

**MOVING
FORWARD,
PROGRESSING
TOGETHER.**



CONTENTS



ABOUT THIS REPORT **2**

EMBEDDING SUSTAINABILITY **3**



ABOUT US **4**

A WORD FROM THE EXECUTIVE CHAIRMAN **10**
Embracing A Culture Of Sustainability



EMBRACING AND INTEGRATING SUSTAINABILITY **12**

CONSOLIDATING MATERIALITY MATTERS **18**



ECONOMIC **24**

ENVIRONMENT **32**

SOCIAL **36**



GOVERNANCE **48**

COMMUNITY **52**

WAY FORWARD **64**

NEW FEATURES IN THIS SUSTAINABILITY REPORT



This icon indicates where more details can be accessed elsewhere in this Sustainability Report.



This icon indicates where more details can be accessed online.



To access our Sustainability Report, please download the QR code reader to your smartphone and scan the image.

ABOUT THIS REPORT

This is the second Sustainability Report published by OSK Holdings Berhad (“OSK” or “the Company”) and its subsidiaries (“OSK Group” or “the Group”). The report builds on the inaugural 2016 edition in charting OSK’s sustainability journey and outlining efforts to embed sustainability into every area of the Group’s business. The report tracks OSK’s performance in managing the economic, environmental and social aspects of its operations and their impact on all stakeholders including customers, shareholders, investors, business partners, suppliers and employees as well as the communities and environment in which the Group has a presence. For this report, OSK has set out to be as comprehensive, transparent and honest as possible in its disclosure and reporting of sustainability plans and practices within the Group.

REPORTING PERIOD



1 January to 31 December 2017

REPORTING CYCLE

OSK is committed to reviewing, updating and reporting its sustainability performance on an annual basis as stipulated by the provisions of Bursa Malaysia’s Listing Requirements.

REPORTING SCOPE

The first year of reporting captured OSK’s initial steps to develop a framework for adopting sustainability within the Company and extending the same throughout the Group. This framework encompassed the selection of key materiality matters for the Company/Group and its stakeholders. Following on, the 2017 report dives deeper into the action plans and performance of these areas deemed most material to both the Group and its stakeholders. At the same time, the report presents the on-going process to drive sustainable development at every level of the Group and each aspect of its operations.

REPORT COVERAGE

This report covers OSK Holdings Berhad (“OSK” or “the Company”), a public company listed on the Main Board of Bursa Malaysia Securities Berhad, and its main subsidiaries: OSK Property Holdings Berhad (“OSKP”) and PJ Development Holdings Berhad (“PJD”) collectively referred to as “OSK Group” or “the Group”. For the present time, however, the report only includes operations in Malaysia and does not extend to the Group’s operations abroad.

In addition, the report excludes any business operations carried out by the Group’s joint venture partners, occupants, tenants and sites beyond the purview of OSK.

REFERENCE AND GUIDELINES

Principal Guidelines

- Global Reporting Initiative G4 (“GRI G4”) Sustainability Reporting Guidelines

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 can be accessed by all stakeholders from our corporate website at www.oskgroup.com/corporate-announcements/. Alternatively, it can be made available in hard copy upon request. OSK encourages input from all parties concerned as feedback in any form can contribute to the Group’s sustainability journey. For further enquiries, please contact:

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DEFINITIONS

COMPANY NAME	ABBREVIATION
Acotec Sdn. Bhd.	Acotec
Atria Shopping Gallery Sdn. Bhd.	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 Sdn. Bhd.	SGI
SGI Vacation Club Berhad	SGI VC

EMBEDDING SUSTAINABILITY

OSK's journey towards sustainability has only just begun. Like any major initiative, this will be an on-going and long-term undertaking which involves the transformation of people and processes as well as corporate culture and business strategy.

In many ways, the challenge to drive sustainability across a company is similar to the launch of a new product, service or technology. In this case, the stages of adoption ranges from 'awareness' to 'interest', followed by 'evaluation' and 'trial', and leading finally to 'adoption'. There are obstacles at every stage, although they are commonly more prevalent in the earlier stages.

At OSK, we continue to persevere in our bid to embed sustainability throughout the Group despite facing some challenges such as:

1 AWARENESS & UNDERSTANDING

There remains a tendency to relate the concept of sustainability and practice of sustainable development exclusively to the environment. To correct this narrow perception, OSK will continue our awareness campaign among all stakeholders in order to inculcate a clearer and better understanding of corporate sustainability in terms of the economic, social, governance and community aspects beyond the environmental impact.

2 MINDSET & ATTITUDE

The prevailing opinion is that sustainability is merely an issue of compliance to the requirements of Bursa Malaysia. To change this mindset, it is necessary to intensify efforts to reduce internal and external resistance and indifference to the introduction of sustainability measures at corporate and business levels.

3 RELEVANCE & CONTRIBUTION

Sustainability is sometimes regarded as a hindrance and distraction to business operations. Going forward, OSK will attempt to highlight the long-term benefits of sustainability practices and how they can generate growth and improve margins by elevating branding, creating opportunities and enhancing talent development, among others.

THE TASK AHEAD

Patience and perseverance are required to ensure sustainable development becomes a holistic endeavour for the Group. The first task is to gain the acceptance of stakeholders as to the importance of sustainability as a corporate and business responsibility. The steps outlined herein allow us to achieve our sustainability agenda, especially in building momentum to embed sustainability as an organic element of OSK's corporate and business operations.

ABOUT US

In 1997, OSK diversified into properties through its subsidiary company OSK Property Holdings Berhad (“OSKP”), which was listed on the Kuala Lumpur Stock Exchange (“KLSE” – now known as Bursa Malaysia) in 2002. When OSKIB became a regulated entity by Bank Negara Malaysia in 2007, the shares of OSKP were distributed to the shareholders of OSK to comply with regulatory requirements. The company has since grown to become a multi-award winning developer with residential, township and commercial projects located in strategic growth areas across the country.

In 2012, OSKIB merged with RHB Investment Bank Berhad in a share swap exercise resulting in OSK becoming a major shareholder in RHB Group with a 10% equity interest in RHB Bank Berhad. In 2015, OSKP was merged back into the OSK Group and subsequently delisted from the Main Market of Bursa Malaysia.

In the same merger exercise, PJ Development Holdings Berhad (“PJD”) became part of the OSK Group. PJD was established in 1965 as a plantation and property development company, whereby it was eventually listed on the KLSE in 1974. PJD eventually divested its plantation business and ventured into four key areas of property development, construction, manufacturing of Industrialised Building System (“IBS”) wall panels and cables under the Acotec and Olympic Cable brands respectively, and hospitality under the Swiss-Garden International and SGI Vacation Club brands.



ABOUT US



In 2016, OSK increased its shareholdings in PJD to about 97% 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 Malaysia.

Today, OSK Group is a conglomerate with diversified interests in five business sectors.



ABOUT US

CORPORATE STRUCTURE AS AT 5 MARCH 2018

OSK

OSK Holdings Berhad

SUBSIDIARY COMPANIES



(JV) Joint venture
(ASC) Associate Company

ABOUT US

ASSOCIATE COMPANIES

RHB Bank Berhad
10.13%

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

<ul style="list-style-type: none"> Harbour Place Management Services Sdn. Bhd. 100% HTR Management Services Sdn. Bhd. 100% Kota Mulia Sdn. Bhd. 100% <ul style="list-style-type: none"> PJD Highland Resort Sdn. Bhd. 100% PTC Management Services Sdn. Bhd. 100% Swiss-Garden Hotel Management Sdn. Bhd. 100% Swiss-Garden International Sdn. Bhd. 100% <ul style="list-style-type: none"> Swiss-Garden International Limited [British Virgin Islands] 100% Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd. [Australia] 100% Superville Sdn. Bhd. 100% Olympic Properties Sdn. Bhd. 100% 	<ul style="list-style-type: none"> OCC Cables Berhad 100% <ul style="list-style-type: none"> Olympic Cable Company Sdn. Bhd. 100% OVI Cables (Vietnam) Co., Ltd. [Vietnam] 100% PJ Exim Sdn. Bhd. 100% Pengerang Jaya Pte. Ltd. [Singapore] 100% <ul style="list-style-type: none"> P.J. (A) Pty. Limited [Australia] 100% <ul style="list-style-type: none"> Yarra Park City Pty. Limited (ASC) [Australia] 38.25% 12.75% Equity & Property Investment Corporation Pty. Limited (ASC) [Australia] 27.40% PJD Central Sdn. Bhd. 100% PJD Construction Sdn. Bhd. 100% <ul style="list-style-type: none"> PJDC International Sdn. Bhd. 100% 	<ul style="list-style-type: none"> Putri Kulai Sdn. Bhd. 100% Swiss-Garden Rewards Sdn. Bhd. 100% PKM Management Services Sdn. Bhd. 100% PJD Hartamas Sdn. Bhd. 100% <ul style="list-style-type: none"> Agile PJD Development Sdn. Bhd. (ASC) 30% PJD Hotels Sdn. Bhd. 100% <ul style="list-style-type: none"> Damai Laut Golf Resort Sdn. Bhd. 99% MM Hotels Sdn. Bhd. 100% Swiss-Garden Management Services Sdn. Bhd. 100% PJD Land Sdn. Bhd. 100% PJD Landmarks Sdn. Bhd. 100% PJD Management Services Sdn. Bhd. 100% 	<ul style="list-style-type: none"> PJD Pravest Sdn. Bhd. 100% PJD Properties Management Sdn. Bhd. 100% PJD Realty Sdn. Bhd. 100% PJD Regency Sdn. Bhd. 100% PJD Sejahtera Sdn. Bhd. 100% SGI Vacation Club Berhad 100% Vibrant Practice Sdn. Bhd. 100% Swiss Inn JB Sdn. Bhd. 100% PJD Eastern Land Sdn. Bhd. 100% PJ Equity Sdn. Bhd. 100%
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ABOUT US

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

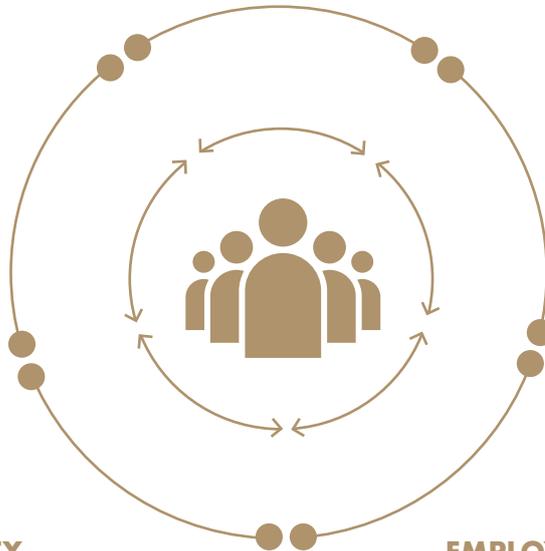
We seek to create long-term value for our shareholders through delivering strong and sustainable returns.

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.

BUSINESS PARTNERS

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



COMMUNITY

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

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 employees.

ABOUT US

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.



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.



FORWARD THINKING

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



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.



HUMILITY & RESPECT

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



Tan Sri Ong Leong Huat
@ Wong Joo Hwa

Executive Chairman



A WORD FROM THE EXECUTIVE CHAIRMAN EMBRACING A CULTURE OF SUSTAINABILITY



It is my privilege once again to present on behalf of the Board of Directors, OSK Holdings Berhad's Sustainability Report 2017.

It is important we understand that sustainability is a business imperative with the potential to ensure we can meet all our aspirations and achieve our goals on a constant and consistent basis.

In its essence, sustainability drives growth by generating opportunities and optimising resources in capital, assets and people. At the same time, it also harmonises our activities with the communities and environment within our considerable sphere of influence. Supporting and creating a sustainable business ecosystem is imperative as our business portfolio extends to property, financial services, construction, industries and hospitality, which impacts different physical locations and segments of society.

At this stage, we are also aware that nothing can be achieved overnight and that the success of any undertaking requires commitment, time and effort. That is the true meaning of the word and concept of sustainability.

With this in mind, I would like to rally the management and employees as well as our external stakeholders to embrace OSK's challenge to move forward with sustainability at the core of the Group and its businesses.

It is also pertinent to point out that we expect to come across speed bumps in our journey. This is only natural and to be expected of a large company with diversified interests, numerous subsidiaries and separate teams of people. In our case, the importance and urgency of initiatives need to filter from the top down to all levels within the Group including its subsidiaries.

Nevertheless, this is a challenge which we embrace wholeheartedly. Getting buy-in takes time and we need to be patient with all parties who have to incorporate sustainability considerations into the normal routine of operating our various businesses.

The key point is that sustainability is not an extraneous part of our business operations, but an integrated aspect of everything we do. Once we understand that collectively, we can begin to build up momentum for this endeavour.

With this, I would like to extend my appreciation to everyone involved in integrating sustainability into our business operations and corporate culture.

Let me also acknowledge the support of all our stakeholders. It is with your cooperation and collaboration that we can successfully meet our objectives now and in the future.

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Executive Chairman

EMBRACING AND INTEGRATING SUSTAINABILITY

OSK's aspiration is to embed sustainability as a way of life for the entire Group. The eventual goal is for sustainability to become a seamless consideration in everything we do, without any need for a separate agenda or effort to ensure its inclusion.

To achieve this, we understand that we can implement sustainability step by step to improve the bottom line while conducting operations the right way, every time.

Efforts to develop this platform began in earnest in 2016, starting off with the updating and formalising of the Group's Sustainability Policy, the creation of a Governance Structure, communication of the sustainability drive to stakeholders, and identification of Materiality Matters which were subsequently used to determine the 10 most material areas of sustainability for OSK and its stakeholders.



EMBRACING AND INTEGRATING SUSTAINABILITY

SUSTAINABILITY POLICY

Our first step in embracing sustainability was in updating the Sustainability Policy, which outlines the objectives and strategies to drive sustainability across OSK Group.  The Sustainability Policy can be viewed on the Company's website at www.oskgroup.com/corporate-governance/.

Applicable to all directors and employees, the Policy listed 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 and strive to adhere to this Policy, where practicable;
- To engage with relevant stakeholder groups to identify and align their concerns with the Group's sustainability strategy, where applicable; and
- To review and report the key sustainability matters annually and continually strive to improve our sustainability performance.

Given our diversified portfolio, OSK is committed to address the key sustainability areas of Economic, Environment, Social, Governance and Community as shown in the table below:

OSK'S KEY SUSTAINABILITY AREAS

<p>Economic</p> 	<p>Employment</p> <ul style="list-style-type: none"> • Providing employment • Uplifting local communities • Sustaining future generations 	<p>Procurement</p> <ul style="list-style-type: none"> • Practising business ethics • Sourcing quality materials 	
<p>Environment</p> 	<p>Preservation</p> <ul style="list-style-type: none"> • Adopting prudent waste management • Monitoring water and energy consumption • Reducing carbon footprint 		
<p>Social</p> 	<p>Workplace</p> <ul style="list-style-type: none"> • Providing safe, secure and healthy workplace 	<p>Workforce</p> <ul style="list-style-type: none"> • Ensuring equal opportunity • Rejecting discrimination • Disallowing child/forced labour 	<p>Talent</p> <ul style="list-style-type: none"> • Developing human capital
<p>Governance</p> 	<p>Standards</p> <ul style="list-style-type: none"> • Protecting stakeholders' interest • Promoting ethics and transparency 		
<p>Community</p> 	<p>Philanthropy</p> <ul style="list-style-type: none"> • Enriching communities • Disbursing aid • Encouraging volunteerism 		

EMBRACING AND INTEGRATING SUSTAINABILITY



GOVERNANCE STRUCTURE

OSK’s sustainability strategy is driven by the Board. Responsibility is delegated to the Chief Sustainability Officer (“CSO”) and the Group Management Risk Committee (“GMRC”), 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 (“SWG”) 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



EMBRACING AND INTEGRATING SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Engagement with our stakeholders is a vital process in driving sustainability at OSK as it enables us to balance the Group's priorities with the expectations of our shareholders, business partners, suppliers, employees, communities and others.

We continued to engage with our key stakeholders throughout 2017 via targeted sessions at the various locations where we operate. In addition, we also utilised other channels such as social media, market research and roadshows to meet our diverse stakeholders and seek their feedback, as summarised in the table below:

STAKEHOLDER GROUP	ENGAGEMENT METHODS	OSK'S STANCE	AREAS OF INTEREST
Business and Industry Partners	<ul style="list-style-type: none"> Annual and sustainability reports Consultation on industry matters Corporate presentation Events and roadshows Forums and dialogues Membership in associations 	Together with our industry peers, OSK is committed to advancing the industry through active participation in the marketplace and sharing updates on our progress, challenges and other developments.	<ul style="list-style-type: none"> Industry best practices Innovation that advances the industry New business opportunities OSK's position within the industry
Community	<ul style="list-style-type: none"> Community engagement activities Community partnership Social media tools Website, catalogues and brochures 	OSK is an integrated part of society and we understand that our business operations have an impact on the community. We are committed to our role as a contributor and enabler for the communities in which we operate.	<ul style="list-style-type: none"> Charity and giving Impact of operations on community Local community development Staying connected with the company
Customers including Tenants, Shoppers and Guests	<ul style="list-style-type: none"> Events and roadshows Feedback channels Loyalty programmes Market research Meetings Social media tools Website, catalogues and brochures 	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"> Brand reputation Confidence and trust in the Company Pleasant experience Value for money
Employees	<ul style="list-style-type: none"> Annual dinner Employee engagement survey Employee volunteering Internal employee portal Internal engagement activities Training and development 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"> Attractive remuneration Career development Work-life balance

EMBRACING AND INTEGRATING SUSTAINABILITY

STAKEHOLDER GROUP	ENGAGEMENT METHODS	OSK'S STANCE	AREAS OF INTEREST
Government and Regulators	<ul style="list-style-type: none"> • Formal meetings • Performance reports 	Each subsidiary is responsible to comply 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, local community and nation-building
Media	<ul style="list-style-type: none"> • Events and launches • Media networking sessions • Media visits 	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"> • Corporate updates • Events • Upcoming developments
Shareholders and Investors	<ul style="list-style-type: none"> • Annual general meetings • Annual and sustainability reports • Bursa announcements • Investor relations ("IR") meetings or conference calls • Quarterly financial reports • Shareholder updates 	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"> • Brand reputation • Future competence • Long-term relationship development • OSK's position within the industry • Positive investment growth • Risk management
Supply Chain Partners	<ul style="list-style-type: none"> • Satisfaction survey • Supplier audits • Supplier events 	OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.	<ul style="list-style-type: none"> • Fair procurement • Staying connected with the Company • Support of local suppliers and local produce

EMPLOYEE AWARENESS CAMPAIGN

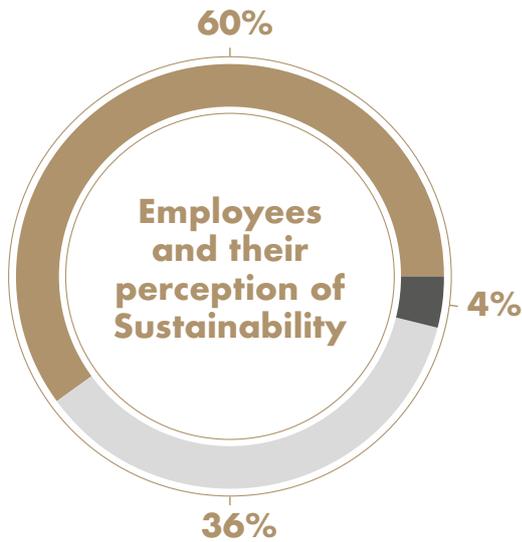


The talk entitled 'Sustainability & You' was well-received by the employees

As part of our campaign to engage our employees on sustainability, OSK carried out a teaser survey entitled 'Sustainability & Me' to better understand the internal perception of sustainability. The results were promising, judging from the significant proportion of respondents who viewed sustainability through a wider context beyond merely environmental considerations.

EMBRACING AND INTEGRATING SUSTAINABILITY

From the responses, it was apparent that an increasing number of employees understand the importance of living and working sustainably in harmony with the community and environment. The highlights of the survey results are as follows:



- 60% of OSKians thought it had to do with lifestyle choices such as changing our mindset, knowledge and way of living.
- 36% of OSKians thought it had to do with the environment such as adopting recycling and managing our resources responsibly.
- 4% of OSKians thought it had to do with the economy or the way we manage our business and its impacts.

In Their Own Words

“The goal of sustainability is to create possibilities, not to limit options.”

“Sustainability needs perseverance.”

“Living a sustainable life starts with our own health.”

“Sustain, retain & remain; what we consume doesn’t vastly exceed what we contribute.”

“Manage usage of resources so that they can last indefinitely.”

“Sustainability is where one’s existence harmonises oneself with the environmental, cultural, economic, and social surrounding.”

The campaign also included a talk on sustainability where employees learned how they could play their part in promoting sustainability in their everyday lives. In raising awareness of the value of sustainability, the campaign provided a platform for the OSK fraternity to connect, adopt and act on sustainability as individuals and collectively. It was an opportunity for our employees to see the change they can bring about in themselves, the company and society at large.

As we continue with our awareness education, it is critically important that we view sustainability not only as a responsibility, but also as a long-term and all round benefit for the Group. It is this message of sustainability as an enabler and driver of growth that we will continue to carry forward to all our stakeholders.

We also hope to be an advocate for sustainability beyond our immediate sphere of influence. With others on the same page, only then can we truly practise sustainability as an integral part of our business and operations.

The Action Plan for the most material areas of sustainability for OSK and its stakeholders is outlined in the following chapter.

CONSOLIDATING MATERIALITY MATTERS

Determining what matters most to the business and stakeholders is a critical step in the process to drive sustainability. Materiality matters are those areas or aspects deemed important to both the company and others involved or impacted by the company's operations.

At OSK, our approach to identifying the Group's materiality matters follows the reporting guidelines of the GRI G4 and the Bursa Malaysia Sustainability Framework.

IDENTIFYING THE 10 MOST MATERIAL MATTERS

In our review of feedback from all our stakeholders in 2016, we identified the 10 most material matters for the Group. These are categorised in the table below:

SUSTAINABILITY AREA	MATERIAL MATTERS
Economic	<ul style="list-style-type: none"> Economic & Business Performance
Environment	<ul style="list-style-type: none"> Waste Management
Social	<ul style="list-style-type: none"> Employee Engagement Occupational Safety & Health Public & Customer Safety Training & Career Development Quality
Governance	<ul style="list-style-type: none"> Business Ethics Risk Management Transparency

The 10 material matters were selected based on the consideration of their importance to both OSK and our stakeholders as well as on their degree of impact on the Group's areas of business.

In 2017, the materiality matters were reviewed by the CSO and SWG, who found that the materiality matrix and findings from the previous year are still relevant to the Group since our business portfolio remained essentially the same as the previous year.

DETERMINING MATERIALITY MATTERS

OSK's exercise to identify, shortlist and determine the most material matters for sustainability started with a commissioned survey by an external consultant for our stakeholders with a premium placed on objectivity and anonymity.

The process involved 4 steps, which are summarised as follows:

STEP 1:

IDENTIFICATION OF TOPICS

- Feedback obtained from internal and external stakeholders.
- Local and international references:
 - GRI G4
 - Bursa Malaysia Sustainability Guide on Materiality Assessment
 - FTSE4Good Index Series
- 32 issues were then shortlisted.

STEP 2:

MATERIALITY ANALYSIS

- Rating of the 32 shortlisted issues according to importance by survey respondents.
- 300 respondents from 6 stakeholder groups:
 - Business partners, suppliers, subcontractors
 - Customers
 - Employees
 - Media
 - Non-governmental organisations (NGOs)
 - Shareholders, investors, analysts
- Survey was also completed by Board members and senior management, whose responses were used to represent the relevance to OSK.

CONSOLIDATING MATERIALITY MATTERS

STEP 3:

MAPPING MATERIALITY ASPECTS

- The mapping of their rating according to importance to stakeholders and relevance to OSK is shown below:

MATERIALITY MATRIX



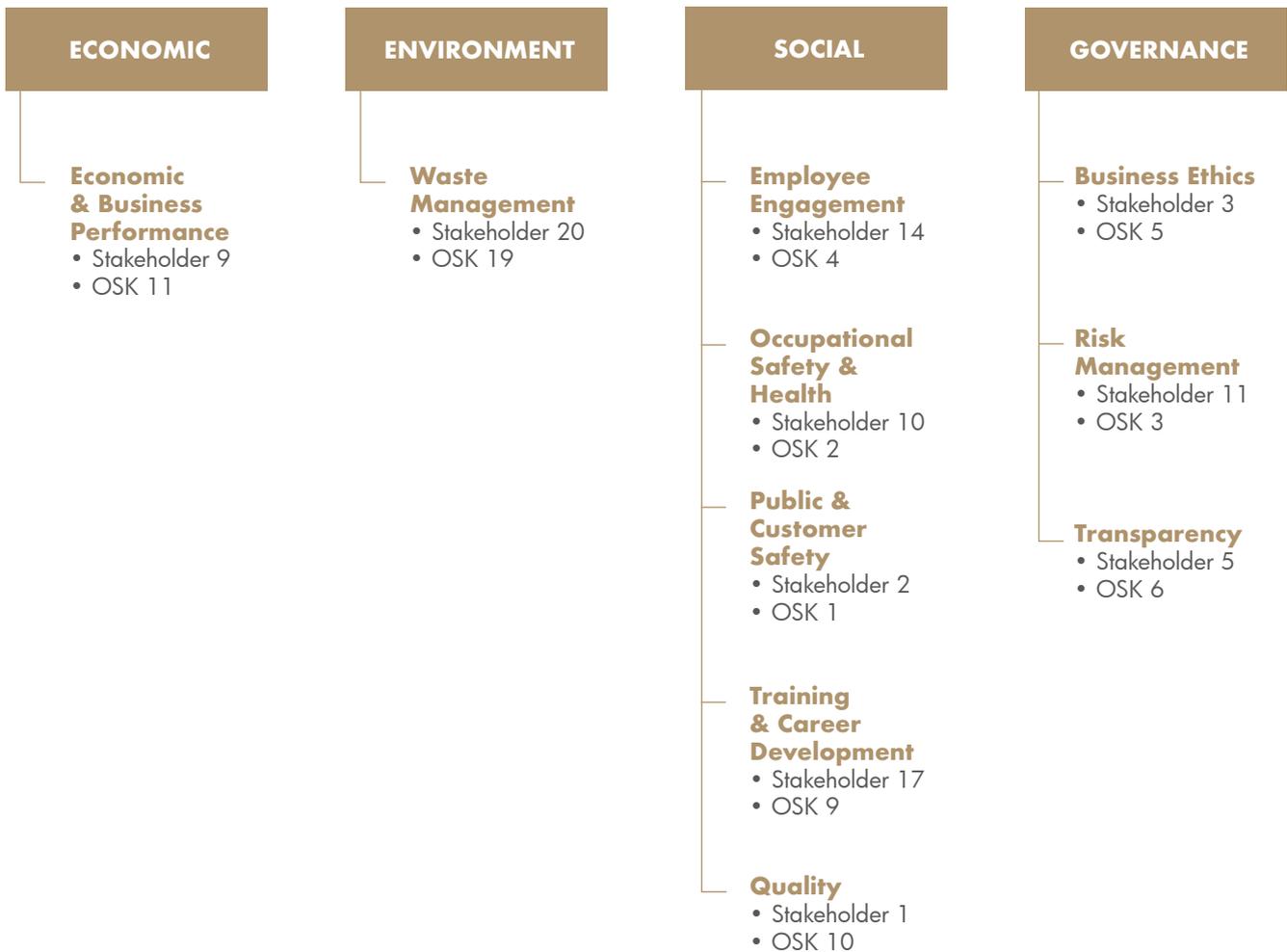
CONSOLIDATING MATERIALITY MATTERS

**STEP
4:**

INTERPRETATION OF THE RESULTS

- Following the finalisation of the materiality matrix, the CSO and SWG convened to discuss the findings and select the 10 most material matters, which were subsequently approved by the GMRC and Board.
- Selection of the 10 most material matters was not based solely on rating.
- Importance to business sustainability was given weightage due to its impact on the Group and stakeholders.
- Waste management was selected despite a lower rating as it is one of highest-scoring environmental areas.
- Ranking of the 10 most material matters is shown below:

RANKING OF THE 10 MOST MATERIAL MATTERS



CONSOLIDATING MATERIALITY MATTERS

IMPLEMENTING THE SUSTAINABILITY ACTION PLAN

Subsequently, the SWG developed an Action Plan along with the respective business and functional divisions to focus on these priority aspects in 2017:

- Identify the relevant business/functional owners for each sustainability area;
- Discuss and formulate relevant Key Performance Indicators (“KPIs”);
- Identify a suitable tracking mechanism and source of data collection;
- Propose the overall plan to GMRC for approval and adoption, followed by the Board for notation;
- Implementation and tracking of KPIs;
- Report KPIs and results (where available) in the 2017 Sustainability Report.

The following KPIs have been set for the 10 most material matters:

KPIs FOR THE 10 MOST MATERIAL MATTERS

MATERIAL MATTER	OWNER	KPI	TARGET	ACHIEVEMENT
ECONOMIC				
Economic & Business Performance	All	No. of initiatives taken to contribute to local economy/community	Min. 3 initiatives per year	1. OSK Foundation disbursed approximately RM500,000 in 2017.  Details are listed in the Community section of this report. 2. Handover of first batch of PR1MA housing in Bandar Puteri Jaya.  Details are listed in the Economic section of this report. 3. Building of a new market and community hall in Taman Suntex.  Details are listed in the Economic section of this report.
ENVIRONMENT				
Waste Management	All	No. of waste management initiatives or campaigns conducted	Min. 2 initiatives per year	1. Green Jeans Project 2. 3R Practices  Details are listed in the Environment section of this report.
SOCIAL				
Employee Engagement	Human Resources (“HR”)	% of employee satisfaction score	To benchmark against the Global Engagement Index (“GEI”)	The Group achieved an overall employee satisfaction score of 78.3% vs. the average GEI for Asia of 59.0%.  Details are listed in the Social section of this report.
Occupational Safety & Health	Construction	No. of initiatives conducted to cultivate a health and safety awareness culture	Min. 2 initiatives per year	PJDC conducted 237 toolbox meetings and 31 on-the-job trainings across their sites in 2017.

CONSOLIDATING MATERIALITY MATTERS

KPIs FOR THE 10 MOST MATERIAL MATTERS (CONT'D)

MATERIAL MATTER	OWNER	KPI	TARGETS	ACHIEVEMENT
Public & Customer Safety	Property Investment & Hotels	Timely maintenance of public facilities calculated by no. of major breakdowns (requiring specialist/service provider actions) per year	To achieve score of 3 (out of 5) for the allowable no. of major breakdowns per year	For 2017, we focused on deliberating the most appropriate KPI to adopt for this material area. Implementation and reporting will be done in 2018.
Training & Career Development	HR	% of training satisfaction score	To achieve an average satisfaction score of 75%	The Group achieved an average score of 85% for training satisfaction.  Details are listed in the Social section of this report.
Quality	Property Development	Quality Assessment System for Building Construction Works ("QLASSIC") score for development projects	To achieve an average score of 69.4% based on the average quality assessment score for PR1MA and non-PR1MA projects	OSKP achieved an average score of 69.5% for its 2017 projects.  Details are listed in the Social section of this report.
GOVERNANCE				
Business Ethics	Company Secretarial ("Co-Sec")/ All	No. of initiatives taken to enhance business ethics practices	Min. 3 initiatives per year	<ol style="list-style-type: none"> 1. Formulation of internal fraud and Personal Data Protection policies. 2. Enhancement of whistleblowing and information technology ("IT") policies. 3. Cascading of the above policies to all employees via townhall meetings and employee portal.  Details are listed in the Governance section of this report.
Risk Management	Risk Management	No. of initiatives conducted to cultivate a positive risk management culture	Min. 2 initiatives per year	<ol style="list-style-type: none"> 1. Review of risk profiles on a quarterly basis. 2. Introduction of incident management policy.
Transparency	Co-Sec	Maintain good Corporate Governance ("CG") practices and disclosure	To be listed in the MSWG Top 100 Companies for Overall CG & Performance	OSK was listed in the said listing for 2017.  Details are listed in the Chairman's Statement in the Annual Report 2017.

Where possible, we are currently working with the respective business and functional divisions to establish processes and gather baseline data that will allow us to benchmark our future performance in these areas. In some cases, we are finalising the mechanism and metrics in order to start tracking the results from 2018 onwards.

EPIC HOMES

PROVIDING
HOMES FOR
UNDERPRIVILEGED
ORANG ASLI

IT TAKES
30-35
VOLUNTEERS
3 DAYS
TO BUILD A HOME

12,322

ORANG ASLI FAMILIES
LIVE IN UNSAFE HOUSING CONDITIONS



ECONOMIC



SUSTAINABILITY PILLAR ECONOMIC

The economic dimension is an essential component of corporate sustainability for very valid reasons. A business does not thrive in isolation as it is a vital component in an ecosystem that directly supports tens of thousands and indirectly hundreds of thousands of livelihoods.

As a public-listed company, OSK is not only responsible for the financial wellbeing of its management and employees, but also the asset security of its shareholders. Beyond these stakeholders, OSK is a significant source of business for its partners, associates, suppliers and all the way down their respective supply chains.

In our case, this impact cuts across many different economic sectors and business segments since OSK has diversified interests in property development and investment, financial services, construction, industries and hospitality.

OSK'S ECONOMIC ECOSYSTEM



In 2016, 'Economic & Business Performance' was selected as one of the 10 most material matters following our review of sustainability by the SWG in collaboration with the stakeholders. It is the only material matter for the economic dimension of sustainability.



SUSTAINABILITY PILLAR ECONOMIC

DRIVING FINANCIAL PERFORMANCE TO ENSURE HEALTHY RETURNS

OSK has consistently developed its portfolio and grown its businesses to drive sustainability for the Company and Group, ensuring healthy returns for its immediate stakeholders and continuing business for its supply chain.

The table below summarises the Group's earnings and key financial position for the financial years ended 31 December 2016 and 31 December 2017. [Ed](#) A more comprehensive presentation of our financial results and business performance is found in our Annual Report 2017.

RM' million	Property (Development & Investment)	Financial Services (Capital Financing)	Construction	Industries (Cables & IBS)	Hospitality (Hotels and Resorts & Vacation Club)	Financial Services (Investment Holding)	Total
FY2017							
Revenue	688.8	48.3	30.3	289.3	106.6	6.0	1,169.3
PBT	131.4	32.2	12.0	25.6	(11.2)	295.2*	485.2
FY2016							
Revenue	824.8	44.1	13.7	298.3	120.7	4.1	1,305.7
PBT	200.5	28.6	7.1	33.4	(23.4)	75.2	321.4

* Included one-off gain on deemed disposal of RM177.6 million.

Key Financial Position RM' million

	FY2017	FY2016	Variance
Shareholders' funds	4,538.7	4,300.5	+
Total equity	4,606.9	4,442.9	+
Borrowings and medium term notes	2,266.9	2,230.9	+
Cash, bank balances and short term funds	424.7	418.5	+
Net gearing (times)	0.40	0.41	-
Net assets per share (RM)	2.19	2.07	+
Share price as at 31 December (RM)	1.07	0.93	+
Earnings per share (sen)	19.27	11.90	+

SUSTAINABILITY PILLAR ECONOMIC

LAYING THE FOUNDATION FOR CONSISTENT GROWTH

OSKP continuously seeks opportunities to invest in projects that will enhance social and economic infrastructure and elevate community living. The projects listed below demonstrate some of our on-going efforts to generate sustainable growth.

o PRIMA

OSKP's 1Malaysia People's Housing ("PRIMA") development at Bandar Puteri Jaya in Sungai Petani has become our first such project since the introduction of this range of affordable homes by the Malaysian Government in 2012.

Prime Minister Dato' Sri Mohd Najib Tun Razak visited our project in January 2017 and presented mock keys to 10 house owners.



Dato' Sri Mohd Najib Tun Razak with PRIMA house owners at Bandar Puteri Jaya

o Melbourne Square

OSKP achieved a new milestone with the launch of our maiden overseas development, Melbourne Square in Australia. A joint venture development by OSKP and the Employees Provident Fund ("EPF"), this will be the single largest mixed-use development of its kind featuring a 5-acre integrated development in Southbank, Melbourne. The project has a gross development value ("GDV") of over RM9 billion.

The project will develop a green heart for Southbank, providing much needed amenities such as childcare facilities and a supermarket along with other retail options as well as the addition of a public park and network of green spaces. Melbourne Square comprises four towers of residential apartments, an office tower, a hotel/serviced apartments tower and multiple street-level retail lots across the various components. The project will be developed in 5 stages over 8-10 years.

This project showcases the Group's commitment to build high quality and liveable accommodations, engaging public spaces and comprehensive retail and commercial developments that will enhance the value of the community and provide a better living environment for its residents.



Official launch of Melbourne Square

o Taman Suntex

Closer to home, OSKP achieved yet another milestone with the launch of a project to build a new market and community hall in Taman Suntex, Selangor, which is in the vicinity of our You City project. This is a joint venture with Kajang Municipal Council ("MPKJ") through the Smart Partnership programme.

Expected to be completed in late 2018, the new building will house a wet market, a community hall with two badminton courts and various food stalls. The groundbreaking ceremony of this project was officiated by Dato' Seri Mohamed Azmin Ali, Menteri Besar of Selangor.



Groundbreaking ceremony of new market and community hall at Taman Suntex

SUSTAINABILITY PILLAR ECONOMIC

GIVING PRIORITY TO LOCAL HIRING

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

OSK seeks to hire local employees to fill job openings where possible. We would only recruit externally in the event that any particular skills or experiences are not readily available in the country. OSK believes local recruitment offers much significant benefits especially with regard to easier assimilation into the work culture and understanding the needs of the local community.

During the year, OSK participated in several job fairs and student engagement programmes in a bid to attract future talents to the Company and Group. They included:

- *JobStreet Career Fair – 13 to 15 January 2017*
- *University of Malaya Career Path – 11 to 12 April 2017*
- *Taylor's Internship Engagement Day – 4 to 5 October 2017*
- *INTI Internship Day – 25 October 2017*
- *5 Help Viva Final Year Project – 21 to 22 November 2017*

DEVELOPING A SUSTAINABLE SUPPLY CHAIN

At OSK, we are committed to supporting local businesses and helping them grow even as we grow our own business. A strong local supply chain is vital as it keeps value within the local economy. Our procurement activities promote the use of local suppliers and we encourage our subsidiaries to do likewise.

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

BENEFITS OF SOURCING LOCALLY



ADVANCING THE INDUSTRY

Business and industry associations have the potential to play a significant role in corporate sustainability. OSK has a considerable presence in associations where we contribute to thought leadership for industry advancement as well as other issues such as sustainable development. We constantly engage with our industry partners on best practices and a range of activities.

SUSTAINABILITY PILLAR ECONOMIC

OSK and its senior management participate in many associations and councils as presented in the following tables:

• By Company

COMPANY	ASSOCIATION
Acotec	<ul style="list-style-type: none"> Member, Construction Industry Development Board ("CIDB") Member, Malaysian Fire Protection Association ("MFPA")
Atria	<ul style="list-style-type: none"> Member, Malaysia Shopping Malls Association ("PPK")
OCC	<ul style="list-style-type: none"> Member, Malaysian Cable Manufacturers Association ("MCMA")
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 ("IIA Malaysia")
OSKP	<ul style="list-style-type: none"> Member, Real Estate & Housing Developers Association Malaysia ("REHDA") International Corporate Ordinary Member, International Real Estate Federation ("FIABCI") Malaysian Chapter
PJDC	<ul style="list-style-type: none"> Member, CIDB Member, Master Builders Association Malaysia ("MBAM")
SGI VC	<ul style="list-style-type: none"> Member, Malaysian Holiday Timeshare Developers' Federation ("MHTDF")

• By Individual

COMPANY	NAMES	ASSOCIATION
OSK	Ong Ju Yan, Group Managing Director	<ul style="list-style-type: none"> Member, Malaysia Australia Business Council ("MABC") Member, REHDA Youth
	Ong Ju Xing, Deputy Group Managing Director	<ul style="list-style-type: none"> Member, MABC Member, REHDA Youth
OSKP	Ong Ghee Bin, Chief Executive Officer	<ul style="list-style-type: none"> Member, MABC Committee Member, REHDA Selangor
SGI VC	Ivan Ting, Chief Executive Officer	<ul style="list-style-type: none"> Vice Chairman, MHTDF

SUSTAINABILITY PILLAR ECONOMIC

OSK has a proven track record in the industry which is underpinned by our technical capabilities, strong leadership team and our dedicated employees. Through the year, we have achieved several major milestones and the following are some of our recent achievements and awards:

o **Tan Sri Ong Leong Huat Awarded WCES Lifetime Achievement Award**

OSK's Executive Chairman, Tan Sri Ong Leong Huat was conferred the Lifetime Achievement Award for Leadership in Banking and Financial Services industry at the 9th World Chinese Economic Summit ("WCES") 2017.

The Lifetime Achievement Award recognises the continual contribution and outstanding achievements of individuals for their leadership and commitment in making a difference over a sustained period of years to the regional and global community.

The WCES Lifetime Achievement Award was established in 2011 to honour individuals who have made significant and fundamental contributions in their respective fields.



Ong Ju Xing, OSK's Deputy Group Managing Director receiving the WCES Lifetime Achievement Award on behalf of Tan Sri Ong Leong Huat

o **NACRA Recognition for OSK**

OSK received a Certificate of Merit at the National Annual Corporate Report Awards ("NACRA") 2017.

This being the Company's inaugural participation in the Awards, the recognition is a testament to the Group's commitment to communicate with our investors and stakeholders through the publication of timely, accurate and informative annual reports.

Jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants ("MIA") and The Malaysian Institute of Certified Public Accountants ("MICPA"), this prestigious Award is to recognise and highlight the importance of good financial reporting, not only to protect the interests of stakeholders, but also to ensure the effective functioning of the capital market.



OSK team with the NACRA Certificate of Merit

SUSTAINABILITY PILLAR ECONOMIC

- o **Atria Received Best Experiential Marketing Award 2017**

For the second year running, Atria was awarded the Best Experiential Marketing Award 2017. Atria received the Silver Award in Category A for its marketing campaign themed 'Topsy-Turvy Christmas 2016'.

This award is presented by the Malaysia Shopping Malls Association ("PPK") to acknowledge and recognise Malaysian malls' efforts in enhancing the shopping experience for shoppers via their creative marketing campaigns.



Atria's Marketing team with the Best Experiential Marketing Award 2017

- o **SGI's Damai Laut Golf & Country Club Won 2 ParGolf People's Choice Awards**

Damai Laut Golf & Country Club was two times lucky when it received the recognition for 'Most Improved Golf Course Malaysia Top 3' and 'Most Scenic Golf Course Malaysia Top 3' at the 2017 ParGolf People's Choice Awards.

Held to recognise excellence in the Malaysian golf course industry, winners are selected solely based on online voting by the public for a period of 3 months.



Damai Laut Golf & Country Club was the people's choice in 2 categories

- o **OSKP Secured Top Property Developers Award for the Fourth Time**

OSKP added another feather to its cap as one of the country's top property developers at The Edge Malaysia's Property Excellence Awards 2017. Ranked no. 16 out of 30, the 'Top Property Developers' Award' is the anchor award of The Edge Malaysia's Property Excellence Awards, established in 2003 to rank Malaysia's best property players from the consumer's perspective, based on quantitative and qualitative attributes.



- o **SGI VC Melaka Won Guest Review Award from Booking.com**

SGI VC Melaka is recognised as a top performing hotel based on guest reviews by Guest Review Award 2017 from Booking.com, a world leader in booking accommodations online.

With a score of 9.3 out of 10, this accolade is a symbol of excellence signifying that it was considered a best guest experience provider among 800,000 properties on Booking.com. This award is given out to hospitality properties throughout the world on an annual basis in recognition of their outstanding achievements over the past year. Award winners are assessed by guest reviews on Booking.com with an overall score of 8.0 and above.



ENVIRONMENT



SUSTAINABILITY PILLAR

ENVIRONMENT

OSK maintains a balance between our operational performance and the preservation of the environment. We remain committed to minimising the environmental impact from our activities in order to safeguard the future for generations to come.

Our efforts to ensure sustainability in this area cut across two dimensions: the first being the causative effects of activities in our business segments of Property, Construction and Industries; and the second being our proactive measures to promote and encourage green considerations within the organisation.

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 methodology checklist at Acotec and our green building projects.

At this stage, we are still in the midst of identifying the different sets of sustainability parameters for both our external business operations and internal corporate activities. For now, our reporting is focused on green initiatives and decisions to minimise the Group's carbon footprint.

GREENING OF BUSINESS OPERATIONS

OSK has been increasingly involved in more green projects in property development and construction. Our recent projects featured eco-construction materials and methods aimed at reducing the environmental impact of buildings. These projects included Atria in Damansara Jaya, USJ One in Subang Jaya, You City in Cheras and Woodsbury Suites in Butterworth.

For every project, OSKP develops an Environmental Management Plan ("EMP") detailing all activities related to managing the project's impact on the environment. The EMP carries the necessary guidelines in compliance with regulatory requirements and standards. Our EMP also contains mitigation measures for environmental protection, environmental monitoring and testing programmes, reporting and our roles in managing works on site. In addition, OSKP conducts a traffic impact assessment before the start of any project in order to manage the traffic flow and minimise disruption to the immediate road networks.

OSKP is also committed to meeting the requirements of the Green Building Index ("GBI") for the mandated developments. In Malaysia, GBI is the environmental rating system for buildings developed and audited by the Malaysian Institute of Architects ("PAM") and the Association of Consulting Engineers Malaysia ("ACEM").

The GBI encourages the development of green buildings that are designed to conserve energy and resources as well as harmonise with the immediate ecosystem including the surrounding environment and climate. Green buildings are intended to sustain and enhance the quality of life for their occupants and visitors.

Among others, the GBI serves to promote integrated building designs, reduce the impact of the built environment and ensure buildings are sustainable for the long-term. Given these objectives, the GBI tracks and monitors the design and performance of buildings according to the following broad parameters:



Currently, a number of our projects have been designed to fulfil the criteria set under the GBI.

As we move toward efficient and sustainable methods, OSKP is making progress in adopting Industrialised Building System ("IBS") in its development projects in line with the Government's efforts to promote the use of IBS. The IBS roadmap which was launched in the Eighth Malaysia Plan in 2010, is now made mandatory in 2018 for projects that are more than 50,000 sqm to have an IBS score of at least 50 points.

Billed as an efficient building method to help shorten the construction period, ensure better workmanship and finishing quality, save costs through faster delivery, lessen wastage and improve work safety, IBS is taking its shape in the construction industry. Through our IBS division, Acotec, OSK has also successfully implemented numerous IBS projects throughout Malaysia and Singapore.

SUSTAINABILITY PILLAR ENVIRONMENT

GREENING BY CORPORATE INITIATIVES

Over the years, OSK has introduced a number of internal guidelines on the use of energy and other resources as part of our on-going campaign to promote environmentally friendly practices in the workplace.

We have been particularly mindful in the areas of energy and water consumption as well as waste management. However, waste management was the only issue selected as one of 10 most material matters to OSK and its stakeholders. This was the outcome of our review of materiality matters carried out in 2016.

Nevertheless, OSK will continue with our responsible approach towards the other shortlisted items under the Environment area of sustainability such as 'responsible sourcing of materials', 'climate change', 'energy use' and 'water consumption'.

o Waste Management

We practise the 3R principles of 'reduce', 'reuse' and 'recycle' at OSK, its subsidiaries and properties. Where possible, we eliminate or reduce the use of disposable resources, promote recycling at all premises and encourage the reuse of materials.

For example, recycling bins can be found at numerous strategic locations at Atria, Plaza OSK, our hotels and other properties. The management of waste is also diligently carried out at all our property sites under construction. In this case, waste materials are promptly set aside and disposed of to ensure they do not pose a hazard to workers or become a hindrance to on-going work.

In November, we initiated the Green Jeans Project as part of the 'Sustainability & Me' campaign together with 2nd Chance by SURI; a social enterprise that empowers low-income single mothers. Through this initiative, we collected old denim materials from our employees and gave it to the ladies at SURI who will then recycle these denims into new products such as backpacks and handbags.



Green Jeans Project

Other environmentally friendly measures practised during the year in review are recapped and summarised below:

Materials Management

- A systemic approach to using and reusing materials over their entire life cycles.
- On-going process to streamline our internal management systems to use and reuse materials more productively.

Energy Management

- Atria's sensor-based escalators stop when not in use.
- Atria uses LED energy-efficient lights.
- Atria uses a building control system to optimise building systems such as the Air Conditioning and Mechanical Ventilation ("ACMV") and lights for greater energy efficiency.
- You Vista has photo and motion sensors connected to lights and fans in common areas which will automatically switch off when no one is around.
- SGI VC's Melaka property uses Variable Refrigerant Flow ("VRF") air-conditioning system and solar energy to heat water.
- Plaza OSK uses digital timers at its lift lobbies and toilets to control the light operation hours.

Water Conservation

- Our green property projects come with rainwater harvesting systems that reduce potable water consumption by 50%.
- Potable water consumption for landscape irrigation has also been reduced by 50% via the use of native and adaptive plants.
- Facilities at Atria's toilets are fitted with sensors that control water volumes.
- Other water-saving initiatives typically used in our buildings include:
 - Low-flow sink and bathtub faucets, showerheads and toilets at our hotels.
 - Dual-flush valves on water closets that provide a full flush and optional half flush.
 - Lavatory/sink aerators with more restrictive alternatives.
 - Using higher-efficiency plumbing fixtures.

SUSTAINABILITY PILLAR ENVIRONMENT

Climate Change

OSK understands the impact of climate change and supports initiatives related to this phenomenon.

On 25 March, Atria took part in the annual Earth Hour by switching off non-essential lights at its façade and centre court for an hour. To promote awareness of Earth Hour and the consequences of climate change, the mall also held various activities for shoppers including a DIY Upcycling Contest, Earth Hour Family Zumba and Earth Hour Q&A.

An Earth Hour educational poster was also posted on our employee portal to educate employees on this initiative.



OSK is committed to promote environmental awareness to the public

Going forward, OSK will continue to focus on waste management as one of the 10 most material matters. We are currently planning new initiatives and developing tracking mechanisms to improve our impact and disclosure in this area.



SOCIAL



SUSTAINABILITY PILLAR

SOCIAL

It is a universal premise that people are the driving force behind a company's success. Similarly, OSK's growth as a company and development as a socially-responsible organisation are tied to the capability of its people and their interaction with stakeholders.

For this reason, the social aspect is a key dimension of sustainability, being a factor in all the other areas of Economic, Environment, Governance and Community.

OSK believes that efforts to build sustainability must first be founded on sustaining the ability of its workforce and the loyalty of its consumers. This is why the Social pillar was given such prominence during our first year of sustainability reporting.

To recap, the 2016 report presented OSK's plans and programmes for:

- Labour practices and decent work; incorporating employee engagement, performance measurement, training & development and occupational safety & health;
- Human rights;
- Society;
- Product responsibility; including customer engagement, public & customer safety and quality & assurance.

Following our sustainability review in 2016, we selected 5 aspects under the Social pillar as among the 10 most material matters to OSK and our stakeholders, which were as follows:



As such, the 5 most material social matters are featured more prominently in this chapter before the discussion on other issues such as performance measurement, customer engagement and OSK's commitment to upholding human rights. For this report, the 'Society' portion is parked under a separate 'Community' pillar with its own chapter.

ENGAGEMENT WITH OUR MOST VALUABLE ASSET

At OSK, we value input from our employees on a broad range of issues from their professional wellbeing to market assessment and corporate direction. Such feedback not only promotes greater understanding between the different groups of employees, but also provides management with insights that facilitate decision-making.

As part of our efforts to consistently engage with our employees, OSK carries out various surveys throughout the year. The results were reviewed by the management, further explored in focus group sessions and incorporated into action plans for the year ahead. In 2017, our group-wide engagement index was 78.3% (2016: 72.9%), which is a commendable result compared to the GEI average for Asia, which was at 59.0%

During the year in review, OSK held several activities for management and employees to interact in less formal settings in order to 'break the ice' and foster better working relations. We also encourage our subsidiaries to organise their own internal events to foster an inclusive and engaged workforce. The following are some highlights in 2017:

SUSTAINABILITY PILLAR SOCIAL

o OSK Group Annual Dinner

OSK employees came together to celebrate a night full of exciting activities during the 'Where Broadway Meets Hollywood' themed annual dinner event which included a photo booth, best dressed awards, lucky draw and talent show by OSK employees.



Discovering hidden talents amongst our employees

o SGI VC Award Night

SGI VC Award Night rewards the company's outstanding achievers. The Mini-Olympic themed celebration gathered SGI VC employees for a fun night of singing performances, "War-Cry Battle" competition, medal presentation and lucky draw.



Work and fun make a productive team

o Employee Movie Nights

Several employee outings were organised during which OSK employees were treated to their favourite movies including 'Beauty and The Beast', 'Justice League' and 'Star Wars: The Last Jedi'.

o SGI Annual Dinners

Each individual hotel under the SGI Group usually hosts an annual dinner for its employees as a reward for their commitment and hard work. These dinners are a good way for the employees and management to bond in an informal and relaxed manner.



OSK employees are recognised for their commitment

o OSKP Townhall Meetings

OSKP regularly holds townhall meetings which serve as a platform for the employees of the Property division to learn about the achievements, corporate developments and business targets for its division. The meetings also provide an opportunity for two-way communication between the management and employees.



Townhall meetings provide two-way communication between the management and employees

o Bowling Tournament

OSK Group's inaugural Bowling Tournament was held in May 2017 at Ampang Superbowl, Berjaya Times Square. Over 80 bowlers from the different business and functional divisions took part in the tournament.

SUSTAINABILITY PILLAR SOCIAL

o Ketupat Challenge Day

Held in conjunction with the festive season of Hari Raya Aidilfitri, OSK employees gathered for a Ketupat weaving competition and enjoyed traditional festive delicacies.



Teamwork generates great ideas and results

o Malaysia Fun Night

OSK employees enjoyed a night filled with fun, team games and delicious food during the traditional costume themed event held in conjunction with the Merdeka and Malaysia Day celebrations.



OSK upholds diversity amongst its employees

ENHANCING KNOWLEDGE AND SKILLSETS

Recognising that our employees are key towards achieving sustainable results, we continued last year's efforts to build the Group's learning infrastructure with the intent to accelerate the development of our employees' leadership, professional and technical capabilities.

On the leadership front, we have completed the Group's leadership competency framework and used the leadership competencies as the basis to design our new employee development programme and existing learning and development interventions.

Besides leadership training, we also delivered 149 job specific trainings to all levels of employees with the intent to equip our employees with job related skill sets that are critical in improving and sustaining workplace performance.

Leveraging on our internal capabilities to develop our employees, we introduced an initiative called senior management training. These trainings were aimed to build ownership among senior managers to develop their teams in line with our People Driven core value. It was further aimed to facilitate knowledge transfer, improve employee engagement and systematically build a culture of continuous learning and development. In 2017, we completed a total of 122 senior management trainings that were well received by all levels of employees.

We also collaborated with regulatory bodies such as CIDB Malaysia to deliver IBS training to our property development and construction employees to prepare them for the anticipated enactment of the new law whereby the application of IBS will be made mandatory in the construction industry.

Employee Training 2017

Employee participation in training	2,928
Total number of training hours	16,199

In the interest of improving the quality of our training, we have put in place a training evaluation process in 2016 and set a target to achieve a benchmark score of 75. We have achieved an average score of 85 in 2017, exceeding the set benchmark by 10 points.

SUSTAINABILITY PILLAR SOCIAL

DIVERSITY & INCLUSION

OSK is committed to creating an environment that appreciates individuality and diversity. The Company believes a wide band of inclusion helps to foster nation building and create a harmonious and productive environment at the workplace.

Diversity is now considered a commodity capable of driving sustainable business growth. In embracing diversity and inclusion, OSK understands the value of having a workforce that mirrors society and the markets it serves and operates in.

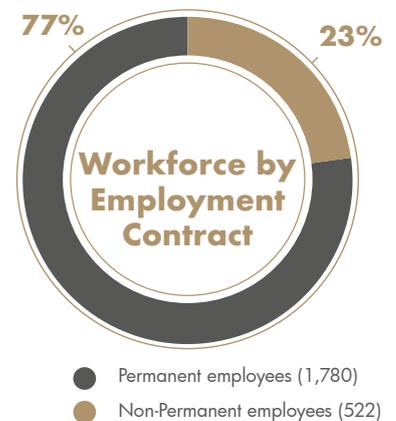
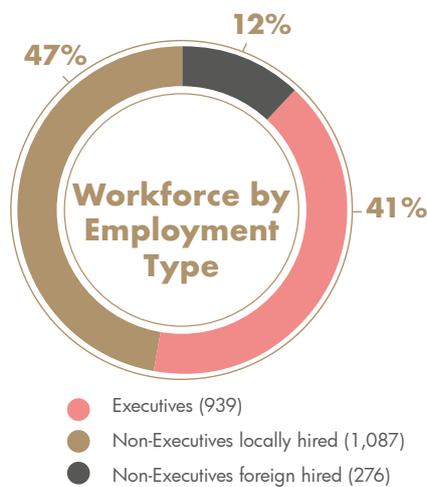
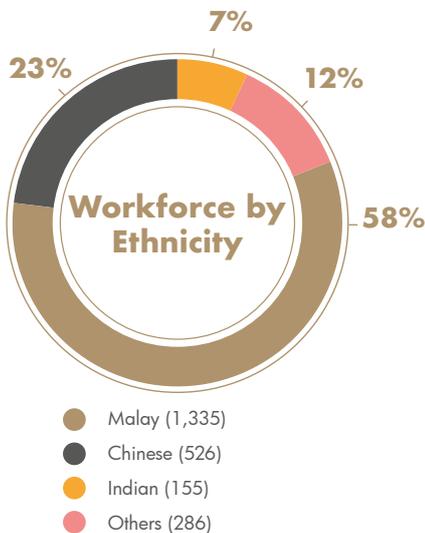
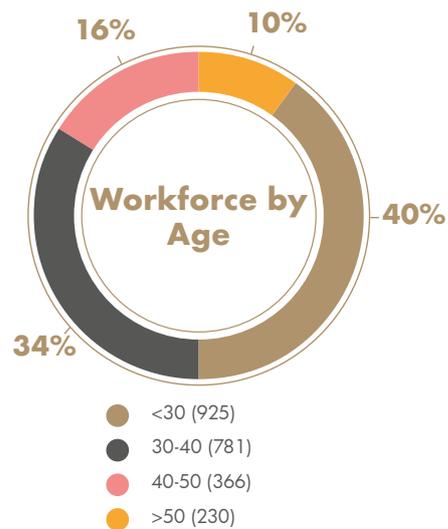
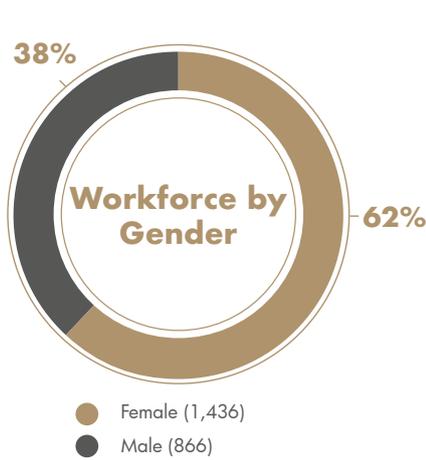
A diverse workforce comes with many advantages, among which are:

- To ensure a broader understanding of cultural or gender preferences useful to sales and marketing, as well as product and service development;

- To facilitate customer engagement across different races, spoken languages and community inclinations.

During the year in review, we implemented our Employee Diversity and Inclusion Strategy in order to shape our employee composition to be as representative as possible of the consumer communities where we have a presence.

At the time of reporting, OSK has an employee strength of 2,302 people. Our diversity and inclusion performance is presented in the charts below:



SUSTAINABILITY PILLAR SOCIAL

As part of the effort to promote diversity and inclusion among our employees, the Group organised the Crime Prevention and Survival Skills ("REACT") Programme for our female employees in conjunction with International Women's Day 2017. Close to 100 employees attended the lunch talk, which was intended to create awareness and equip women with preventive measures, basic safety defence and survival skills to protect their families and themselves from crime.



REACT

MEASURING PERFORMANCE

A performance-based culture promotes employee productivity and professional development. Our annual performance management period runs between 1 January and 31 December each year.

We have adopted the balanced scorecard ("BSC") methodology to measure performance. All executive-level employees and above are assessed against their KPIs along with a review of their core values. The BSC accounts for 60% of their evaluation while the core values account for the balance 40%. Non-executives are assessed 100% on core values.

At OSK, we encourage the recognition of our employees for their contributions and celebrate their successes. Remuneration and increment allocations are aligned to market surveys while the bonus pot allocations depend on the financial indicators of the business divisions and the Company's performance as a whole.

ENSURING A SAFE AND HEALTHY WORKPLACE

A safe and healthy workplace is the first step towards the development of a conducive working environment that encourages innovation, dedication and teamwork. At OSK, occupational safety and health is directly managed at both company and subsidiary levels as the safety measures to be taken across our different business divisions differ according to the nature of their businesses.

As a rule, the Company and each subsidiary adopt safe and healthy practices, which are benchmarked against the relevant legislation and regulations. These include the Occupational Health and Safety Management Systems, Occupational Safety and Health Act and the Factories and Machinery Act.

In 2016, the Company established a Safety and Health Committee to implement the Safety and Health Policy formulated for Plaza OSK. The committee is mandated to promote a safe and healthy work culture by making it a common responsibility among all management and employees. The committee meets on a quarterly basis to discuss and manage issues related to workplace, safety and health at Plaza OSK. Among the activities organised at Plaza OSK in 2017 was a fire drill which involved all our employees as well as our tenants at Plaza OSK.

As for our subsidiaries, each company's safety and health personnel is responsible to conduct periodic workplace assessments to determine the presence of hazards and to evaluate the suitability of control measures in place to mitigate these hazards. These findings and recommendations are then shared with their respective management for direction and guidance.

SUSTAINABILITY PILLAR SOCIAL

During the year in review, we held several safety awareness programmes focused on different health topics and distributed safety awareness bulletins and articles to our employees via the employee portal. Below are some highlights of the activities held in 2017:

o OSK Health Week

Wellbeing at work is increasingly recognised as an important part of our health and safety responsibilities. As part of the week-long OSK Health Week programme, OSK held free health screenings, a blood donation drive and health talk with the support from National Cancer Society Malaysia, National Blood Bank and Blue Cap Movement in Plaza OSK.



Health Week programme promotes health awareness among employees

o Activ@Work Challenge 2017

At the end of the 3-month challenge, OSK came in at ninth placing under the Small category for the Activ@Work Challenge 2017 organised by PERKESO and BookDoc. The mobile app-based challenge required users to monitor their steps to earn points and collect rewards. Throughout the campaign, the programme also fostered teamwork as it encouraged participating employees to go for group jogs around the nearby KLCC Park on a weekly basis.



Activ@Work Challenge promoted teamwork

o Fire Prevention Talk

Representatives from the Fire Prevention Centre presented a talk on fire safety measures to employees at Plaza OSK.

o Safety Awareness Bulletins

Safety awareness bulletins and articles were posted on the employee portal to promote understanding on various health and safety related topics. Among the topics were:

- World Day for Safety and Health at work - Safe workplace tips
- World Heart Day - Cardiovascular disease and tips on blood glucose, blood pressure and cholesterol management
- Rabies - Overview and tips on rabies
- Cancer Awareness - Tips on early detection



OSK communicates through safety awareness bulletins to its employees

SUSTAINABILITY PILLAR SOCIAL

SAFEGUARDING PUBLIC & CUSTOMER SAFETY

The wellbeing of our customers is always a priority at OSK, which has multiple points of contact with the public being the owner and operator of Atria Shopping Gallery and the Swiss-Garden chain of hotels, resorts and residences.

At Atria, the mall was designed with safety and convenience in mind to ensure all patrons can enjoy a hassle-free shopping and dining experience. For example, Atria features amenities for the disabled, which includes dedicated parking bays and ramps for easy access. Likewise, it also offers designated single female drivers parking lots in the immediate vicinity to mall entrances. In addition, there are panic buttons on selected pillars in the car park in the case of any emergencies or untoward circumstances. Meanwhile, our escalators have safety signages on the escalator walls to advise patrons on what not to do for safety reasons.

Similarly, all our Swiss-Garden hotels, resorts and residences prioritise the safety and comfort of our guests and visitors. The lifts in the city hotels require key card access, ensuring our hotel guests are the only visitors who are able to gain entry onto their respective floors. All our hotels are installed with CCTV cameras in strategic locations while our security personnel conduct 24-hour patrolling of the premises.

ASSURING QUALITY IN PRODUCTS AND SERVICES

OSK subscribes to an approach that positions the customer as the focal point of our way of doing business. As a result, many of our business and operational decisions are guided by how they impact our customers.

In this regard, OSK is committed to ensuring the quality and reliability in everything we do, from the property products we develop and manage, to the goods we manufacture, as well as the financial and hospitality services we provide.



• Product and Service Quality

Our quality assurance is reflected by the various ISO certifications awarded to the Company and its subsidiaries. We leverage on sustainability practices to improve on the quality of our products and services, which includes prompt delivery and where applicable, technical support to our customers. We have also implemented a quality management system for our Property, Construction and Industries businesses. Our commitment to quality is illustrated in the following tables:

The Value of Quality Accreditation

Assurance of working with an established and reputable company

Experiencing excellent customer service

Receiving effective, regular and informative communication

Not uncovering any nasty surprises

SUSTAINABILITY PILLAR SOCIAL

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 14001:2015)	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
OSKP	
Quality Management System (ISO 9001:2015)	
PJDC	
Quality Management System (ISO 9001:2008)	
Occupational Health and Safety (OHSAS18001:2007)	
SGI	
Quality Management System (ISO 9001:2015)	Provision of Hotel Management Services

Our Approach to Providing Deliverables of the Highest Quality



SUSTAINABILITY PILLAR SOCIAL

- **Quality Measures: Acotec**

Acotec regularly conducts customer satisfaction survey following the completion of a project. A review of the feedback is then carried out twice a year to gain insights on potential problems as well as identify opportunities for improvement. Acotec’s information gathering and evaluation exercises cover aspects such as product quality, ability to meet customers’ needs, product representatives’ responsiveness and technical support efficiency.

- **Quality Measures: Atria**

Atria engages its tenants, visitors, suppliers and neighbourhood community members on a regular basis. The mall also monitors the satisfaction levels of its tenants, shoppers and the local community through constant engagement and informal surveys.

- **Quality Measures: OSKP**

OSKP practises continuous improvement via a quality management system and business performance review. The company also requires all subcontractors and suppliers of outsourced products to conform with all customer statutory and regulatory requirements.

OSKP’s construction works adhere to the Quality Assessment System for Building Construction Works (“QLASSIC”) standards, certified by the Construction Industry Development Board (“CIDB”) Malaysia. QLASSIC is an independent method to assess and evaluate the quality of workmanship in construction projects. It is the most widely used quality benchmark for the construction industry in Malaysia, covering areas such as structural works, architecture, M&E works and external works. It is a standard that has been used by OSKP to evaluate past, present and future projects.

OSKP’s quality assurance and performance auditing initiatives also ensure the efficient delivery of high quality services. Such 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.

- **Quality Measures: SGI**

SGI achieved a new milestone in 2017 with the ISO 9001:2015 Certification for the provision of hotel management services which encompasses human resources, procurement, finance, sales, marketing, marketing communications, reservations, IT and operations.

SGI also monitors customers’ satisfaction on a regular basis via an automated electronic guest survey. Such feedback is then used to improve systems and service delivery. SGI also subscribe to a reputation management system which collates online reviews from over 120 sites.

- **Quality Measures: SGI VC**

SGI VC conducts an annual e-survey of its members to gauge their satisfaction on topics encompassing reservation processes, employee service, accommodation experience, publication and communication engagement experience and the overall service received.

- **We Listen and Learn**

OSK ensures that all customers’ voices are heard through its various satisfaction surveys and complaint channels. Our principles in dealing with customer complaints are shown below:



SUSTAINABILITY PILLAR SOCIAL

• Customer Privacy

OSK adheres to the Personal Data Protection Act 2010 (“PDPA”) for customers and ensure that all personal information submitted to us are kept confidential. We have in place the necessary procedures to prevent any unauthorised or unlawful processing of personal information, as mandated by the relevant legislation.

In 2017, we also introduced a Personal Data Protection policy which outlines the duties and responsibilities of the management and employees in relation to protection and processing of personal data collected by the Group, in compliance with the PDPA 2010.

ENGAGEMENT WITH CUSTOMERS

At OSK, we continuously engage with our customers so as to build relations and provide an avenue for feedback on our products and services. Such interactions enable us to improve customer experience while also providing high quality products and excellent customer service. Below are some highlights of customer engagement activities held in 2017:

• Spring Splendour! Spend & Win

Atria held a 3-month-long “Spring Splendour! Spend & Win” campaign offering attractive prizes worth a total of RM110,000 including a brand-new Mitsubishi ASX, Samsung Galaxy Note, iPad Air and Atria Gift Vouchers.



Atria rewards shoppers as part of its customer appreciation experience

• Chinese New Year Celebration

OSKP organised a Chinese New Year Open House at the OSK Property Sales Gallery in Sg. Petani. The event showcased a display on Chinese calligraphy and water paintings aside from the festive 24 seasons drums and lion dance performances.



An auspicious wish for Chinese New Year

• Durian on the Hills

OSKP feted potential house buyers to a durian feast at Windmill Upon Hills, which is located 45 minutes outside Kuala Lumpur. The 2-day fruit galore gave public an opportunity to view the showroom and learn more about the project aside from feasting on the King of fruits.



A casual day out provides a good platform for OSK to understand customers better

SUSTAINABILITY PILLAR SOCIAL

o Golf Lessons for Beginners

SGL VC organised free golf lessons for its members who wanted to take up golf and build a strong foundation for their game. The group golf lessons gave new beginners a good opportunity to understand the game from a professional coach and helped them on the right techniques and understanding the rules of the games.



SGL VC engages with its members to create good customer relations

o Merdeka Celebrations

OSKP treated customers to a fruit feast and children colouring competition during the Merdeka celebration event at TimurBay Seafront Residence. In the spirit of Merdeka, children aged 12 and below showcased their patriotism and love for the country through art and creativity.



OSK engages with its stakeholders from all walks of life including children

o Kids Talent Day

OSKP held a Kids Talent Day at its Iringan Bayu sales office in Seremban where various competitions such as sport stacking, storytelling and colouring were held for kids under the age of 12.



Kids showcasing their skills in sport stacking

o Mid-Autumn Festival

Faber Towers organised a Mid-Autumn Festival for its tenants and the surrounding community, in collaboration with the Taman Desa Residents' Association. Activities included a mini funfair for kids and a lantern parade around the vicinity.



Celebrating Mid-Autumn with the community

UPHOLDING HUMAN RIGHTS

OSK is fully committed to operating in an ethical and responsible manner. As a conglomerate operating in diverse businesses, the Company is committed to protect our employees' rights and provide a workplace that is safe, healthy and secure. OSK is committed to respecting labour rights principles in accordance with the relevant Malaysia labour laws.

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.

GOVERNANCE



SUSTAINABILITY PILLAR

GOVERNANCE

The sustainability of any company in growing its business, developing its talent and enhancing its brand ultimately rests on how it acts and reacts to dynamic forces in an effective, efficient and ethical manner.

At OSK, we understand that good governance is the glue that keeps our business and corporate approaches moving in a unified direction while at the same time, guiding our professional conduct and responsible behaviour.



From time to time, we review our policies, processes and practices related to governance to ensure they continue to evolve in tandem with international standards and industry best practices.

 In this regard, OSK complies with all legislation and regulations on corporate governance, which is comprehensively detailed in our Annual Report 2017.

In recognition of the Group's commitment towards good corporate governance, OSK was once again listed for the fifth consecutive year, in the Top 100 companies with the best Corporate Governance ("CG") practices in terms of disclosure and transparency based on the ASEAN CG Scorecard Assessment in 2017 by the Minority Shareholder Watchdog Group.

Good corporate governance correlates with sustainability disclosure and reporting as well as corporate performance. This stands to reason as after all, companies that uphold the values of transparency and accountability would invariably ensure honesty and accuracy in their sustainability disclosure.

By acknowledging and reporting not only the achievements but also the shortfalls, this has the effect of compelling companies to face up to the truth and take remedial action instead of glossing over any shortcomings in their sustainability efforts.

In the long run, companies that recognise their shortcomings are more likely to act on and make improvements across the board. These are enhancements that will eventually raise business performance and all other indicators related to sustainability.

OSK subscribes to this view and will endeavour to drive sustainability throughout the Group with good corporate governance as a solid platform with which to build from.

In 2016, OSK and its stakeholders identified and selected three governance issues to be among its 10 most material matters of sustainability: Business Ethics, Risk Management and Transparency.

SUSTAINABILITY PILLAR GOVERNANCE

CHAMPIONING INTEGRITY AND ETHICS

OSK sets out to conduct its business activities with integrity guided by sound business ethics. This is a way of doing business expected of all our employees whether at Company level or from our subsidiaries.

Individually and collectively, we seek to conduct ourselves with discipline, professional conduct, integrity and loyalty to our Company and colleagues.

OSK practises a zero tolerance policy towards any conflict of interest, bribery, graft and other behaviour that could tarnish our reputation as an ethical and responsible business entity and organisation.

BALANCING RISKS AND OPPORTUNITIES

OSK views risk management as a process to balance potential gains from business opportunities against the risk of committing resources as well as the impact on society and the environment.

At all times, we make such decisions with a rational approach and through a consultative process encompassing our management and employees, and with relevant stakeholders.

Our Group Management Risk Committee is responsible for this task and is supported by input from the respective business units.

 For more information on how we manage risks at OSK, please refer to the Statement of Risk Management and Internal Control which is included in our Annual Report 2017.

In 2017, the Group also introduced an Incident Management Policy which outlines the incident classification and establishes the approach and strategy in handling incidents that occur in the Group. The policy also aims to ensure that incidents are managed properly and that the information is flowed through to the necessary parties for proper action.

ENSURING TRANSPARENT DECISIONS AND ACTIONS

At OSK, we view transparency as a critical factor in inspiring, unifying and motivating our employees to achieve the Company's aspirations. In line with this, the Group promotes whistleblowing to ensure our business and employees stay within the boundaries of ethical and professional behaviour.

Whistleblowing provides an avenue for employees and members of the public to disclose any offences or malpractices committed in any business dealings associated with the company. In 2017, we enhanced our existing whistleblowing policy and have put in place the appropriate channels to encourage and facilitate whistleblowing throughout the Group. A copy of our whistleblowing policy is available for viewing on our website  www.oskgroup.com/corporate-governance/.

In addition, the Group also introduced an internal fraud policy to all employees. This policy aims to provide a clear definition of fraud and provide guidance to the employees as to the actions to be taken when they suspect fraudulent and/or dishonest activities within the Group.

A townhall and training session was convened to disseminate information on the updated policies. Notices and short videos on the pertinent points of the policies were also uploaded to the employee portal to ensure that the policies were cascaded down to all employees in the most effective way possible.

Our on-going campaign to promote and implement good governance cuts across the Group and its subsidiaries as well as all stakeholders, especially the management, employees and vendors.

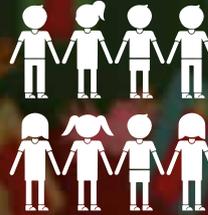
EMPOWERED2TEACH BY SUKA SOCIETY

ONLY 6 OUT OF 100



ORANG ASLI STUDENTS
COMPLETE THEIR
FORM FIVE EDUCATION
- CENTER OF ORANG ASLI CONCERNS

6 SCHOOLS LOCATED
IN REMOTE VILLAGES
IN KELANTAN,
PAHANG AND PERAK



115

ORANG ASLI
CHILDREN
BETWEEN
AGES 4 TO 6
BENEFITED
FROM THIS
PROGRAMME



COMMUNITY



SUSTAINABILITY PILLAR

COMMUNITY

OSK is a firm believer in the power of empowerment and it is this mindset that defines our approach to community outreach.

Our community programmes extend beyond corporate social responsibility (“CSR”) as they are planned and implemented to enable the Group to grow together with the communities in which we operate.

After all, different segments of these communities are our past, present or future customers, employees, suppliers, business partners and investors. By considering their welfare and access to opportunities as a business imperative rather than a charitable cause, we are better placed to achieve sustainability for OSK and the community.

OSK commits to a wide range of CSR initiatives under this pillar: from our contribution to the sustainability of disadvantaged communities; preparing the youth for better access to education; providing opportunities to marginalised groups; and giving aid to natural disaster victims.

We are guided by our commitment to uplift communities and also to promote volunteerism amongst our employees.

SUPPORTING THE COMMUNITY WITH OSK FOUNDATION

The OSK Foundation (“OSKF”) is the philanthropic arm of the Group, dedicated to consolidate and further improve OSK’s ongoing commitment to contribute to the wellbeing of deserving communities.

The Foundation’s affairs are managed by the Foundation administration who reports to the Chief Executive Officer (“CEO”) of the Foundation, who in turn is answerable to the Board of Trustees (“BOT”).

Chaired by Tan Sri Ong Leong Huat, the BOT also include notable corporate leaders namely; Tan Sri Azlan Zainol, Chairman of RHB Bank Berhad and Tan Sri Dato’ Dr. Michael Yeoh, CEO and Director of the Asian Strategy and Leadership Institute.

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.

Every year, OSK allocates up to 0.5% of its net profit to the Foundation. In 2017, the Foundation disbursed approximately RM500,000 to support 30 organisations or causes. The Foundation is committed to disbursing the funds effectively and efficiently, making the strongest impact possible based on three focus areas namely: Education, Community Development and the Environment.

OSK
FOUNDATION
Gives Back

SUSTAINABILITY PILLAR COMMUNITY



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

At OSKF, our strategy is to foster resilient societies by creating and providing opportunities via high impact, sustainable projects that can assist, improve and sustain issues within these areas of focus through partnerships, sponsorships, volunteerism and programme development.

Subsequently, at the corporate level, we also encourage our business divisions to engage and support a wide range of CSR initiatives relevant to their business. With support from OSKF and through employee volunteering, we aim to develop and strengthen links with local communities by sharing our employees' experience and know-how.

The Group's CSR initiatives are mainly endorsed and supported by Gifts of Hope, OSKF's flagship programme dedicated to spearheading social outreach programmes which links back to our employees' volunteer programme.

SUSTAINABILITY PILLAR COMMUNITY

GIVING OPTIMISM THROUGH GIFTS OF HOPE

The Gifts of Hope programme was formulated to give OSK employees the opportunity to give back to society and encourage them to participate in volunteer activities. Under this programme, OSK employees or donors help to fulfil wishes of beneficiaries from selected homes or organisations through a 'Wish Board' displayed at the Plaza OSK lobby in the weeks leading up to major festive seasons. It is run in conjunction with the 4 major festivals; Chinese New Year, Hari Raya, Deepavali and Christmas.

The volunteers help to provide goods and other forms of support to the beneficiaries, by fulfilling their wishes for new clothes, shoes, stationery sets, and so much more. During the year in review, Gifts of Hope carried out many activities to support underprivileged children, the elderly and marginalised communities.

o OSKians Visit the Elderly

In conjunction with the Chinese New Year festivities, a group of OSKians visited the elderly at Pusat Penjagaan Warga Emas Chan in Setapak. OSKF also made a contribution towards the operational expenses of the home. Prior to the visit, a friendly announcement was made to OSKians through our employee portal seeking for their contribution in kind. The list of items was also displayed at the lobby of Plaza OSK to amplify the donation drive. Staying true to the corporate values and generosity of OSKians, we managed to collect RM1,600 worth of daily necessities, which were donated to the home including rice, cooking oil, laundry liquid detergent, biscuits and other personal toiletries.



OSKF reaches out to the less fortunate through Gifts of Hope

o OSKians Visit Paediatric Unit of Hospital Kuala Lumpur

Some 15 OSK volunteers brought smiles and cheer when they visited 35 children at the Oncology Ward (KK3) of the Paediatric Unit in Hospital Kuala Lumpur ("HKL"). The volunteers shared the joy and spirit of *Aidilfitri* by distributing goody bags filled with food and drinks, as well as colouring books and jigsaw puzzles to all the children. The children also received *duit raya*. It was heartening to note that the volunteers also brought cakes to celebrate the birthdays of the children who were born in the month of July. The expression on their faces was indeed priceless.



OSK volunteers brought cheer to the children at the Paediatric Unit, HKL during Hari Raya

SUSTAINABILITY PILLAR COMMUNITY



o Bowling with Rumah Shalom

OSK volunteers organised an outing for the children from Rumah Shalom at the Ampang Superbowl, IOI Mall Puchong in October. The event was held in conjunction with Deepavali and the National Sports Day. The Foundation also made a contribution to Rumah Shalom while OSK employees donated books, stationery, kitchen and household essentials for the home.



Children from Rumah Shalom enjoyed bowling with the OSK volunteers

o OSKians Spread Early Christmas Cheer

In December, OSKians brought early Christmas cheer to 30 children from the Praise Emmanuel Children's Home and Rumah Charis. OSK volunteers initiated the magic of Christmas by helping the children to decorate Christmas trees at Atria. Children from both homes teamed up to decorate 10 donated trees from the 'Adopt-a-Christmas-tree' campaign by OSKF and Atria. The children were also treated to a fun time at an amusement centre and had their tummies filled with delicious food. The volunteers also gave away Christmas presents which were fulfilled by the kind and generous OSKians as well as Plaza OSK tenants.



Children from the Praise Emmanuel Children's Home and Rumah Charis with their Christmas gifts

SUSTAINABILITY PILLAR COMMUNITY

GALVANISING POTENTIAL THROUGH EDUCATION

OSKF views talent as capital for the future and in this regard, we are committed to developing young minds. Whether in-house or via sponsorship, we have equipped members of the younger generation from underprivileged groups to gain confidence and achieve their full potential in both academic and social skills.

OSKF has partnered with learning institutions and various establishments to bring out the best in these youngsters. The following is a snapshot of some of these initiatives:

o Scholarships for TAR UC Students

OSKF awarded full scholarships to 4 engineering students from Tunku Abdul Rahman University College ("TAR UC") during the year in review.

The scholarships cover the students' tuition fees and provides them with a monthly living allowance for the duration of their course. In return, the students are required to perform at least 20 hours of community service for each semester in line with the Foundation's principle of creating value to the community. The objective of this service is intended to mould these students into well-rounded, compassionate, and community-minded individuals.



TAR UC students with their scholarships

o Empowered2Teach by SUKA Society

OSKF continued our sponsorship of this programme through sponsoring the yearly expenditure for Kelas Komuniti Asalnika in Kampung Pos Musuh, Tapah, Perak as well as the 2018 pre-school syllabus and educational supplies for the six Orang Asli village pre-schools under the Empowered2Teach programme by SUKA Society.

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.

In December 2017, OSKF together with Atria organised the 'Adopt-a-Christmas-tree' campaign where members of the public donated RM200 for a Christmas tree and decorated the Christmas trees based on their own creativity. A total of RM38,000 was raised through this campaign and 100% of the proceeds was channelled to the 'Empowered2Teach' programme by SUKA Society. This campaign was successfully entered into the Malaysia Book of Records by registering the 'Most Number of Christmas Trees Displayed in a Shopping Mall'.



Representatives from OSKF and Atria presented a mock cheque to Anderson Selvasegaram, Executive Director of SUKA Society

SUSTAINABILITY PILLAR COMMUNITY



o **Makin Yakin Camp**

In December, OSKF partnered with LifeEquip to organise an all-girls 3D2N camp in Semenyih for 30 youths from the underprivileged community in Selayang. These girls who mainly come from broken homes or single parent families do not have many opportunities to attend such training programmes. The camp focused on raising the girls' confidence through discovering and understanding their unique personalities, sharpening their emotional quotient ("EQ") and managing money matters.



Makin Yakin Camp gave the opportunity for young girls to unlock their potential and understand money matters

o **A Day with SGI Vacation Club**

SGI VC organised 'A Day with SGI Vacation Club', a fun and educational experience with Yayasan Sunbeams Home at the Grand Hibiscus Ballroom, Swiss-Garden Hotel & Residences Kuala Lumpur in an aim to boost the children's self-confidence and instill moral values through fun activities and movies. Yayasan Sunbeams Home is a home for displaced, abused and neglected children of single-parents.



SGI VC continues to engage with the community through various forms of CSR activities

SUSTAINABILITY PILLAR COMMUNITY

SUPPORT FOR THE DISADVANTAGED

Far from being a one-way street, we understand that our interaction with the infirmed or disadvantaged segments of society is also an opportunity to develop deeper levels of understanding and empathy. These are personal and professional attributes that will only augment our soft skills and facilitate our pursuit of career advancement or business opportunities.

o Building Homes for the Orang Asli

Some 35 volunteers from OSKP built a new home in only three days for an Orang Asli family in Kg. Ulu Jeruntum, Gopeng, Perak. The construction was funded by OSKF and organised in collaboration with EPIC Homes, a social enterprise focusing on the welfare of the Orang Asli community.

The three-day build saw the completion of a 6-module house with a foyer, three bedrooms with doors, kitchen, ceiling storage and a living room that was built from scratch.

In the process of building the home, OSKP volunteers had the opportunity to foster relations and better understand the struggles and challenges faced by the Orang Asli.



OSKP collaborated with EPIC Homes to build a comfortable home for Mr. Bah Mat and his family of seven

o Providing Flood Relief

OSKF and OSKP swung into action to aid victims of the devastating floods that inundated part of Penang and Kedah in November 2017. Through the Federation of Chinese Associations Malaysia, our Executive Chairman, Tan Sri Ong Leong Huat contributed RM10,000 from OSKF to ease the burden of those affected by the floods. Subsequently, our Northern team in Butterworth responded by contributing items worth over RM3,500 including sanitary napkins, adult and baby diapers, and milk powder, which were handed over to Malaysia Red Crescent Penang for distribution.

At the same time, another team in Sungai Petani mobilised 11 volunteers to distribute 500 packs of 5kg rice to families affected by the disaster at SRJK (C) Min Terk. The RM6,000 worth of contributions were channelled through the Sungai Petani Recovery Committee. Both these donations were also funded by OSKF.



OSK extended assistance to the flood victims in Penang and Kedah

SUSTAINABILITY PILLAR COMMUNITY

o Making Our Mall Dementia-Friendly

Atria in collaboration with Alzheimer's Disease Foundation Malaysia ("ADFM") launched the 'Remember Me' campaign and the first dementia-friendly community corner in Malaysia known as the Atria-ADFM Community Corner in conjunction with World Alzheimer's Month 2017. Intended to generate greater awareness on the subject of dementia, the annual campaign in September highlights the importance of early detection, diagnosis and management of the medical condition.



Atria-ADFM Community Corner, the first dementia-friendly community corner in Malaysia

o Stepping Stones Living Centre

OSKF reached out to Stepping Stones Living Centre in Taman Seputeh, Kuala Lumpur to ease the rental commitment for a year for the 5 homes and 2 office/learning premises. The centre provides basic facilities for 73 underprivileged children, distressed women/mothers and abandoned senior citizens.



OSKF reaches out to people in need

o Celebrating Mid-Autumn with the Community

Some 30 OSK volunteers celebrated the Mid-Autumn Festival with disabled patrons from Pusat Pemulihan Dalam Komuniti Petaling and underprivileged children from Rumah Kanak-Kanak Angels KL. Both centres are located within the Taman Desa vicinity. This initiative was co-organised by Faber Towers with the Taman Desa Residents Association.



Faber Towers brought Mid-Autumn cheer to the community in Taman Desa

o OSKF Goes to School

OSKF collaborated with Pertubuhan Perkhidmatan Sosial dan Pembangunan Komuniti Daerah Gombak ("PSPK") as part of its efforts to equip 200 underprivileged students for the 2018 school year. Various back-to-school items such as uniforms, bags, shoes and stationeries were given out to ease the burden of parents from the lower income group.

OSKF also funded the installation of foldable doors for the hall in PSPK in order to segregate the hall into separate rooms to conduct after-school tuition for the neighbouring children from underprivileged families.



School children with their school supplies

SUSTAINABILITY PILLAR COMMUNITY

OTHER ACTIVITIES

During the year in review, OSK carried out many other activities that benefited not only the recipients but also the participants.

o Atria Makan Fun Run

This community outreach event held on 8 October 2017 by Atria received an overwhelming response from over a thousand participants. They also took part in Zumba and Combat fitness sessions led by the CHi Fitness team and were treated with an assortment of local delicacies from popular eateries at the end of the run.



Atria Makan Fun Run attracted over a thousand participants

o Atria Junior Badminton Tournament

Atria hosted its first Atria Junior Badminton Tournament as an initiative to cultivate healthy lifestyle in the community through sports activities in September. The first badminton tournament held in a mall featured national badminton player Goh Liu Ying and former national player Wong Choong Hann as invited guests.



Atria promotes healthy lifestyle through various programmes

o The Edge Kuala Lumpur Rat Race

Two teams from OSK took part in The Edge Kuala Lumpur Rat Race ("KLRR") held at Padang Merbok on 25 July 2017. The KLRR is a charity event organised by The Edge Malaysia to support projects or programmes related to education, training and skills development.



OSK employees took part in the Rat Race

SUSTAINABILITY PILLAR COMMUNITY

o 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 various causes including promoting economic sustainability among disadvantaged communities, support for entrepreneurs and the improvement of financial literacy.

OSK employees took part in the run which was held at Bursa Malaysia's Exchange Square on 14 September 2017. This is the fourth consecutive year that OSK has participated in the run. These healthy activities also provide the employees with a fun avenue to engage with other companies while giving back to the society.



Engaging a healthy workforce

o Blood Donation

OSK Group organised a blood donation drive in support of the National Blood Bank which was held on 21 November 2017 at Plaza OSK. An annual affair for the OSK Group, this year's drive was held in conjunction with the OSK Health Week. The blood donation drive received overwhelming response and support from the employees of OSK Group as well as the tenants at Plaza OSK.



OSK employees supporting the blood donation drive

o Bowling for Bucks

OSK Group sponsored three teams to participate in the Bowling for Bucks event organised by Dignity for Children Foundation, which provides quality education to the poor. This fundraising event was held to raise money for the children's graduation ceremony, holiday subsistence and enrolment expenses such as uniforms and school supplies. The Bowling for Bucks friendly bowling challenge was held on 29 September 2017 at the Ampang Superbowl Times Square.



Supporting charity through sports

o RM10,000 Raised at Charity Fun Run

A total of RM10,000 was raised at the Swiss-Garden Beach Resort Damai Laut Charity Fun Run on 13 August 2017. The 9km non-competitive fun run was held amid the lush greenery next to the beach overlooking the Straits of Melaka. It was the first fun run held at the compound of the resort and Damai Laut Golf & Country Club. This event managed to attract 400 participants from the surrounding areas of Lumut, Manjung, Sitiawan and Ayer Tawar as well as runners from other parts of Malaysia. One of the main objectives of the event was to raise funds for the Pantai Hospital Manjung's Charity Funds Allocation to help provide medical treatment for the underprivileged residents from the Manjung district.



All for charity – Swiss-Garden Beach Resort Damai Laut Charity Fun Run

SUSTAINABILITY PILLAR COMMUNITY

o Providing a Conducive Environment for Learning

OSKF assisted SK Damansara Jaya by restoring the school canteen and toilets. The school is located within the vicinity of Atria and the initiative was part of OSK's support in meeting the needs of the local community and in providing a conducive environment for the primary school children.



New facelift to SK Damansara Jaya's school canteen

o Festive Cheer for Diamond Home

Swiss-Garden Beach Resort Damai Laut organised a Christmas party for the children of Pusat Jagaan Diamond Home. Our volunteers spent the day hosting the children as they explored different activities available at the resort such as the Kid's Club, petting zoo and longkang fishing. In the spirit of festivity, Christmas gifts were handed out to the children and household supplies were donated to the home.



Fun day out for children of Pusat Jagaan Diamond Home

o Nostalgia Nasi Lemak

OSKF sponsored 2 tables for the Nostalgia Nasi Lemak event, a charity dinner celebrating Malaysia's favourite dish to raise funds for the Malaysian AIDS Foundation ("MAF").

Organised by MAF together with SGI, the charity dinner also commemorated the official launch of the book 'Everything Nasi Lemak', authored by celebrity chef Puan Sri Betty Saw. All proceeds from the book will benefit MAF's treatment, care and support programmes for HIV-impacted women.



Supporting the MAF through 'Everything Nasi Lemak'

WAY FORWARD

The drive towards sustainability is gaining momentum at OSK with the Sustainability Working Group helping efforts to integrate sustainability across the Group.

At this stage, the main challenge continues to be creating more awareness and getting the relevant support from all parties concerned on the importance of sustainability and its critical role in growing our Company and Group in the long run.

We recognise this hurdle and are determined to overcome this via consistent education and engagement internally and with all other stakeholders. OSK is optimistic that these educational and promotional efforts will gradually but surely take effect in the years to come.

As we head into the third year of sustainability reporting, we will be peeling off another layer of processes for the 10 most material matters to OSK. The next step specified by our Action Plan is to track our KPIs set for each material matter in order to establish baseline results, which will give us the tangible indication of their levels of achievement.

Our journey towards sustainability has been steady and at times, a little challenging due to the wide reach and ever-evolving nature of sustainability. Nevertheless, we understand that this will be a fulfilling journey. We look forward to next year's Sustainability Report to outline what we have achieved and where we plan to head to next.



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