using native or adaptive plants. A plethora of water-saving devices has also been installed in our buildings and properties.

All flushing mechanisms in Atria's toilet cubicles, urinals and water taps are sensor-based to control water volumes and eliminate wastage

WATER-SAVING INITIATIVES TYPICALLY USED IN OUR BUILDINGS



Despite implementing several water-saving initiatives throughout the Group, OSK realises that it cannot manage what it cannot measure. Water monitoring and conservation have been targeted as future areas for improvement. We aim to increase our disclosure in this area in our next report.



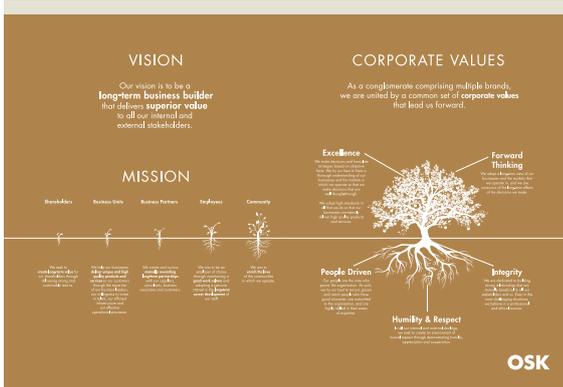


SOCIAL: LABOUR PRACTICES AND DECENT WORK



People are the heart of OSK and success is dependent upon all employees working together as a team. We foster an environment of inclusion and diversity as the skills, thoughts, backgrounds and talents of all our team members directly affect OSK's success. We have a tradition of building leadership from within, providing education and advancement opportunities for team members at every level of the Company.

Employees are the core of OSK's success and the backbone of our high-performance culture. We strive to provide our people with purposeful work at every stage of their careers, from their on-boarding through to retirement. We pride ourselves on our low turnover rate of 4.25% compared to the market average of 14%, which demonstrates the effectiveness of our people strategy.



NEW CULTURE

In early 2016, we introduced a common set of corporate values to streamline our identity as one enlarged group. This initiative was jointly formulated by the senior management team and management teams of the various business divisions.

Living by a common set of values will help all team members, departments and companies move in unity, speak

in the same voice and forge ahead as one. Group HR delivered a series of training sessions introducing our vision and values for all employees. We also held a forum that encouraged employees to share their views on how our corporate values can be practised in the workplace to improve our work environment.

In 2016, we conducted 84 training sessions on our core values for all employees. Complementing our non-discrimination policy, diversity and inclusion modules were included to help senior employees' understanding of inclusive behaviour that embraces differences by team members. The diversity and inclusion modules will be operationalised to the rest of the employees in 2017.

COMPETITIVE BENEFITS AND REMUNERATION

Following the Group's merger, we engaged the global HR consulting firm, Aon Hewitt to help streamline the HR practices across our diversified businesses. The exercise included:

- Constructing a job evaluation and grading structure;
- Harmonising our rewards and benefits package; and
- Designing a compensation benchmarking and salary structure.

During this benchmarking exercise, we pegged the Property Development and Investment, Financial Services, Construction, Industries and Hospitality divisions against the most appropriate industries. In the last quarter of 2016, Group HR also held a series of townhalls for all staff to keep them abreast of the latest company developments. Employees were also informed of the outcome of the harmonisation exercise and the new and enhanced benefits that focus on health and wellness.

OSK'S LONG-TERM BENEFITS GOALS



AN INCLUSIVE WORKFORCE

OSK's HR Fun Club was introduced in 2016 to help develop a positive workplace while encouraging employees to build good relationships with each other. Various activities were held throughout the year to foster an inclusive and engaged workforce.



OSK'S HR FUN CLUB ACTIVITIES IN 2016



ENCOURAGING A CULTURE OF INCLUSIVITY AT OUR SUBSIDIARY COMPANIES

SWISS-GARDEN INTERNATIONAL

Swiss-Garden International held its inaugural Swiss-Garden International Culinary Challenge on 31 May 2016. The culinary challenge was organised to showcase chefs' creativity in composing a dish that focused on the sensorial experience of taste and sight. Demonstrating their skill and revealing true ingenuity, seven chefs competed for the grand prize of having their dish featured as the Group's signature dish at all our hotels.



Honourable Judges of the Swiss-Garden International Culinary Challenge

JUDGES:

- 1. Tan Sri Ong Leong Huat**
Chief Executive Officer/Group Managing Director, OSK Group
- 2. Dato' Eddy Shun**
Group Managing Director/ Group Chief Executive Officer, Menang Corporation (M) Berhad
- 3. Datin Seri Betty Saw**
Chef and Cookbook Author
- 4. Chef Zubin Zain**
Chef and Jury for MasterChef Malaysia
- 5. Chef Sabri Hassan**
Chef and TV show host "Spice Route"
- 6. Ms. Julie Wong**
Senior Editor, Food, The Star Media Group
- 7. Mr. Marcus Low**
Chef and Runner-Up, MasterChef Asia



The winner received a cash prize of RM1,500 and a championship challenge trophy. The chef also had an opportunity to teach his peers at all other Swiss-Garden International properties on how to make the winning dish. The first and second runners-up received RM1,000 and RM500 cash prizes respectively.

Position	Contestant	Hotel	Dish
1 st	Chef Hikmal and his team	Swiss-Inn Johor Bahru	Asam Pedas Bandar Maharani
2 nd	Chef Yong Chin Kiat and his team	Swiss-Garden Hotel & Residences Melaka	Nyonya Asam Laksa
3 rd	Chef Hasna and her team	Swiss-Garden Hotel & Residences Kuala Lumpur	Ayam Percik Kelantan

EMPLOYEES ENGAGEMENT ACTIVITIES BY OTHER SUBSIDIARY COMPANIES

Atria	Celebrates its diverse workforce during various get-togethers and festive gatherings for Ramadan, Hari Raya, Chinese New Year, Deepavali and Christmas.
OCC	Ensures employees continue to be engaged through its internal meetings, publications and staff activities such as the annual dinner.
OSKP	OSKP conducts events and activities regularly with employees including a movie night, bowling tournament and escape room challenge. We also engage with our staff and encourage the sharing of knowledge via our internal staff knowledge management portal.
SGIVC	SGIVC's engagement highlights in 2016 include an annual recognition night, townhall and staff meetings, induction training programmes and a bowling tournament.



EMPLOYEES ENGAGEMENT SURVEY

OSK conducts engagement surveys as they are a useful way of gathering insight into what is important for employees. These surveys help us measure and increase engagement while giving employees a voice. They also allow results to be benchmarked and improved engagement may also lead to increased organisational growth.

Our annual engagement survey covers all employees. The survey results are shared with the management during the year-end review, followed by focus group sessions on proposed action plans. In 2016, our group-wide engagement index was 72.9%.

PERFORMANCE MEASUREMENT

We recognise the value of a performance-based culture that promotes employee productivity,

engagement and development. Individual performance goals have been aligned with OSK's vision and objectives. Our annual performance management period runs between 1 January and 31 December each year.

PERFORMANCE MANAGEMENT CRITERIA

Since 2015, we have adopted the balanced scorecard (BSC) methodology. All executive-level employees and above are assessed against customised Key Performance Indicators (KPIs) together with assessment of their core values and competencies. The BSC accounts for 60% of their evaluation while the core values and competencies accounts for the remaining 40%.

Non-executives are assessed 100% on the core values and competencies. The year-end appraisal is conducted by immediate line managers and approved by respective Heads of Department or CEOs.

TRAINING AND DEVELOPMENT

We aim to create a learning organisation where employees seek to develop, adapt and transform themselves through continuous learning and leaders strive to develop an improved work environment where people can learn, grow and transform the organisation for the betterment of all. This goal requires continuous investment in resources and energy to develop our employees' professional, technical and leadership capabilities.

In an effort to equip our employees with the leadership capabilities and competencies that they need to transform the organisation, we will be establishing the Group's Leadership Competency Framework. This framework will be used as the basis to develop all future interpersonal, leadership and business management skills to build the foundation of a learning culture within the Group.

Training related to development of technical, quality systems and assurance, and any other sector-specific skills continue to be planned and executed under the respective Business Units' purview.

TRAINING CONDUCTED IN 2016

Indicator	Unit	Total
Employee participation in training	No. of Employees	1,573
Average attendance per training programme	No. of Employees	20
Total number of training hours	No. of Hours	13,527

OSK's Young Leaders Programme was introduced in 2016 to build the leadership talent pipeline to ensure leadership continuity as we grow as an organisation. Part of the Company's succession planning programme, this programme focuses on developing a group of future potential leaders and managers by equipping them with essential business, technical and leadership skills. The learning curriculum is structured and holistic to help accelerate and nurture the development of these young talents.



DIVERSITY AND INCLUSION

Diversity is no longer merely workplace compliance. Today, diversity and inclusion are core drivers for our business growth and central to our identity. By leveraging diverse perspectives and creating inclusive environments, we improve organisational effectiveness, boost innovation and drive growth. Diversity and inclusion also help us to adapt and excel in an ever-evolving marketplace.

At OSK, diversity and inclusion help us to achieve economic sustainability in our business by helping us understand our customer needs more effectively

and leveraging on our diverse and multi-disciplinary talents to develop innovative products and solutions. This is especially important as we deal with a diverse pool of stakeholders due to our diversified business portfolio.

Our Employee Diversity and Inclusion Strategy represents our commitment to creating an environment where all employees feel valued, respected and fully engaged to contribute to our future success.

OSK's definition of diversity extends beyond race, age and gender by including differences in ethnicity, gender identity, education, religion, physical ability, values, backgrounds and experiences. Inclusion occurs when everyone has an opportunity to fully participate in creating OSK's business success and is valued for his or her distinctive skills, experiences and perspectives.

SOCIAL: LABOUR PRACTICES AND DECENT WORK

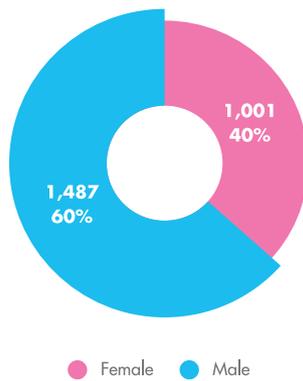
As we continue to embrace the principle of equal treatment and fairness in the workplace, we strive to ensure that no one is denied an opportunity for employment or advancement for reasons unrelated to their abilities.

We ran a series of three diversity and inclusion workshops for senior management team members to heighten their awareness of its importance at the workplace. Internal trainers have undergone a Train-The-Trainer session to enable them to cascade this programme to all employees. Our aim is to create an environment where diversity and inclusion is an important part of our daily operations.

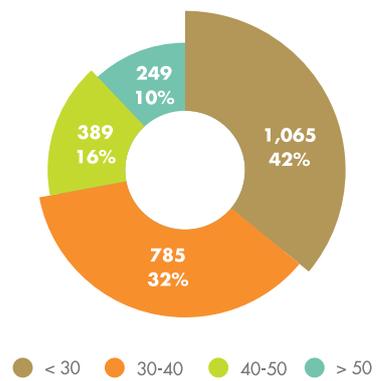
Throughout the years, we have made major strides in our human resources policies, programmes and practices as they apply to diverse groups within OSK.

The Group has a total of 2,488 staff. Our diversity and inclusion performance is presented in the subsequent charts.

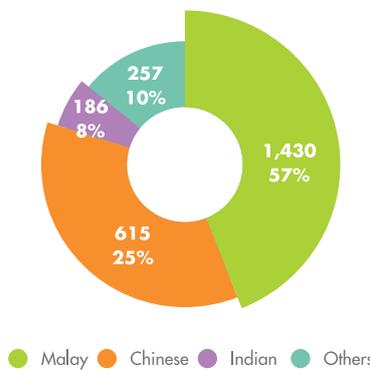
WORKFORCE BY GENDER



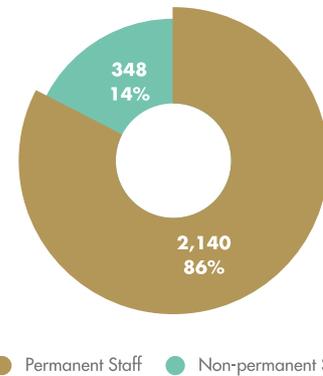
WORKFORCE BY AGE



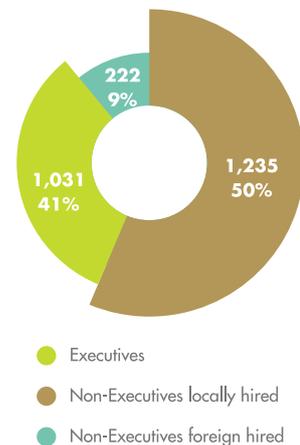
WORKFORCE BY ETHNICITY



WORKFORCE BY CONTRACT



WORKFORCE BY EMPLOYMENT TYPE



SAFETY AND HEALTH IN THE WORKPLACE

We are committed to ensuring, promoting and maintaining a safe and healthy work environment for all employees and other persons involved in or affected by our operations. All OSK companies comply with the Occupational Safety and Health Act 1994 and other relevant health and safety regulations.

Safety is integral to everything we do. The diverse nature of OSK’s businesses also poses a diverse safety risk. Safety measures to be taken across our different business divisions differ according to the nature of our businesses. Therefore, OSK’s safety initiatives are governed at the individual operating company level, each having a formalised safety measure to ensure workplace safety.

Each subsidiary company has appointed safety and health personnel who are responsible for:

- Conducting workplace assessments to determine the presence of hazards;
- Conducting periodic workplace reassessments;
- Maintaining records on hazard assessments; and
- Periodically re-evaluating the suitability of previously selected control measures.

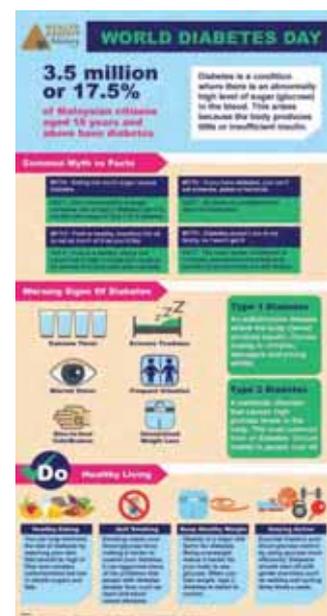
In December 2016, OSK’s Board approved a Safety and Health Policy for businesses located at our head office in Plaza OSK. This policy promotes a safe and healthy workplace culture in which everyone shares a common responsibility to create a safe work environment for all. The Safety and Health Committee, consisting of relevant management and staff, is responsible to discuss and manage issues pertaining to workplace safety and health at Plaza OSK.

OSK’S MINIMUM SAFETY PROMISES



We strive to ensure that employees are both physically and mentally fit. On 2 November 2016, we organised a stress awareness day, recognising that work stress can be problematic for the individual, working relationships and overall work environment.

We run safety awareness programmes periodically that highlight different health topics, focusing on high-risk illnesses in our community. In 2016, these included a focus on adult and childhood cancers, the Zika virus and diabetes during World Diabetes Day.



SOCIAL: LABOUR PRACTICES AND DECENT WORK



OSK'S CANCER AWARENESS WEEK

In our mission to promote healthy living among employees, OSK Group collaborated with the National Cancer Society Malaysia (NCSM) to run a one week cancer awareness campaign from 16 May to 20 May 2016. The employee portal was updated daily with cancer facts and tips on early cancer prevention.

On 18 May, representatives from the NCSM delivered a talk on cancer awareness focusing on early detection and prevention at Plaza OSK's auditorium, which was well received by the OSK Group employees.

In our construction arm, a safety committee convenes monthly and it is mandatory for all supervisory personnel and subcontractors to attend. Although the agenda vary, meetings typically cover:

- Existing unsafe environments and acts and their remedial measures;
- Proper work procedures and safe working methods relevant to the worksite;
- Safety suggestions, proposals and activities of workers; and
- The review of accident cases.

Accident and incident rates are higher in the construction sector than other industries. In view of this, we ensure that the following OSHA standards are in order for any type of work at our construction sites. In July 2016, PJDC obtained certification for OHSAS 18001:2007 – Occupational Health and Safety Management System, which is a testament to management's efforts to improve the occupational health and safety practices at our construction sites with the objective of preventing accidents, occupational illnesses and hazards to our employees and the greater public.

Our safety policy is also extended to all suppliers and contractors working at our sites and suppliers' workers must comply with all relevant safety regulations. Our subcontractors must ensure that their employees have received appropriate training on the use and maintenance of safety and equipment prior to their use.

OSK goes beyond its statutory obligation by providing construction workers with a safe workplace and accommodation. A daily tool box safety meeting is conducted by the foreman or immediate supervisor to remind all on site of basic safety procedures.

Regular safety inspections are performed by the site supervisor who reports any failings to the project managers. If necessary, operations are shut down until the unsafe conditions have been rectified.

POTENTIAL CONSTRUCTION HAZARDS FOR WORKERS

-  **Fall from heights**
-  **Trench collapse**
-  **Scaffold collapse**
-  **Electric shock and arc flash/arc blast**
-  **Failure to use proper personal protective equipment**
-  **Repetitive motion injuries**

RECOMMENDED PERSONAL PROTECTIVE CLOTHING FOR CONSTRUCTION WORKERS

 <p>Handling Precautions •To prevent all contact with skin</p>	 <p>Eye Protection •Where splashing is likely or dust is generated</p>
 <p>Glove Type •Waterproof gloves are recommended</p>	 <p>Clothing •Long sleeves and overalls are recommended</p>
 <p>Hearing Protection •Ear plugs/muffs are recommended for persons undertaking vibration work</p>	 <p>Breathing protection •For persons handling powdered cement</p>
 <p>Footwear •Safety boots high enough to prevent concrete from making contact with skin</p>	 <p>Suitable goggles •For persons hacking, welding, grinding or cutting</p>
 <p>Suitable ear-plugs •For persons working in intensive and prolonged noisy areas</p>	 <p>Safety harness •For persons working at height or at building edges</p>

OCC uses a formal safety risk assessment form when identifying potential risk elements. The information gathered in this form helps measure the likelihood and severity of a potential hazard occurring and identifies the necessary action plans to address each risk factor as well as the department in charge of managing this risk.

Acotec, like other subsidiaries, conducts safety training for all employees and encourages them to be safety and health conscious.

Atria’s Emergency Response Team (ERT) is responsible for responding to any major emergencies in the building. ERT is represented mainly by employees from the maintenance department.

Emergency drills are of the utmost importance in OSK’s Emergency Response Plan. All occupants and workers are familiarised with the plan and periodic drills are held at least once a year. The drill includes all relevant parties during an emergency. The type of emergency drill is decided by the commander-in-charge at each workplace.

SOCIAL: HUMAN RIGHTS



The respect of human rights is one of our top priorities. As a conglomerate operating in diverse businesses, we place great importance on employee rights and fair working conditions. We reject all forms of discrimination, forced labour and child labour. Each and every division is responsible for maintaining high human rights standards.

OSK is committed to respecting the labour rights principles laid down in the UN Global Compact and the International Labour Organisation (ILO's) fundamental conventions. These principles govern:

- Respecting the rights to freedom of association and collective bargaining; and
- The elimination of forced labour, child labour and discrimination in the workplace.

Our stand on human rights places emphasis on treating everyone at OSK – and everyone with whom we come into contact – with fairness, respect and dignity.

Our human rights commitments include:

- 1) We conduct our business in a manner that respects the rights and dignity of all people, complying with all legal requirements.
- 2) We respect local and international human rights standards such as the International Labour Organisation's declaration on fundamental principles and rights at work and UN Guiding Principles on Business and Human Rights.
- 3) We treat everyone fairly and without discrimination.
- 4) We respect freedom of association. If our employees wish to be represented by trade unions, we will cooperate in good faith with the bodies that our employees collectively choose to represent them within the appropriate national legal frameworks.

Our business centres on trust, as we can only maintain our stakeholders' confidence and preserve our company's reputation by acting with professionalism and integrity.

RESPECTING EMPLOYEES' RIGHTS TO COLLECTIVE BARGAINING

OSK works diligently to create a work culture that accords all employees the opportunity to work without fear of intimidation, reprisal or harassment. Employees deserve a working environment in which their questions are addressed in a fair and timely manner.

For example, employer/employee relations are a key responsibility of OSK's leaders. HR professionals work with all employees to maintain positive employee relations. We respect employees' rights to choose whether or not to join unions and engage in collective bargaining, as permitted by applicable laws.

Currently, 12% of OCC's employees belong to a union and relations between the union and management have always been harmonious. The collective agreement is renewed every three years.

HUMAN RIGHTS IN OUR SUPPLY CHAIN

Our support of these principles is stated in our Sustainability Policy and is shared with external parties involved in any business dealings with the Group.

Environmental and social risks are taken into consideration when deciding whether to engage with clients, potential clients, and business partners or supply chain partners. We want to ensure each one is compliant and limit any negative impact our business or stakeholders' businesses may have on the environment and communities.

HUMAN RIGHTS COMPLIANCE

We are pleased to report that there have been no incidents of discrimination or risk to freedom of association and collective bargaining. There have been no reported incidents of child, forced or compulsory labour. There were no violations of human rights involving the rights of indigenous people at any time in OSK's history.

SOCIAL: SOCIETY



OSK plays a vital role in the health and economic well-being of local communities through its foundation and corporate contributions. OSK recognises and values its role as a corporate citizen especially in areas close to its operations. Our dedicated teams at both group and subsidiary levels work closely to support worthwhile causes and volunteer opportunities to ensure our continued commitment to community outreach and corporate giving.

OSK FOUNDATION

The OSK Foundation is the philanthropic arm of OSK Group. Established in May 2015, it consolidates and further improves OSK's ongoing commitment to contributing to the well-being of our community.

Every year, OSK allocates up to 0.5% of its net profit to the Foundation. This money assists in and promotes the current causes that we are running or have adopted. The Foundation is committed to disbursing the funds effectively and efficiently, making the strongest impact possible.

Going beyond donations and charitable giving, the Foundation also focuses on allocating time and attention by encouraging our management and staff to volunteer.

OSK FOUNDATION'S FOCUS AREAS



Education

Education opportunities for the disadvantaged and programmes that can assist in advancing educational standards for the underprivileged



Community Development

High impact, sustainable projects that can assist and sustain underprivileged communities



Environment

Improve awareness and provide assistance to environmental-related programmes and organisations

MISSION

We seek to create and provide more opportunities via high impact, sustainable projects that can assist, improve and sustain issues within these areas of focus through grant giving, partnerships, volunteerism and programme development.

VISION

To be a Foundation that is

- **Effective** – impactful giving, straight to the source, create self-sustainability
- **Efficient** – timely giving
- **Targeted** – clear about areas of giving
- **Actively engages** – non-profits, communities, highly supported by management and staff
- **Innovative and change-makers** – programmes that are impactful and sustainable
- **Well-managed**
- **Regularly measures impact of our actions**

GOVERNANCE

OSK Foundation's affairs and business are managed by the Foundation administration who reports to the Chief Executive Officer (CEO) of the Foundation. The CEO is answerable to the Board of Trustees (BOT). The BOT ensures that the Foundation adheres to its charter and that funds are properly administered and disbursed in accordance with the Foundation's objectives.

SOCIAL: SOCIETY

At least 50% of the BOT are independent trustees, which comprises:

1. Tan Sri Ong Leong Huat, Chairman
2. Puan Sri Khor Chai Moi
3. Tan Sri Azlan Zainol
4. Tan Sri Dato’ Dr Michael Yeoh

In 2016, the Foundation disbursed approximately RM400,000 in support of 15 organisations.



Beneficiary	Principal Activities of the Organisation	Details of Disbursement
EDUCATION		
Dignity for Children Foundation	The Dignity for Children Foundation aims to empower underprivileged children to escape poverty by transforming their lives and those of the community around them through quality education.	OSK Foundation sponsored three teams for the Dignity Bowling for Bucks event to support their fund raising activity. Money raised was used to fund the children’s graduation ceremony, holiday subsistence and their 2017 school enrolment expenses such as uniforms and school supplies.
Montfort Boys Town	Montfort equips academically and financially challenged youths with the right skills and guides them in recognising their talents. Skills training is offered in fields such as electrical, hospitality, bakery and patisserie, motor mechanics, graphic design and multimedia, and computer maintenance and machining.	OSK Foundation purchased a Computer Numerical Control (CNC) Wire Cut Machine for Montfort’s machining department. This machine allows the trainees to prepare for the Sijil Kemahiran Malaysia Level 3 certification, which will improve their employability upon graduation.
Persatuan Kebajikan Suara Kanak-kanak Malaysia (SUKA)	SUKA Society is a nationally registered non-governmental organisation set up to protect and to preserve the best interests of children, primarily those who are marginalised and vulnerable.	OSK Foundation sponsored the school syllabus and educational supplies of eight Orang Asli pre-schools under the organisation’s “Empowered 2 Teach” initiative. We also sponsored the establishment costs for a new pre-school at the Pos Musuh Orang Asli village in Tapah, Perak.
Teach For Malaysia Foundation	Teach for Malaysia is an independent, not-for-profit organisation on a mission to empower our nation by advancing education.	OSK Foundation sponsored three fellows who will serve as full-time teachers for two years in high-need schools.



Beneficiary	Principal Activities of the Organisation	Details of Disbursement
COMMUNITY DEVELOPMENT		
Blue Cap Movement & University of Malaya	This movement aims to promote men's health and healthy lifestyles to cancer survivors	OSK sponsored Atria vouchers for the top three prizes for each race category at the Second Blue Cap Relay Run for Prostate Cancer 2016.
House of Joy	House of Joy is a social concern and non-profit organisation that provides shelter, care and education for orphans as well as underprivileged, delinquent and abandoned children and teens.	Our initiative was called the Gifts of Hope which is a volunteering activity for employees to give back to society by visiting and fulfilling the wishes of the underprivileged which are displayed at Plaza OSK's lobby. Moving forward, this initiative will run in conjunction with the four major festivals of Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas.
National Kidney Foundation of Malaysia	The National Kidney Foundation (NKF) of Malaysia was established to provide care to patients with kidney failure and those suffering from various kidney-related diseases. NKF has since expanded its role from being solely a dialysis treatment provider to becoming a one-stop national resource centre for all kidney-related matters.	We sponsored 15 boxes of mooncakes for NKF patients and their family members during the Mid-Autumn Festival.
Pertubuhan Kebajikan Al Firdausi, Cheras	Pertubuhan Kebajikan Al Firdausi is a welfare home that was set up to care for orphans and children who are abused, neglected and/or underprivileged and from single-parent families.	The children and families were treated to a breaking fast event at Swiss-Garden Hotel & Residences Kuala Lumpur as well as a motorcycle ride around Kuala Lumpur.
Pertubuhan Perkhidmatan Sosial dan Pembangunan Komuniti Daerah Gombak (PSPK)	PSPK provides assistance, education, training, therapy, shelter and basic counselling to those in need. Primarily, it focuses on women, children and senior citizens from underprivileged communities affected by family conflicts and who live in a vulnerable environment.	OSK Foundation sponsored the purchase and fitting of awnings for their new centre, which runs catering and bakery classes amongst others.
Pertubuhan Sindrom Down Negeri Johor	The welfare home raises awareness of integrating individuals with down syndrome into society by developing them to become more independent adults.	30 children from the home were treated to a breaking fast event and fun activities at Swiss-Inn Johor Bahru



Beneficiary	Principal Activities of the Organisation	Details of Disbursement
COMMUNITY DEVELOPMENT		
Rumah Amal Haruman Kasih	Rumah Amal Haruman Kasih is an orphanage located at Ayer Tawar, Perak. It was founded in 2009 and currently houses 23 children.	Swiss-Garden Beach Resort Damai Laut adopted this orphanage for its annual Buka Puasa charity event. It also presented the children with one unit of HITEC Chest Freezer for their home.
Stepping Stones Living Centre	Stepping Stones was established in November 1998 to provide basic facilities for underprivileged children, distressed women/mothers and abandoned senior citizens. Currently, 73 people are being housed in five premises. The centre relies solely on public support.	OSK Foundation sponsored the rental expenditure for their five homes and two learning premises.
ENVIRONMENT		
Kloth Lifestyle	GreenTech Malaysia Alliances (GTMA), a subsidiary of Malaysian Green Technology Corporation and Kloth Malaysia Sdn Bhd (Kloth), has entered into a joint venture to form Kloth Lifestyle, which promotes and markets quality, sustainable fabrics made from recycled plastic bottles.	Subsequent to the launch of their new corporate uniform using recycled plastic bottles, OSKP launched a plastic bottle recycling programme in collaboration with Kloth Lifestyle and GreenTech Malaysia Alliances to instill and encourage the public and OSK Group's employees to recycle. Recycled bottles are sent for recycling and converted into plastic flakes, which are then turned into recycled polyester for use as an alternative fabric.
The Malaysian Nature Society (MNS) Pahang Branch	MNS advocates conserving Malaysia's natural heritage, especially ecologically sensitive landscapes.	OSK Foundation made a donation to MNS as a token of appreciation for partnering and supporting OSKP's beach clean-up event at Balok Beach.
Turtle Conservation Society of Malaysia	The Turtle Conservation Society of Malaysia addresses the depleted wild populations of turtles in Malaysia through its programmes and partnerships with organisations, individuals and local communities.	OSK Foundation made a donation to the Turtle Conservation Society of Malaysia as a token of appreciation for partnering and supporting OSKP's beach clean-up event at Balok Beach.

When we empower students, we empower Malaysia.

SOCIAL: SOCIETY

COMMUNITY HIGHLIGHTS

STRATEGIC PARTNERSHIP WITH TEACH FOR MALAYSIA

Teach for Malaysia (TFM) is a not-for-profit organisation with a mission of ending education inequity. TFM aims to be Malaysia's pipeline of nation builders through its fellows who will directly impact students in high-need classrooms and communities during the two-year fellowship. TFM has recruited and placed 299 fellows over the past six years. Collectively, over 36,000 students from low-income communities have been positively affected by transformative education.

On 5 September 2016, our Deputy Group Managing Director,



Mr Ong Ju Yan, partnered with a TFM Fellow to co-teach at a school in Pasir Gudang. He shared his experience and encouraged the students to make their dreams and aspirations a reality. OSK Foundation also donated RM75,000 to fund three fellows through the #EmpoweredTo campaign, which will be launched in the first quarter of 2017.

In 2017, we will also participate in TFM's 'Seeing is Believing' (SIB) programme and run a grant programme to fund fellows and alumni projects outside of the Klang Valley. These programmes are aligned with our strategy of giving back to the communities in other states where OSK operates.

WHAT IS THE #EMPOWEREDTO CAMPAIGN?

Today, thousands of Malaysian children are not given the chance to reach their full potential. Many factors outside of a child's control affect their achievements such as their parents' income and where they live.

Students from low-income families face educational disadvantages and these shortcomings affect their achievements. These children's potential are hindered as they do not receive the same level of support as other students to nurture that potential. TFM Fellows help students reach their potential by working together with other teachers and partners. When someone truly believes in children's potential, the students start believing it themselves, which improves confidence and encourages the child to work harder. This is a key factor of success.

#EmpoweredTo is a fundraising campaign where corporate pledges will be matched by individual recurring donations from the public. The campaign will also feature stories by students who have been impacted by TFM Fellows, and stories by social influencers on how their teachers or education have helped them to get to where they are today.

BURSA BULL CHARGE

Bursa Bull Charge is an annual charity run organised by Bursa Malaysia to raise money for charity. Since its inception in 2014, the charity run has supported causes including economic sustainability among disadvantaged communities, support for entrepreneurs and the improvement of financial literacy.

In 2016, our Deputy Group Managing Director, Mr Ong Ju Yan and Group Executive Director, Mr Ong Ju Xing



took part in the CEO's run, alongside two teams of runners from OSK Group. The run was held at Bursa Malaysia's Exchange Square on 8 September 2016.

This is the third consecutive year that OSK has participated in the run. These healthy activities also provide us a fun avenue to engage with other companies while giving back to the needy.



EMPOWERED2TEACH BY SUKA SOCIETY

OSK Foundation sponsored the 2017 pre-school syllabus and educational supplies for eight Orang Asli village pre-schools under the Empowered2Teach programme by SUKA Society. OSK Foundation has also committed to support the yearly expenditure for the new pre-school – Kelas Komuniti Asalnika in Kampung Pos Musuh, Tapah, Perak for three years beginning 2017.

Empowered2Teach is a programme by SUKA Society which aims to empower the indigenous community to start their own pre-school classes by equipping them with the materials and training for the teachers. This programme also endeavours to prepare the pre-schoolers with the basic foundation needed to work towards completing their formal education.



HOUSE OF JOY'S CHRISTMAS CHEER

OSK Foundation brought Christmas cheer to the children from House of Joy by delivering Christmas presents to them, playing fun games and decorating a Christmas tree together with the volunteers from OSK Group.

Themed 'Gifts of Hope', this initiative started by compiling a list of Christmas gifts that the children had wished for. The list of requested gifts was displayed at the Plaza OSK lobby and open for OSK staff and tenants to fulfill the children's wishes. The initiative received a great response and all wish tickets were taken up in two days. Other than fulfilling the children's wishes, OSK Foundation also donated RM2,000 towards the running expenditure of the home.



BLOOD DONATION

In collaboration with the National Blood Bank, OSK Group organised a blood donation drive which was held on 24 November 2016 at Plaza OSK. The blood donation drive is an annual affair for the OSK Group. The drive started with a week-long campaign that included a mini online quiz. Information advisory postings were also displayed on the employee portal to raise awareness of both the importance and benefits of donating blood in order to encourage participation at the blood donation drive.

The blood donation drive was a success and received with overwhelming support from OSK Group employees and Plaza OSK tenants.



BOWLING FOR BUCKS

OSK Group sent two teams to participate in the Bowling for Bucks event organised by Dignity for Children Foundation, which provides quality education to the poor. This fund raising event was held to raise money for the children's graduation ceremony, holiday subsistence and 2017 enrolment expenses such as uniforms and school supplies. The Bowling for Bucks friendly bowling challenge was held on 26 November 2016 at the Ampang Superbowl Times Square. One of our teams emerged as the first runner-up in the bowling challenge.



STAR WARS AS A FORCE FOR GOOD

On 3 January 2016, characters of the Star Wars saga turned into the force of charity at Atria Shopping Gallery. Almost RM2,000 was raised within hours due to the kindness of shoppers. All proceeds raised were donated to Rainbow Home, a home for underprivileged, abandoned, abused and orphaned children. Atria also gave RM10,000 worth of gift vouchers to the Rainbow Home and Shelter Home.

The new Star Wars movie awakened the generosity of fans who took photos with Stormtroopers, Darth Vader, Kylo Ren, Imperial Officers, a Royal Guard, a TIE Pilot, an Imperial Gunner and a Republic Commando. Each shopper gave a small donation after every photo session.



The Star Wars characters were from 501st Legion Malaysia Outpost. This all-volunteer costuming organisation was formed to bring costume enthusiasts together under a collective identity and to bring good to the community through costumed charity and volunteer work.

SWISS-GARDEN HOTELS CELEBRATES RAMADHAN WITH UNDERPRIVILEGED CHILDREN

The Swiss-Garden International group of hotels hosted Majlis Berbuka Puasa with underprivileged children at three of its properties: the Swiss-Garden Beach Resort Damai Laut, Swiss-Garden Hotel & Residences Kuala Lumpur and Swiss-Inn Johor Bahru. Under the auspices of OSK Foundation, this annual charity event is held during the holy month of Ramadhan.



Ramadhan Event Hosted By	Beneficiaries	Activities	Contributions
Swiss-Garden Beach Resort Damai Laut	Rumah Amal Haruman Kasih	A buka puasa buffet and an array of interesting games such as football and beach activities.	A HITEC Chest Freezer, duit raya and food items such as cooking oil, milo powder, cereals, peanut butter and fruit juices.
Swiss-Garden Hotel & Residences Kuala Lumpur with GKL Empire Motorcycle Club (GKL Empire)	Pertubuhan Kebajikan Al-Firdausi, Cheras	Buka puasa buffet, culinary activities, a comedy show and an exclusive 2 km tour along Jalan Pudu on big motorbikes.	Duit raya and school bags
Swiss-Inn Johor Bahru	Persatuan Sindrom Down Negeri Johor	Mini ice breaking session and buka puasa buffet	Duit raya and a cash token

SOCIAL: PRODUCT RESPONSIBILITY



Deciding on a company's most important stakeholder is a complex topic for discussion. However, OSK believes that without customers, the company cannot survive, so in almost all situations the customer's needs must come first.

Customers can always choose to take their business elsewhere so it is essential that we continue to innovate and offer quality products that represent value for money.

OSK ensures that all customers' voices are heard through its various satisfaction surveys and complaints channels. Public safety is imperative on our building sites and in our hotels and malls. It is also important that quality is never compromised and this is demonstrated by our various ISO 9001 certifications across the Group.

CUSTOMER PRIVACY

OSK adheres to the Personal Data Protection Act 2010 for customers, subsidiaries and their groups of companies. All personal information provided to us is kept confidential. We endeavour, where deemed necessary, to implement the appropriate administrative and safety measures, systems and procedures in accordance with the applicable laws and regulations to prevent the unauthorised or unlawful processing of personal information.

QUALITY FIRST

OSK employs sustainability practices that improve the quality of its products and services. We are committed to leading and excelling in all aspects of our businesses.

Prompt delivery and onsite technical support are crucial to meet the needs of our valuable customers. We have implemented a quality management system which meets the requirements of ISO 9001 in our Property, Construction and Industries businesses. Internally, we have formulated a continuous improvement programme which includes the training and development of our employees. This approach ensures they meet the required standard of delivering an outstanding experience to our stakeholders.

WHAT QUALITY ASSURANCE ACCREDITATION MEANS TO STAKEHOLDERS



SOCIAL: PRODUCT RESPONSIBILITY

TESTAMENT TO OUR QUALITY COMMITMENT

Certification	Description
Acotec	
BS 476: Part 22 : 1987	Product Listing Certificate
Sijil Pemasangan Keselamatan Kebakaran	Concrete Hollow Core Panel (Infilled)
IBS Status Manufacturer	Sistem Konkrit Pratuang: Hollow Panel
Quality Management System (ISO 9001:2008)	Manufacture of Precast Concrete Wall Panel
Singapore Green Label	022-020-0274 "Eco-Friendly Building Material"
Environmental Management System (ISO 14001:2004)	Manufacture of Precast Concrete Wall Panel
OCC	
Quality Management System (ISO 9001:2008)	Design and Manufacture of Low and Medium Voltage Power Cables
Loss Prevention Certification Board	Fire-resistant Cables
TUV SUD PSB	Various Product Ranges
SIRIM QAS International	Various Product Ranges
Jabatan Kerja Raya Malaysia	Various Product Ranges
Tenaga Nasional Berhad	Various Product Ranges
PJDC	
Quality Management System ISO 9001:2008	
OHSAS 18001:2007 Occupational Health and Safety	
OSKP	
Quality Management System ISO 9001:2015	



OUR APPROACH TO ACHIEVING THE HIGHEST QUALITY DELIVERABLES FOR STAKEHOLDERS



At OSKP, we strive to continuously improve the performance of our quality system, business performance and the value of our compliance services through innovation. OSKP conducts management review meetings every 12 months. During these meetings, senior management and heads of department review:

- Changes in external and internal issues that are relevant to the quality management system
- Information on the performance and effectiveness of the quality management system
- Customer satisfaction and feedback from relevant interested parties
- The extent to which quality objectives have been met
- Process performance and conformity of products and services
- Nonconformities and corrective actions
- Monitoring and measurement results

EXAMPLE OF OSKP'S QUALITY MEASURES

- Routine work inspection by site employees
- Monthly project quality assessment by Quality Assurance and Quality Control personnel
- QLASSIC and CONQUAS certification
- Strict pre-delivery quality checks that covers three stages of inspections

If a process is outsourced, we ensure that subcontractors conform to all customer statutory and regulatory requirements.

Meanwhile, SGIVC proved its true commitment to the highest quality services when it was awarded The BrandLaureate SMEs Signature Award 2015 under the category of Best Brands in Leisure – Vacation Club.

Organised by the Asia Pacific Brands Foundation (APBF), the BrandLaureate SMEs Signature Awards is a new category that is presented to brands that have successfully stamped their mark in their field of expertise. The award is the highest category presented by the APBF.

ENSURING CUSTOMERS' SAFETY

Atria is committed to ensuring that its customers have a pleasant and safe shopping experience at our mall. To that effect, we have put in place various safety and customer-friendly measures

such as designated carpark for the disabled, families and ladies which are closer to the mall's entrance. For our customers' convenience, we even have designated 2-hour carpark near the grocery store and bays for green vehicles and carpooling. We have also installed panic buttons around the carpark and ensured that our staff are trained to handle any emergencies. Escalator safety is another area we take seriously and we have installed safety signage on the escalator walls to promote safe usage of the escalators.

ENSURING SATISFACTION



Performing activities in a manner that is sensitive and responsive to stakeholders' needs and concerns are vital to the long-term success of our business.

OSKP is committed to delivering high-quality properties and excellent customer service. Although the initial defects and liability period can vary, it is commonly 24 months from the date

OSK's Goal:

To improve customer loyalty and advocacy in all market segments so that we become a partner of choice

of practical completion as outlined in Sales & Purchase agreements. The defects liability period is an important component in the overall project's success. It tests both the credibility and quality of our product and the after sales service provided to customers.

OSKP's quality assurance and performance auditing initiatives ensure the efficient delivery of high quality services and enables us to create value for our clients through effectively implementing our standards. Our quality control procedures include satisfaction analysis at the different stages with our customers from the initial sales contact right up to the handover of the property.

Acotec conducts a customer satisfaction survey following the completion of each project. The management reviews feedback biannually to discover development opportunities and alert them to potential problems. Acotec's comprehensive approach to gathering information includes the tracking of all complaints by customer segment and project. Evaluation criteria include product quality, ability to meet customers' needs, product representatives' responsiveness and technical support efficiency.

At SGIVC, each member is a long-term asset and we take time understanding their needs personally. We conduct an e-survey on a yearly basis to gauge their satisfaction on a host of areas including the reservation process, staff service, accommodation experience, publication and communication engagement experience and overall service received.

SGI also continuously monitors customers' satisfaction through administering an automated electronic guest survey upon each guest's check-out. They also subscribe to a reputation management system which collates online reviews from over 120 sites.

Atria actively engages with and collects feedback from its tenants, visitors, employees, suppliers and neighbourhood community members. This input is invaluable as it helps Atria refine its approach at the corporate level to meet its stakeholders' needs. Atria monitors the satisfaction levels of its tenants, shoppers and the local community through daily engagement and informal surveys. Areas receiving low scores are addressed for the continuous improvement of the mall.

Feedback and comments received through these interactions are noted and acted upon accordingly by each business unit.

HANDLING OF CUSTOMER COMPLAINTS

We recognise that at times, things go wrong. Feedback is of paramount importance as it helps us address problems our customers are facing in a timely and fair manner.

Effective complaint handling is fundamental to the provision of a quality service. We have formal feedback and complaint channels at all companies within the Group. We encourage our customers, guests, tenants or the public to reach us through a variety of means such as by telephone, email, social media and visiting us.

OSK'S PRINCIPLES FOR AN EFFECTIVE COMPLAINT HANDLING SYSTEM



Customer complaints are invaluable and documenting these issues helps us resolve them effectively, which increases customer loyalty. OSKP's dedicated customer complaint log system, The Brick, records all complaints to ensure that they are handled in a timely manner and do not 'slip through the cracks'. The system logs details of the complaint, the person responsible for resolving the complaint, the status and date of resolution. This system allows us to review complaint trends regularly and identify countermeasures that can be taken to prevent future complaints.

SOCIAL: PRODUCT RESPONSIBILITY

Our other business divisions also invite customers to give their feedback through official channels such as customised feedback surveys, the official email or customer service channels.

RESPONSIBLE MARKETING & ADVERTISING

OSK uses integrated marketing communications to create a unified and seamless brand experience, coordinating our marketing efforts across multiple communication channels. As market needs have shifted from mass advertising to niche marketing, we use more cost-effective campaigns that still deliver value. Our integrated marketing mix strategy uses both traditional and digital communication tools such as blogs, search engine optimisation, radio, television, billboards and print advertisements.

Our subsidiary companies such as OSKP, Atria, SGI and SGIVC have active marketing campaigns using various avenues including above-the-line, below-the-line, out-of-home media, online and events or roadshows. As social media is trending in this digital era, OSK also uses this channel aggressively as one of its marketing tools.

SGIVC is an active player in the timesharing industry and a member of the Malaysian Holiday Timeshare Developers’ Federation. The holiday timeshare industry is well legislated under the Companies Act 1965. SGIVC also adheres to the Policy Guidelines and Requirements on the Issuance of Advertisement in Relation to Registered Interest Schemes. This

provision is according to sections 40 and 363(1) of the Companies Act 1965 to facilitate the issuance of advertisement in relation to registered interest schemes.

ADVERTISING GUIDELINES APPLICABLE TO SGIVC

	Advertisements must not contain statements or information that may mislead the public		SGIVC submits a certificate signed by at least two directors to SSM before publishing or disseminating its advertisement
	SGIVC fulfills any promises and benefits stated in its advertisements		When the advertisement is broadcast via television or in the cinema, SGIVC provides an address where a copy of the prospectus can be obtained
	SGIVC ensures that advertising statements are consistent with disclosures in the prospectus and does not include additional facilities or amenities that are not stated or change its substantive nature		

KEEPING OUR CUSTOMERS INFORMED

OSKP makes an extra effort to keep buyers well informed on the progress of the property they purchased. Upon completion of a unit, a letter of handing over of vacant possession is emailed to the buyer notifying him to take vacant possession. When collecting the keys, we provide a handover kit comprising the unit’s keys, a handbook, warranties, inventory checklist, operating manuals, architectural and services layout plans and application forms for utilities. Our representatives accompany buyers or owners to the unit to check the fittings.

Atria, SGI and SGIVC update members and guests on their latest offerings, news, privileges, and other ongoing events regularly. Members are notified through their preferred communication channels. Information on the respective company’s websites are also updated in real time.

MANAGING IMPACT FROM OPERATIONS

Prior to any property development project, OSKP conducts a traffic impact assessment to identify the strategic and local effects of the developments on the existing network. This is to comply with Section 17 of the Roads Act to ensure a safe and efficient network of national roads.

The study identifies any road and junction improvement works required by our development to ensure smooth traffic flow upon completion of the development. During this comprehensive assessment, we analyse how the trips to and from our development might affect the transport network. Working with the National Road Authority, we use this initial assessment to identify the most manageable impacts on the transport network. Requirements for more significant infrastructure upgrades, mitigation, demand management, mobility management, monitoring, funding and phasing are also assessed. These elements are incorporated into our site development planning.

We also develop an Environmental Management Plan (EMP) which contains details of all environmental activities to be undertaken. The EMP carries the necessary guidelines for monitoring impacts on the environment and compliance with regulatory requirements and standards. Our EMP also contains the arrangements for abatement and mitigation measures for environmental protection, environmental monitoring and testing programmes, reporting and our roles in managing works on site.

ENGAGEMENT WITH CUSTOMERS

Maintaining good relationships with our customers is one of our most important activities. We provide a variety of ways for customers to contact us and also reach out to existing and potential customers through various events held throughout the year.

We are proud to celebrate the diverse multicultural community we live in. All festivals including Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas are celebrated across the group.

OSKP ushered in the Year of the Monkey with the Sungai Petani community at its Double Prosperity Open House. The event was held at the Sungai Petani Sales Gallery and those attending were greeted by an energetic 24-seasons drum performance followed by a lion dance performance on stilts. Dignitaries were invited to kick-off the event with a prosperity lou sang while other attendees were treated to a Chinese New Year buffet.



OTHER CUSTOMER ENGAGEMENT EVENTS HELD IN 2016 BY OSKP



FUTURE STRATEGIC SUSTAINABILITY PLAN



We identified the most salient topics to be prioritised in this report in the 'Materiality Matters' section of this report. Following the materiality study results, we conducted an in-depth meeting with the Sustainability Working Group (SWG) to formulate an action plan for the areas that were deemed most material for our stakeholders and OSK.

The score and ranking of each criterion were considered from both the stakeholders and OSK's perspective. However, this was not the only criteria. The SWG considered all aspects of sustainability and their impact on all areas of the business. The Group were also mindful of choosing aspects of sustainability where the greatest impact could be achieved.

The 10 selected criteria along with their rankings for both OSK and stakeholders are presented in the subsequent chart.

TEN MOST MATERIAL SUSTAINABILITY AREAS AND THEIR RANKING



The governance indicators of business ethics, risk management and transparency were all ranked highly. Risk management was deemed particularly important as its influence spans all other aspects of sustainability affecting OSK.

The SWG considered Economic and Business Performance important as this area has the ability to affect OSK and stakeholders significantly.

Surprisingly, the environmental indicators did not score as highly as expected with none entering the top 10 for either stakeholders or OSK. Although waste management is considered relatively low by all parties, it was one

of the highest-scoring environmental areas. We believe OSK can make a significant impact in addressing waste management. For example, adopt the 3R (Reduce, Reuse, Recycle) principles across the Group and our factories can control their waste inventories in a prudent and efficient manner.

Out of all social indicators, all parties considered Quality to be of particular importance. All respondents and parties agreed that safety is of paramount importance which led to both Occupational Safety & Health and Public & Customer Safety being included. Employee Engagement, and Training and Career Development are important to the Board, senior

management and the sustainability of our talents.

Following the identification of these 10 material issues, the Board and management will now focus on these areas in 2017 based on their opportunities and risk. We are currently working with all business divisions and subsidiary companies across the Group to formulate a collective future strategy for each identified area of sustainability. We will set KPIs and track our performance against these set goals. We look forward to highlighting our milestones and achievements in our next sustainability report.

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