

**OSK HOLDINGS BERHAD**  
199001015406 (207075-U)  
(Incorporated in Malaysia)

# OSK



***MOVING FORWARD,  
PROGRESSING TOGETHER.***

**SUSTAINABILITY REPORT 2023**



WELCOME TO  
**OSK**

SUSTAINABILITY  
REPORT 2023

# Moving Forward, Progressing Together.



## RATIONALE

In the face of dynamic global challenges and evolving business landscapes, OSK Holdings Berhad (“OSK”) and its subsidiaries (“OSK Group” or “the Group”) stands as a testament to resilience, adaptability, and forward thinking, marking over five decades of unwavering commitment to sustainability.

Our theme, “Moving Forward, Progressing Together.” encapsulates our steadfast dedication to propelling positive change, nurturing sustainable growth, and cultivating shared value for all stakeholders. As we reflect on our journey towards sustainability, we have made modest strides in addressing the evolving material matters impacting both our business operations and stakeholders, through our collaborative approach to progress.

Through this Sustainability Report 2023, we invite you to delve into our achievements, milestones, and strategic initiatives that have defined the past year. While acknowledging the considerable work needed in the area of sustainability, especially in tackling pressing environmental risks, we remain committed to fostering sustainable growth and creating lasting value for our diverse stakeholders. Thank you for joining us on this journey of resilience, innovation, and collective progress. Together, we continue moving forward, always progressing towards a brighter future.



This Sustainability Report 2023 is available at  
[www.oskgroup.com](http://www.oskgroup.com)

# About This Report

OSK Holdings Berhad ("OSK Group") or ("the Group") is pleased to present the stand-alone Sustainability Report for the financial year 2023 ("SR2023") or simply referred to as "the Report." This report offers a comprehensive overview of the Group's sustainability performance, emphasising our advancements in fulfilling commitments outlined in our Sustainability Policy and addressing the 12 Material Matters across the Economic, Environmental, Social, and Governance ("E+ESG") domains during the financial period from 1 January 2023, to 31 December 2023 ("FY2023"), unless otherwise specified.

**THIS REPORT IS CONCURRENTLY PUBLISHED WITH OUR INTEGRATED ANNUAL REPORT 2023 AND IS ACCESSIBLE DIGITALLY FOR OUR STAKEHOLDERS AND THE WIDER PUBLIC. AN OVERVIEW OF PERFORMANCE DATA FOR THIS REPORTING CYCLE, GUIDED BY THE COMMON INDICATORS OF BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") ENHANCED SUSTAINABILITY REPORTING FRAMEWORK, IS AVAILABLE IN THE PERFORMANCE DATA TABLE ON PAGES 64 TO 67.**

## SCOPE AND BASIS OF SCOPE

The SR2023 encompasses the sustainability performance and progress of our business operations conducted by the Group and its subsidiaries in Malaysia, along with the Financial Services operations in Australia. Additionally, the scope of this Report includes our sustainability approaches, strategies, initiatives, and comparative historical data, where applicable.

The Report excludes all business and corporate activities undertaken by the Group's associates, tenants, business partners, as well as third party vendors and suppliers (in Malaysia or otherwise), which are beyond the direct and immediate control of OSK Group.

## REPORTING FRAMEWORKS AND STANDARDS

The Report has been produced in compliance with the Main Market Listing Requirements and several international reporting guidelines, guiding principles, frameworks, standards and sustainability-related indices as follows:

### PRINCIPAL GUIDELINES

- Main Market Listing Requirements by Bursa Malaysia
- Sustainability Reporting Guide (3rd Edition) by Bursa Malaysia
- Enhanced Sustainability Reporting Framework by Bursa Malaysia
- United Nations Sustainable Development Goals
- Malaysian Code of Corporate Governance (2021 edition) by the Securities Commission Malaysia

## ADDITIONAL GUIDELINES

- Global Reporting Initiative ("GRI") Standards
- International Reporting Framework <IR> by the International Integrated Reporting Council

### STATEMENT OF USE

The Board of Directors ("Board") of OSK Group acknowledges responsibility for the following statement of use:

The information prepared, reported, and published by OSK Group for FY2023 has been carried out in reference to and with guidance from Bursa Malaysia's latest Enhanced Sustainability Framework (Main Market Listing Requirements), and the Enhanced Sustainability Reporting Framework, announced on 26 September 2022.

## BOARD OF DIRECTORS' APPROVAL

The Board acknowledges its responsibility in ensuring the integrity of this SR2023 through good governance practices and internal reporting procedures. To ensure the accuracy and integrity of our disclosures, the Environmental, Social and Governance ("ESG") performance data within this report has been reviewed by OSK Group's Internal Audit and Board Audit Committee, and subsequently approved by the Board, aligning with the Listing Requirements and provides an accurate representation of the Group's sustainability performance for FY2023.

The Board, in its opinion and having applied its collective mind to the preparation and presentation of the SR2023, believes it addresses all material matters and offers a balanced view of OSK Group's strategy and how it relates to the Group's ability to create value over time. The SR2023 incorporates forward-looking statements discussing the Group's future priorities, strategies, and growth prospects. Recognising the inherent uncertainties in our business due to external factors beyond our control, we do not provide an explicit or implied representation or warranty concerning the achievement of results anticipated by these forward-looking statements. Nevertheless, our commitment persists in monitoring and assessing developments, with the goal of adapting to changing conditions and mitigating potential risks.

## FEEDBACK

We welcome and encourage our stakeholders to provide feedback pertaining to this Report and the issues covered to our Group Sustainability Department at [corpcomm@oskgroup.com](mailto:corpcomm@oskgroup.com).



Plaza OSK, Jalan Ampang, Kuala Lumpur

**IR** INTEGRATED ANNUAL REPORT



**CONTENT**

IAR2023 provides a comprehensive overview of the Group's performance, Corporate Governance Statements, milestones and achievements as well as demonstrates how we create value and balance the needs of all its stakeholders for the financial year ended 31 December 2023 ("FY2023"), and its outlook for the financial year ending 31 December 2024 ("FY2024").

**FRAMEWORKS AND GUIDELINES**

- International Integrated Reporting Framework (IIRF) of the International Integrated Reporting Council (IIRC)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad

**SR** SUSTAINABILITY REPORT



**CONTENT**

This Report covers information and updates relating to the Group's sustainability performance for FY2023, unless otherwise stated.

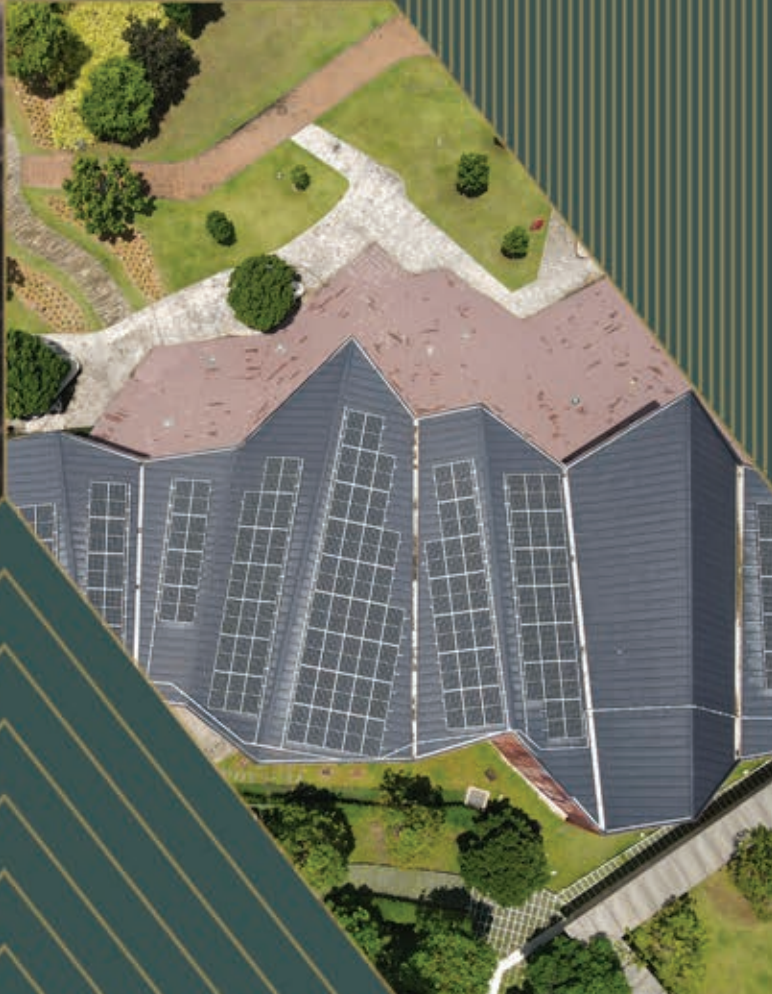
**FRAMEWORKS AND GUIDELINES**

**Principal Guidelines**

- Main Market Listing Requirements by Bursa Malaysia Securities Berhad
- United Nations Sustainable Development Goals
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide (3rd Edition) and Enhanced Sustainability Reporting Framework by Bursa Malaysia Securities Berhad

**Additional Guidelines**

- Global Reporting Initiative (GRI) Standards
- International Reporting Framework <IR> by the International Integrated Reporting Council



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## ANNUAL GENERAL MEETING



**Virtual Meeting Platform:**  
Securities Services e-Portal  
(<https://sshsb.net.my/>)



**Broadcast Venue:**  
Main Auditorium,  
11th Floor, Plaza OSK,  
Jalan Ampang,  
50450 Kuala Lumpur,  
Wilayah Persekutuan.



Thursday, 18 April 2024



10.00 a.m.



We warmly welcome feedback and input on how we may improve our reporting to benefit all our stakeholders. Kindly write to us by scanning the above QR code or log on to [www.oskgroup.com](http://www.oskgroup.com)







01

# Overview of OSK Group

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# Who We Are

## BRIEF PROFILE OF OSK

OSK differentiates ourselves in being at the forefront of innovation, and in delivering products and services that are value for the community. With almost six decades of illustrious track record behind us, we are forging ahead in carving new niche offerings across all business sectors that we are engaged in, guided by our ultimate objective of being a long-term business builder.

Throughout the years, our businesses have established a strong presence throughout Malaysia, especially in the Klang Valley, and in the Peninsular states of Penang, Pahang, Melaka, Perak, Kedah and Johor. Beyond our shores, we have built a strong base in Melbourne, Australia, where our flagship integrated mixed development, Melbourne Square, and our capital financing business are located.

Guided by our corporate values, we strive towards long-term, sustainable growth and adopt a balanced approach towards our Priorities, our People, and our Planet. In doing so, we are supported by a team of highly dedicated employees of 1,544 ("OSKers") who share the same vision and mission with us.

Moving forward, the Group is focused on delivering value for all our stakeholders by ensuring that we deliver excellent products and services for our customers; care for the environment; support the underserved in the community; and ensure fair, safe and transparent practices across our businesses. At OSK, building sustainable futures for all is a journey that is driven by our commitment to realise positive and meaningful progress for all fellow OSKers and the community.

## → VISION

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

## → MISSION

### ✓ 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.

### ✓ 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.

## → VALUES



### 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.



### 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.



### HUMILITY AND RESPECT

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



### INTEGRITY

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



### PEOPLE DRIVEN

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

# What We Do: Core Business Segments and Highlights



## PROPERTY

### PROPERTY DEVELOPMENT

- Completed over 40,000 homes
- Ranked 11th in the Edge Malaysia Top Property Developers Awards 2023

### PROPERTY INVESTMENT

- Retail mall and office/ commercial buildings across Peninsular Malaysia
- 1.6 million sq ft net lettable area



## CONSTRUCTION

- Experienced builder in High-Rise and Low-Rise developments
- "Class A" and "G7" contractor



## FINANCIAL SERVICES AND INVESTMENT HOLDINGS

- 10.24% strategic equity investment in RHB Bank Berhad
- Financing portfolio of RM1.7 billion



## HOSPITALITY

### HOTELS

- 6 hotels, inclusive of self-owned and managed assets with over 1,900 keys
- 1 golf club

### VACATION CLUB

- Properties located in Damai Laut, Kuala Lumpur, Kuantan and Melaka
- More than 7,000 members



## INDUSTRIES

### IBS

- Leading Malaysian Precast IBS Wall Panel Manufacturer
- Developed Acolite, lightweight IBS wall panel with recycled material inputs

### CABLES

- Leading power cables producer
- 20,744 km total production in 2023

## What Differentiates Us

01

Leading property developer in Malaysia with minimal unsold completed units and a prudent business expansion strategy.

04

Strong governance framework with well established internal controls and careful risk planning to ensure high levels of accountability and transparency for all stakeholders.

02

Strong financial track record with a robust balance sheet and healthy gearing levels to enable the Group to remain financially resilient and nimble to capture new opportunities as they arise.

05

Solid experience and track record spanning more than two decades as a non-bank financial institution in Malaysia.

03

High expertise and well experienced management team to deliver strong and sustainable value for the Group.

06

Incorporates Environment, Social and Governance ("ESG") considerations in our daily operations and decision-making, and have in place a long-term ESG plan to contribute towards realising global sustainability agenda.

# Our Presence: Where We Operate

**Legends:**

|   |                      |   |                    |
|---|----------------------|---|--------------------|
| 1 | Property Development | 5 | Cables             |
| 2 | Property Investment  | 6 | Financial Services |
| 3 | Construction         | 7 | Hotels             |
| 4 | ACOTEC               | 8 | Vacation Club      |



# Property Segment: On-going Projects



## PENANG

Rubica @ Harbour Place,  
Butterworth

**GDV: RM137** million



## KEDAH

Bandar Puteri Jaya,  
Sungai Petani (Township)

**GDV: RM576.8** million



## SELANGOR

MIRA @Shorea Park, Puchong

**GDV: RM366** million

ANYA @Shorea Park, Puchong

**GDV: RM393** million

YouCity III, Cheras

**GDV: RM492.3** million



## MELBOURNE, AUSTRALIA

Melbourne Square  
Stage 2 BLVD (High-rise apartment)

**GDV: AUD650** million



## KUALA LUMPUR

LEA by The Hills

**GDV: RM233** million

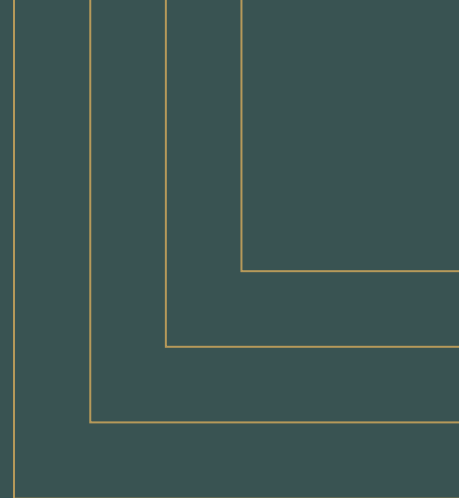


## NEGERI SEMBILAN

Iringan Bayu, Seremban  
(Township)

**GDV: RM778.2** million





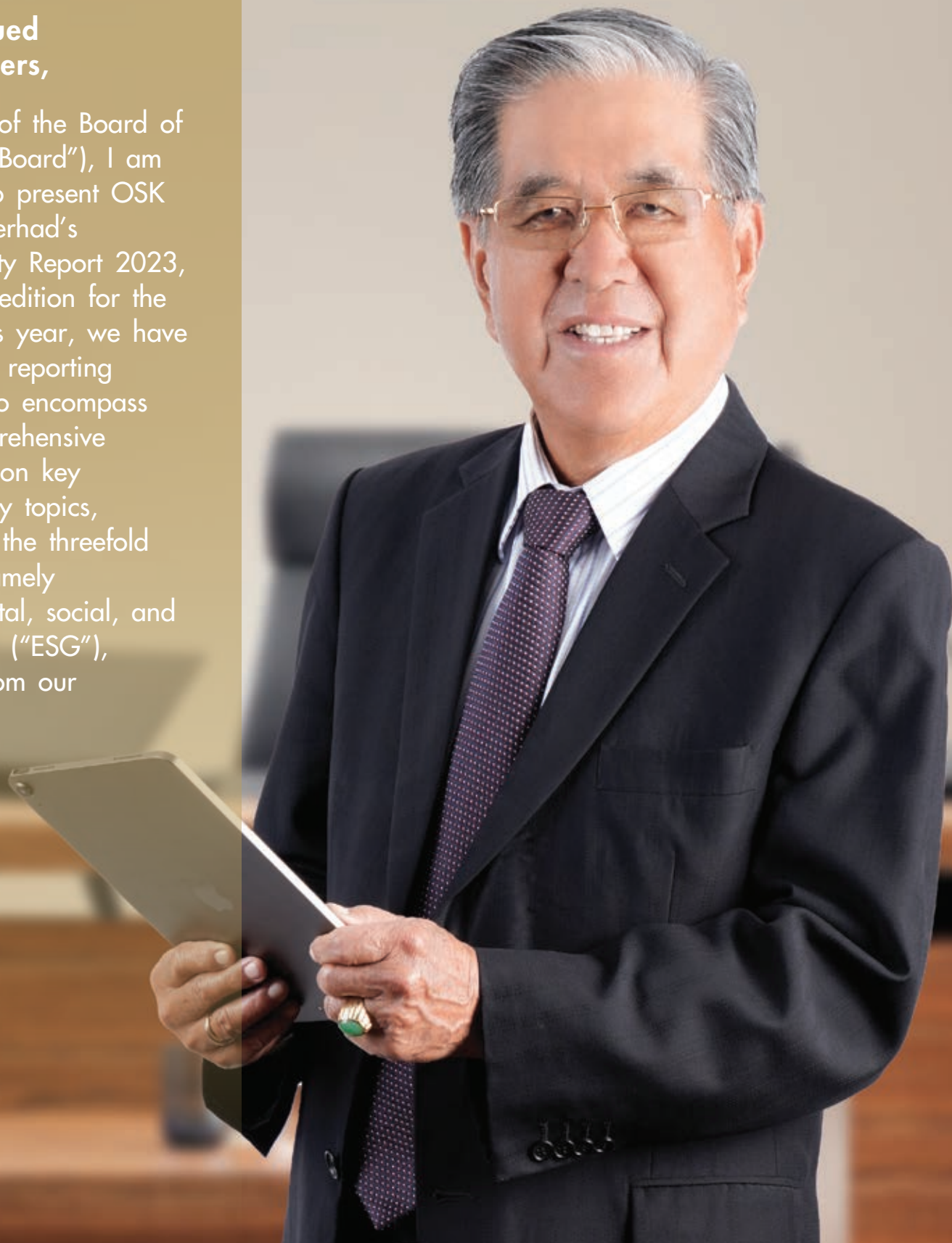
02

# Our Leader's Message

14 Executive Chairman's Letter to Stakeholders

## Dear Valued Stakeholders,

On behalf of the Board of Directors ("Board"), I am delighted to present OSK Holdings Berhad's Sustainability Report 2023, our eighth edition for the Group. This year, we have refined our reporting approach to encompass more comprehensive disclosures on key sustainability topics, addressing the threefold impacts; namely environmental, social, and governance ("ESG"), resulting from our operations.





# EXECUTIVE CHAIRMAN'S LETTER TO STAKEHOLDERS

**TAN SRI ONG LEONG HUAT @ WONG JOO HWA**

Executive Chairman

Amidst profound global changes shaped by the international landscape and diverse factors, we acknowledge the urgent issues surrounding environmental and social sustainability. Particularly in domains like climate change, management of natural resources, human rights, good health, and sustainable communities, as these challenges are becoming more acute.

Since our inception, we have ingrained a steadfast commitment to ethical practices, promoting the well-being of people, communities, and the environment. Recognising the vital importance of finding the right balance between economic progress and preserving our planet for future generations, we proactively adapt to changing circumstances and are dedicated to minimising our carbon footprint, promoting resource efficiency, and embracing eco-friendly practices. This approach fosters a sustainable and thriving environment for all.

## **SUSTAINABLE INTEGRATION: ACHIEVING NEW MILESTONES IN FY2023**

In FY2023, we witnessed substantial growth in our sustainability agenda, accomplished by fortifying our sustainability governance structure through the establishment of the Board Sustainability Committee and a dedicated sustainability unit to coordinate and support sustainability initiatives across the Group. This marks a noteworthy advancement, underscoring our commitment to enhancing the effectiveness and cohesion of our sustainability endeavours, in addition to our climate-related agenda.

Furthermore, we broadened our focus to include a comprehensive gap analysis, a review, and an update of the material sustainability matters, benchmarking against recent internal and external developments, as well as ESG trends specific to our core businesses and relevant sustainability reporting standards. Following this, we launched a materiality assessment aimed at responding to evolving stakeholder expectations and addressing emerging risks, concentrating on issues that have the most substantial impact, and are closely aligned with our business strategies and stakeholders' concerns.

In our continuous dedication to advancing sustainability, we initiated a strategic review and revitalisation of both our sustainability framework and policy this year, with the objective of intensifying a shared foundation and fostering a sense of unity among our stakeholders as we forge ahead in our sustainability journey.

Anchored by four strategic pillars: Driving Value Creation, Caring For The Environment, Elevating Societal Well-being, and Championing Responsible Governance, the renewed framework aligns the 12 material matters with the United Nations Sustainable Development Goals ("UNSDGs"), affirming our commitment to play our part in addressing critical global challenges and emphasising our supportive role in contributing to the attainment of the UNSDGs.

## **EMBRACING CLIMATE ACTION FOR SUSTAINED ENVIRONMENTAL PRESERVATION**

Not forgetting the imperative of our collective endeavours to support the nation in achieving the net-zero target set by the Malaysian government, we have embarked on progressive steps towards environmental sustainability. Our Group has decided to commit to a net-zero emissions target for our Scope 1 and 2 emissions by 2050. Indeed, we have commenced efforts to strategically decarbonise our operations organisation-wide through the adoption of renewable energy, underscoring our commitment to reducing carbon emissions and promoting cleaner energy alternatives within our operations.

Commencing at our cables factory in May 2021, our continued investment in renewable energy infrastructure has been extended to encompass property sales galleries and assets within the Property Investment and Industries Segment, culminating in a total solar power generating capacity of 1.89MWp by the end of FY2023. This has resulted in the generation of a total of 1,218MWh of solar power across our operations and concurrently a 712.4 metric tonnes CO<sub>2</sub>e carbon avoidance during the reporting year.

## Executive Chairman's Letter to Stakeholders

In our pursuit to reduce carbon emissions and mitigate our environmental costs, we initiated the examination of emissions data at selected operational sites in FY2022. This initiative was progressively expanded to encompass all operational sites by FY2023, along with the incorporation of other prescribed ESG data, in adherence to regulatory requirements. The collected data now serves as a valuable baseline for our continuous environmental initiatives and development of comprehensive group-level strategies.

### FOSTERING SUSTAINABLE VALUE CREATION ACROSS THE BUSINESSES

On the business front, we have consistently prioritised a customer-centric approach in developing our products and services.

By providing a comprehensive suite of financing solutions, our Financial Services Division actively aims to be a supportive partner for aspiring, underbanked entrepreneurs and underbanked individuals throughout their journey, enabling them to turn their visions into reality, fostering sustainable business growth and contributing to the broader economic landscape. We believe that our financing business continues to help the growth of the economies in both Australia and Malaysia as we provide funding to market segments that are underserved or unserved by the banking system.

In the consumer financing space, we continue to provide financing solutions to free-lancers through Lyte Malaysia and have scaled up our loans to civil servants through the Malaysian National Cooperative Movement (ANGKASA) ecosystem.

Within the Property Division, our commitment extends beyond the mere construction of homes and townships. We continue to be guided by our ethos of creating meaningful and sustainable spaces. We approach each project by considering not only the aesthetics and structural aspects but also the affordability and quality of living experiences of the properties we deliver. In this regard, our primary focus is on delivering homes that are priced fairly, with an emphasis on the liveability and comfort of the internal spaces of the homes we build. Our projects also come with carefully curated amenities to enhance the lifestyle of our home buyers.

Remaining steadfast in our commitment to customer satisfaction, we are grateful that our customers continue to express contentment with their home-owning experience with us. This is evident through a satisfaction rating of 4.46 out of 5 by customers for FY2023, despite the challenges posed by discerning customers in the property industry.

Our hotel and investment properties are actively undergoing continuous enhancements, integrating increasingly sustainable building features to reduce adverse environmental impacts while simultaneously

enhancing the guest experience at our hotels. We are deeply encouraged by the acknowledgment of our headquarters office building, Plaza OSK, which received a Bronze Award in the 10 Years and Above — Non-strata Office category at The Edge Malaysia Best Managed and Sustainable Property Awards 2023. This recognition validates our committed efforts in retrofitting the office space to align with the growing demands for environmental sustainability.

Moreover, our intricately designed cable products are crafted in-house, adhering meticulously to relevant manufacturing regulations and standards. We maintain a continuous focus on advancing research and development initiatives with the ultimate aim of creating environmentally sustainable cable systems that boast heightened transmission capacity, aligning seamlessly with the nation's trajectory towards a future powered by green energy. A significant proportion of our production of power cables in FY2023 was for solar-power related projects, which highlights the role that we play in the advancement of green energy in Malaysia.

Our Acotec Division manufactures a diverse range of wall panels, extending from façade walls down to partition walls, certified as green building materials under the Green Labelling Scheme by the Singapore Environment Council. Acotec panels are a sustainable replacement for traditional construction methods, as it makes construction faster, safer and cleaner. The team is continuously committed to offering a sustainable and eco-friendly alternative to conventional construction methods, supporting the construction industry in enhancing efficiency in terms of time, minimising waste, and reducing pilferage.

### INSPIRING SOCIAL TRANSFORMATION THROUGH PEOPLE EMPOWERMENT

Our commitment to aiding those in need remains steadfast through the activities of OSK Foundation, the philanthropic arm of the Group. Within our three key focus areas—education, community development, and environment, we actively collaborate with key partners to foster social inclusion and promote sustainable community development in Malaysia. We take pride in being acknowledged for our philanthropic initiatives at the Sustainability and CSR Malaysia Awards 2023, where we received the 'Company of the Year Award (Conglomerate)' for our contributions to community well-being initiatives.

Recording a substantial 18.0% growth in staff strength in FY2023, we recognise that a pivotal indicator for ensuring the success of sustainable development lies in our continuous investment in Learning and Development programmes to enhance skills and

foster continuous growth within our workforce. Throughout FY2023, we consistently endeavoured to provide platforms for employee empowerment through robust training and incentive programmes facilitated by the Group Human Resources team, which also included fostering awareness in sustainability-related practices. Our commitment was evident in showcasing a significant 32.5% increase in our annual spending on employees' professional development, coupled with a commendable 10.8% rise in total recorded training hours compared to FY2022.

Fostering an inclusive working environment at all levels, we prioritise and actively promote employee engagement through a diverse range of activities. These encompass wellness and fitness activities, departmental or cross-divisional social engagement sessions, including birthday gatherings, and community engagement programmes, conducted periodically across both Group and divisional levels throughout the year.

Moreover, Top Management initiated a rigorous and long series of dialogue sessions with employees, aiming to foster a culture of open communication and continuous improvement by promoting free expression and collaborative problem-solving within the organisation. Our various business units conduct periodic townhall sessions, involving both permanent employees and, where applicable, foreign workers, as part of our inclusive approach to cultivate engagement and fortify the sense of community within the organisation.

Demonstrating our utmost commitment to the safety and well-being of our employees, we consistently work towards cultivating a workplace culture that prioritises the highest standards for a safe and supportive environment. In alignment with this commitment, our dedicated efforts concentrate on implementing continuous health and safety improvements across all business units. We have successfully maintained zero workplace fatality rate in the year 2023.

### **CHARTING A SUSTAINABLE FUTURE: A GROWING COMMITMENT UNFOLDING**

Looking ahead, we recognise that sustainability is an ongoing journey, and we acknowledge the considerable work that lies ahead. Challenges remain, but I am optimistic that our people are resilient enough to address them with a positive, proactive, and open attitude.

Heading into 2024, I anticipate further progress under the leadership of the Board and propelled by the new Sustainability Committee helmed by our Senior Independent Director, a seasoned

expert with extensive experience in global, regional and national environmental and development issues. His extensive experience includes drafting United Nations General Assembly Resolution 44/228 which resulted in the Earth Summit at Rio De Janeiro in 1992.

Acknowledging the paramount importance of ESG risk integration, we are currently intensifying our focus on reviewing and addressing ESG risks that impact our businesses, in addition to investing in capacity-building initiatives to empower our teams with the necessary skills and knowledge for sustainable practices. Additionally, we are committed to developing robust strategies to effectively address these risks and translate them into tangible opportunities for positive ESG impacts within our operations and across our value chain.

Following our successful Scope 1 and 2 emissions assessment, we initiated a Scope 3 emissions assessment in the reporting year, focusing on employee commuting and business travel only. We recognise the opportunity to unite stakeholders and enthusiastically embrace the chance to collaboratively contribute to emission reduction and community support during these pivotal transitions wherever feasible.

In 2024 and beyond, technology and innovation remain pivotal, playing a significant role in shaping our net-zero decarbonisation roadmap for 2050 and facilitating targeted actions as we move forward. The Board, collaborating closely with Management, remains resolute in guiding the Group to effectively address the challenges presented by climate change and advance people-centric sustainability, towards achieving our overarching vision to evolve into a long-term business builder delivering superior value to both internal and external stakeholders.

On behalf of the Board, I extend heartfelt gratitude to all our stakeholders for their unwavering support in our ESG journey, enabling the seamless integration of ESG principles into our business and operations. A special acknowledgment is dedicated to our OSKers for their tireless efforts and unwavering dedication in working collaboratively to build a more resilient business and contribute to a planet capable of sustaining future generations.

The progress we are making toward our targets is truly inspiring and is a testament to the dedication of our people across the Group. As we anticipate the road ahead, our collective efforts promise an even more rewarding journey. Together, we possess the power to enact sustainable change!





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# Navigating Sustainability: Our Strategic Approach

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# Sustainability Highlights for FY2023

## SUSTAINABILITY HIGHLIGHTS



**Inauguration of Sustainability Committee**, signifying a pivotal moment in our dedication to advancing sustainability within the Group.



**OSK Foundation Scholarship Programme**  
Since our launch 3 years ago, we have awarded scholarships to 27 deserving students.



**Revision of Sustainability Policy**, serving as the foundation for integrating sustainability values into operational agendas and decision-making processes.



**Employee Training Hours 28,990 hours** covering all levels of employees.



Aligned to **12** **SUSTAINABLE DEVELOPMENT GOALS**



**Carbon Emissions**  
Scope 1: 39,839.5 metric tonne CO<sub>2</sub>e  
Scope 2: 21,265.9 metric tonne CO<sub>2</sub>e  
Scope 3: 3,145.7 metric tonne CO<sub>2</sub>e



Gender Diversity **33.3%** female at Board level, **33.3%** female at Key Senior Management.



Maintained a **0% workplace fatality rate**



Social Investment in B40 Communities **RM2.1 million**, focusing on community-based initiatives.



Continued investment in renewable energy infrastructure, reaching a total solar capacity of **1.89MWp**, at 6 sites.

## AWARDS AND RECOGNITIONS

### OSK Group

#### Excellence Awards NACRA 2023 (Gold)

- Companies with less than RM2 Billion in the Market Capitalisation



#### Sustainability and CSR Malaysia Awards 2023

- Company of the Year Award (Conglomerated for Community Well-Being Initiative)



### Swiss-Garden International



- Johor Tourism Board: Best Hotel under 3-Star Category for Holiday Inn Express and Suites Johor Bahru
- Luxury Lifestyle Awards 2023: Best Luxury Family Beach Resort for DoubleTree by Hilton Damai Laut

- Travellers' Choice Award for DoubleTree by Hilton Damai Laut
- Ministry of Tourism, Art, and Culture Malaysia: Asian Green Hotel Standard (2024-2026) National Level for DoubleTree by Hilton Damai Laut
- 2023 Top Performing Hotel Groups by Booking.com for Swiss-Garden International.



### OSK Property

#### The Star Property Awards (4 Awards in May-2023)

- Star Property Awards – All-Stars Award – Listed Top 10 (No. 6)
- ANYA at Shorea Park – Family Centric Award (Merit)
- Rubica – The Northern Star Award (High-Rise) (Merit)
- LEA by The Hills – The Skyline Award (Honours)

#### ILAM Malaysia Landscape Architecture Award

- Iringan Bayu Wetland Park – Developer Category – Landscape Award (Honour)

#### The Edge Best Managed and Sustainable Property Awards

- Plaza OSK – Above 10 years: Non-strata Office Category (Bronze)

#### The Edge Malaysia Top Property Developers Awards 2023

- Ranked 11th

#### Malaysia Developer Awards

- No. 2 in Top-of-the-Charts Awards Top 10 for Market Cap RM1 Billion and Above



### SGI Vacation Club

- 2023 Booking.com Travelers Awards (8.7)

# Sustainability Framework

Our sustainability approach is centred on achieving a harmonious balance between economic considerations and ESG factors. We acknowledge that the lasting success of our organisation is intricately tied to performance in environmental, social, and governance realms, going beyond a sole reliance on economic factors. To reinforce this commitment, we have enhanced our framework by incorporating a refreshed set of identified material matters, organised around four key focuses.
















The framework below serves as a guiding force for our business strategies, ensuring the comprehensive integration of sustainability into our daily operations and overall strategy. Specific targets have been set not only to facilitate diligent progress tracking but also to act as a catalyst for continual enhancements in our sustainability initiatives within each defined focus area.

## Vision

Building Sustainable Businesses of Tomorrow

## Mission

A responsible organisation that creates significant value for our stakeholders for today and tomorrow

| Sustainability Governance  | Steered by  |   |   |   |
|--|---|---|---|---|
|  | Board of Directors  | Sustainability Committee  | Sustainability Working Group  | Group Sustainability Team   |
| Guided by Board Charter, operational policies and relevant rules and regulations |   |   |   |   |
| Sustainability Pillars   | Driving Value Creation  | Caring for the Environment  | Elevating Societal Well-being   | Championing Responsible Governance  |
| Goals  | Delivering Sustainable Returns  | Sustaining Planetary Health   | Fostering A Dynamic Workplace and Community   | Exemplifying Governance Excellence and Efficiency   |
| Material Matters   | <ul style="list-style-type: none"> <li>Sustainable Return</li> <li>Quality Products and Customer Satisfaction</li> <li>Digitalisation and Innovation</li> <li>Responsible Supply Chain</li> </ul> | <ul style="list-style-type: none"> <li>Environment and Climate Action</li> <li>Resource Efficiency and Responsible Consumption</li> </ul>   | <ul style="list-style-type: none"> <li>Talent Management and Empowerment</li> <li>Diversity, Equity, and Inclusion</li> <li>Safety, Health, and Well-being</li> <li>Community Support and Development</li> </ul>  | <ul style="list-style-type: none"> <li>Governance and Regulatory Compliance</li> <li>Data Privacy and Cybersecurity</li> </ul>  |
| In Alignment with UNSDGs   |                             |      |       |   |
| Stakeholder Groups   | Business and Industry Partners   Community   Customers   Employees   Government and Regulators   Media   Shareholders and Investors   Financiers   Supply Chain Partners                          |   |   |   |



# Sustainability Governance

## Modest Stride in Strengthening Our Sustainability Governance

01

### The establishment of Sustainability Committee

underscoring our intensified commitment on advancing sustainability within the organisation

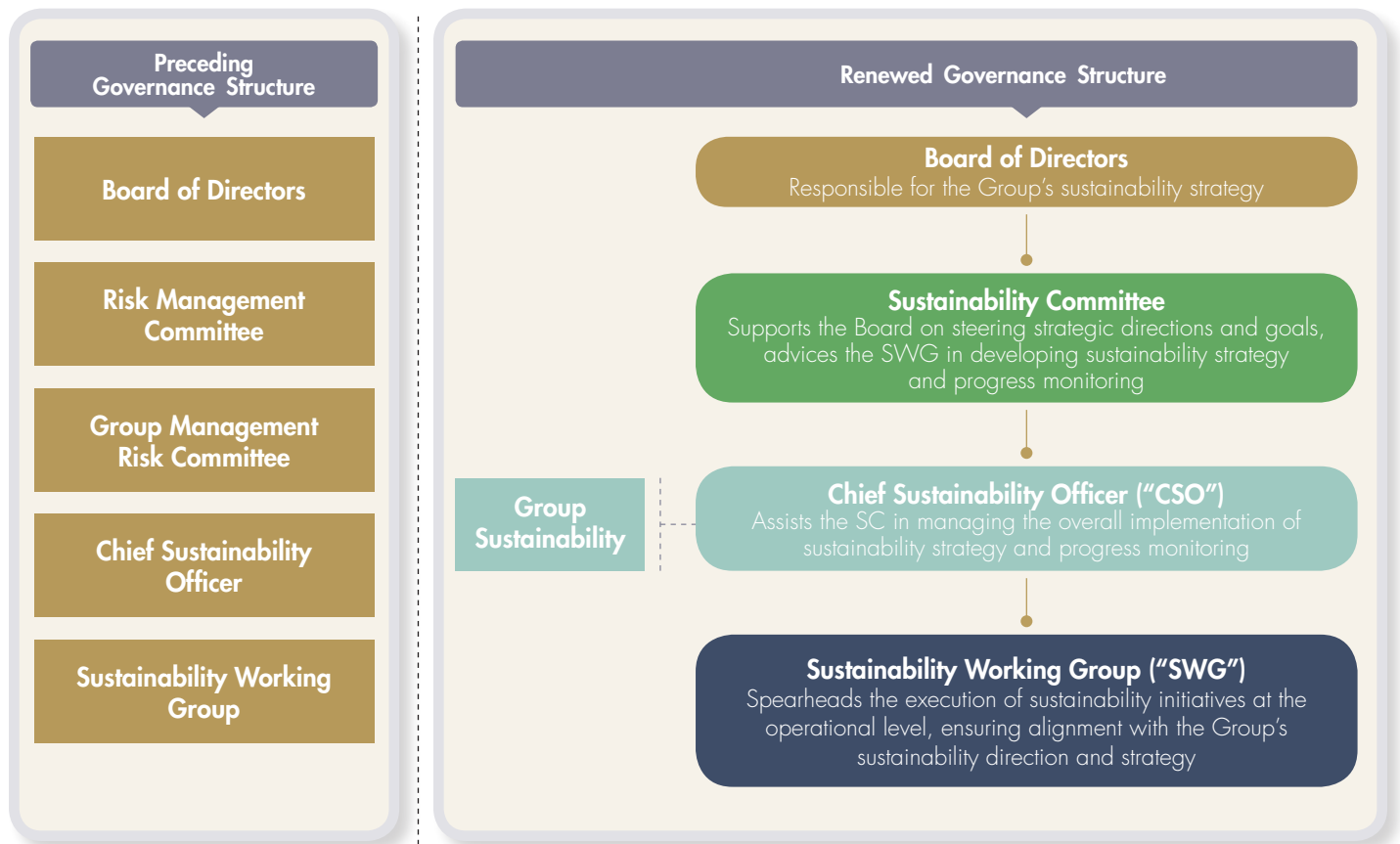
02

### Revision of Sustainability Policy

offering clear guidance on the integration of sustainability values into operational agendas and decision-making processes

We firmly assert that a robust corporate governance foundation relies on a sturdy framework and an efficient Board. Committed to integrating sustainability into our long-term growth strategy, our Board of Directors ("Board") is resolute in seamlessly incorporating the sustainability governance structure into the corporate governance framework, including sustainability factors in shaping our strategies and executing our business plans.

In January 2024, we completed the establishment of a dedicated Board Sustainability Committee ("SC") following the directive from the November 2023 Board meeting. This led to a subsequent shift in the sustainability governance structure, as illustrated below:



## Sustainability Governance

The roles and responsibilities of each are detailed below:

| Role                                | Responsibility   |
|-------------------------------------|--|
| <b>Board of Directors</b>           | <ul style="list-style-type: none"> <li>Assumes full responsibility over the establishment of the Group's sustainability strategy and goals.</li> </ul>   |
| <b>Sustainability Committee</b>     | <ul style="list-style-type: none"> <li>Advises the Board on strategic goals and oversees the SWG in implementing sustainable strategies across diverse Group operations.</li> <li>Ensures the execution of sustainability initiatives by monitoring and reviewing reporting and disclosures related to material sustainability matters.</li> </ul>                 |
| <b>Chief Sustainability Officer</b> | <ul style="list-style-type: none"> <li>Supports the SC and oversees the overall implementation and progress monitoring of the sustainability strategy across the Group.</li> <li>Assists the SWG in making informed decisions on integrating sustainability considerations into business operations, with the backing of the Group Sustainability team.</li> </ul> |
| <b>Sustainability Working Group</b> | <ul style="list-style-type: none"> <li>Comprises of Heads from Business Units and Support Functions, and supported by its designated Sustainability Champions.</li> <li>Champions sustainability initiatives at the operational level and ensures daily operations align with the Group's sustainability direction, strategy, and policy.</li> </ul>               |

We consistently improve our governance performance through quarterly meetings, ensuring thorough oversight of the execution of the Group's ESG strategies.

### Engaged a total of 80 students and community members



**In FY2023, we hosted two educational tours in the Iringan Bayu township to promote sustainability and environmental awareness among students and the broader community.**

Guided by committed employee volunteers, participants immersed themselves in hands-on exploration of Iringan Bayu's rich flora and fauna, gaining insights into the significance of biodiversity conservation and environmental stewardship.

# Sustainability Policy

Our steadfast commitment to responsible operations goes beyond regulatory compliance, ingrained in a comprehensive framework where meticulously developed policies shape our governance structure and corporate ethos. It entails a dedicated focus on upholding elevated ethical standards in our operational activities and business interactions, encompassing an inclusive workplace culture, quality assurance, environmental protection, community investments, and ingrained operating practices in our daily operations.

We formulated our Sustainability Policy ("Policy") in FY2013 to explicitly outline our commitment to sustainability. This policy underwent rigorous reviews in FY2016, FY2021, and FY2023, reaffirming our dedication to align with evolving global and local sustainability frameworks.



We enhance transparency by publicly sharing our group policies and guidelines on our corporate website ([www.oskgroup.com](http://www.oskgroup.com)) and staff intranet, providing guiding principles on business conduct and ethics that all employees and stakeholders across our value chain should practise to support our commitment to sustainability.

Relevant policies are distributed to employees and the supply chain, where applicable, and every employee is required to be aware of, read, and comply with them. To ensure inclusivity, we have translated specific policy documents into Malay language, accommodating the linguistic diversity of our workforce for better understanding and adherence.

Regular reviews and updates of group policies are conducted to align with changes in operating factors and community needs. Approval is sought from our Board, relevant Board Committees, and Senior Management as part of sound corporate governance practices.

# Sustainability Policy

Key extracts of our Sustainability Policy:

## ECONOMIC

- Business Sustainability
- Innovation Capability Advancement
- Quality Products and Services
- Customer Satisfaction Enhancement
- Responsible Supply Chain

## ENVIRONMENTAL

- Environmental Stewardship
- Resource Efficiency
- Climate Change Adaptation
- Carbon Management and Reduction
- Pollution Prevention
- Environmental Consciousness Promotion
- Green Innovation in Business
- Sustainable Procurement
- Circular Economy Principles
- Continuous Improvement

## SOCIAL

- Employee Development and Empowerment
- Harmony Advocacy in the Workplace
- Human Rights and Labour Standards
- Workplace Safety and Health
- Community Investment
- Ethics and Integrity Enhancement
- Diversity and Inclusion
- Stakeholder Engagement

## GOVERNANCE

- Compliance with Laws and Regulations
- Board and Committee Oversight and Leadership
- Transparency and Accountability
- Data Protection and Cybersecurity
- Risk Management
- Ethical Conduct
- Stakeholder Engagement



In Kampung Paya Mendoi, Kuala Krau, Pahang, we embarked on constructing a home for a family as one of OSK's Good Cause Initiative, in collaboration with the *Persatuan Orang Asli Semenanjung Malaysia*. Through such partnerships, we aim to create a meaningful and lasting impact, nurturing stronger community bonds within the communities we are committed to serve.

# Stakeholder Engagement

Stakeholders including groups and individuals significantly impacted by our business and those with a vested interest in our operations. We categorise diverse stakeholder groups based on varying levels of influence and dependence on our business and activities.

We are dedicated to fostering positive communication with key stakeholders and committed to transparently sharing our achievements through both formal and informal channels. Recognising that stakeholder feedback is a pivotal catalyst for our internal growth, we have established various communication channels. Additionally, we engage closely affiliated departments to monitor stakeholder interests, aiding in identifying material issues and gaining insights into emerging opportunities and risks for more effective responses.



## EMPLOYEES

S1

### WHY WE ENGAGE?

OSKers form one of the most crucial capitals of OSK Group. Health and safety, skills and capability, welfare and growth of all OSKers are fundamental to OSK's performance and key to nurturing a high-performing, loyal and competitive workforce.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms  | Frequency of Engagement |
|---|-------------------------|
| Annual employee engagement survey   | Annual                  |
| Internal employee portal  | Annual                  |
| Employee volunteering and CSR activities                                      | As and when required    |
| Internal engagement activities ie. special promos and sustainability campaign | Ongoing                 |
| Health and safety notices and updates   | Ongoing                 |
| Training and talent development   | Ongoing                 |
| Mentoring programme   | Ongoing                 |
| Townhall and dialogues  | Ongoing                 |
| Whistleblowing channel  | Ongoing                 |
| Chillax Zone and Gym @ Plaza OSK  | Ongoing                 |
| Prayer room and common facilities   | Ongoing                 |

### KEY FOCUS AREA

- ⇒ Company's direction and updates
- ⇒ Workplace safety and health
- ⇒ Labour and human rights
- ⇒ Remuneration and benefits
- ⇒ Career development
- ⇒ Training opportunities
- ⇒ Work-life balance
- ⇒ Employee volunteerism

### POTENTIAL RISK AND OPPORTUNITIES

#### Potential Risks

- ⇒ High turnover rates
- ⇒ Increased hiring and training cost

#### Opportunities

- ⇒ Retain highly skilled talents
- ⇒ Build a positive and inclusive workplace culture

### OUR APPROACH

OSK is committed to providing a safe, engaging, inclusive and stimulating work environment that encourages quality performance, high employee satisfaction and loyalty.

# Stakeholder Engagement

## BUSINESS AND INDUSTRY PARTNERS

S2

### WHY WE ENGAGE?

As an established organisation with a reliable business track record, OSK provides thought leadership and imparts positive market feedback on policies and issues through industry associations and bodies to foster tri-sector (public-private-people) collaborations that promote growth and development.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms              | Frequency of Engagement |
|-----------------------------------|-------------------------|
| Annual and sustainability reports | Annual                  |
| Consultation on industry matters  | As and when required    |
| Corporate presentations           | As and when required    |
| Events and roadshows              | Ongoing                 |
| Forums and dialogues              | As and when required    |
| Membership in associations        | Annual                  |
| Satisfaction surveys              | Annual                  |

### KEY FOCUS AREA

- Industry best practices
- Innovation and advances in the industry
- New business opportunities
- OSK's position within the industry
- Fair procurement
- Staying connected with the Company
- Supporting local suppliers and local producers

### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks                | Opportunities  |
|--------------------------------|--|
| Market competition             | Improve our product quality and services. Build strategic alliances              |
| Fluctuations in interest rates | Optimising financial strategy through efficient and effective funding management |

### OUR APPROACH

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 developments.

## COMMUNITY

S3

### WHY WE ENGAGE?

We create affordable, innovative and thoughtfully-designed living spaces, as well offer products and services that support community well-being and integration.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms                                       | Frequency of Engagement |
|--|-------------------------|
| Community engagement activities and philanthropies         | Ongoing                 |
| Collaborations with NGOs, charities and social enterprises | Ongoing                 |
| Company websites and social media                          | Ongoing                 |
| Catalogues and brochures                                   | Ongoing                 |
| Annual and sustainability reports                          | Annual                  |
| Company advertisements                                     | As and when required    |

### KEY FOCUS AREA

- Impact of operations on community
- Promoting social and environmental well-being
- Social inclusion, local community development and caring for the less fortunate
- Philanthropy
- Ethical marketing practices
- Staying connected with OSK

### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks                | Opportunities  |
|--------------------------------|--|
| Damage to brand and reputation | Enhancing community engagement and fostering a positive brand perception |

### OUR APPROACH

As part of our pluralistic society, OSK understands that our business operations have an impact on the well-being of the community. We are committed to our role as an agent of change, as well as an active contributor and enabler in promoting inclusiveness and well-being for the communities in which we operate.

## CUSTOMERS INCLUDING TENANTS, SHOPPERS AND GUESTS

S4

### WHY WE ENGAGE?

Providing safe, innovative and high-quality products for all our customers are important for the continued success of OSK in the long run.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms                             | Frequency of Engagement  |
|--|--|
| Events and roadshows                             | Ongoing  |
| Integrated customer feedback channels            | Ongoing  |
| Loyalty programmes                               | Ongoing  |
| Customer and tenant surveys, and market research | Annual   |
| Meetings and discussions                         | As and when required   |
| Catalogues and brochures                         | Ongoing  |
| Integrated app for homebuyers and shoppers       | Ongoing  |
| Company websites and social media                | Ongoing  |
| Residential management services                  | Upon project completion until formation of Joint Management Body or Management Corporation |
| Tenant Memos and Notices                         | As and when required   |

### KEY FOCUS AREA

- ⇒ Safety and health
- ⇒ Customer service and experience
- ⇒ Ethical marketing practices
- ⇒ Brand reputation
- ⇒ Confidence and trust in the Company
- ⇒ Pleasant experience
- ⇒ Value for money

### POTENTIAL RISK AND OPPORTUNITIES

#### Potential Risks

- ⇒ Loss of customer loyalty and trust

#### Opportunities

- ⇒ Enhance customer satisfaction and cultivate customer loyalty

### OUR APPROACH

Building strong relationships and trust, as well as ensuring the satisfaction of all our customers form the foundation of everything we do. OSK strives to be a trusted partner to our customers, in line with our ethos of "Moving Forward, Progressing Together". We adopt a long-term approach in the way we conduct our business.

## GOVERNMENT AND REGULATORS

S5

### WHY WE ENGAGE?

As a responsible corporate citizen, we strive to ensure compliance with all applicable SOPs, rules and regulation, and constantly work with key government agencies and regulators in upholding regulatory practices and applicable health and safety standards, while promoting societal well-being.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms   | Frequency of Engagement      |
|--|------------------------------|
| Formal meetings with Senior Management representation  | As and when required         |
| Annual and sustainability reports  | Annual                       |
| Audits and inspections   | As and when required         |
| Collaborations with Government agencies and departments for community welfare, education and sustainability-related programmes | Ongoing                      |
| Participation in industry and public forums, dialogues and workshops organised by Government bodies and regulators             | As and when required/invited |
| Participation in corporate and CSR events  | As and when required/invited |

### KEY FOCUS AREA

- ⇒ Compliance
- ⇒ Contributions to the economy, local community and nation-building
- ⇒ Industry best practices
- ⇒ Promoting workplace health and safety
- ⇒ Cultivating good workplace practices
- ⇒ Advocating ESG integration in business operations and reporting

### POTENTIAL RISK AND OPPORTUNITIES

#### Potential Risks

- ⇒ Penalties and fines for non-compliance

#### Opportunities

- ⇒ Engage with regulators to ensure compliance in all regulatory aspects

### OUR APPROACH

Each subsidiary is responsible to comply with all relevant regulations. We support the Government's social initiatives and place great emphasis on being an exemplary corporate citizen.

# Stakeholder Engagement

## MEDIA

S6

### WHY WE ENGAGE?

We engage the media and the general public regularly to provide regular updates on the Group's latest developments and progress, as part of efforts to build community trust and provide transparency on the Group's journey.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms                                 | Frequency of Engagement          |
|--|----------------------------------|
| Events and launches                                  | Ongoing                          |
| Media networking sessions                            | Ongoing                          |
| Meetings and media visits                            | As and when required             |
| Annual and sustainability reports                    | Annual                           |
| Quarter financial results announcements              | Quarterly                        |
| Media releases on corporate updates and developments | As and when required             |
| Media interviews                                     | As and when required             |
| Awards submission and presentation                   | As invited                       |
| Participation in corporate and CSR events            | As and when required/<br>invited |

### KEY FOCUS AREA

- Corporate updates
- Financial performance
- Corporate governance
- Upcoming corporate developments
- Marketing and promotions
- Awards and recognition
- Partnerships and collaborations

### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks                          | Opportunities                                   |
|--|---|
| ➤ Penalties and fines for non-compliance | ➤ Increase transparency and open communications |

### OUR APPROACH

We strive to ensure the highest level of governance in our disclosures to the public through mainstream media channels. We believe that delivering the right message to the media is key, especially at corporate events and launches, where we disseminate first-hand corporate and project information.

## SHAREHOLDERS AND INVESTORS

S7

### WHY WE ENGAGE?

Ensuring sustainable and long-term shareholder returns is a priority for OSK. In keeping with our emphasis on upholding the highest level of corporate governance, we are committed to continue to build trust and confidence through regular dialogues with our shareholders and the investment community.

### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms   | Frequency of Engagement |
|--|-------------------------|
| Annual general meetings  | Annual                  |
| Annual and sustainability reports  | Annual                  |
| Bursa announcements  | As and when required    |
| Investor relations ("IR") and institutional briefings, presentations or conference calls | As and when required    |
| Quarter financial results announcements  | Quarterly               |
| Media announcements  | As and when required    |
| Shareholder updates  | As and when required    |
| Site visits  | As and when required    |

### KEY FOCUS AREA

- Brand reputation
- Future competence and innovation
- Growth strategy
- Long-term relationship development
- OSK's market position and performance within the industry
- Positive investment growth and diversification
- Risk management
- Corporate governance
- Acquisitions and disposals
- ESG initiatives and sustainability performance

### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks                      | Opportunities  |
|--------------------------------------|--|
| ➤ Loss of shareholder/investor trust | ➤ Active engagement with shareholder to build trust and confidence |

### OUR APPROACH

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.



## FINANCIER

S8

### WHY WE ENGAGE?

Achieving an efficient capital structure with competitive funding costs is crucial to OSK's financial well-being, in line with our prudent financial management approach. The Group engages with financiers and lenders as part of our continuous efforts to ensure optimal funding and liquidity in our operations.

#### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms                                       | Frequency of Engagement |
|--|-------------------------|
| Institutional briefings, presentations or conference calls | Periodically            |
| Annual and sustainability reports                          | Annual                  |
| Bursa announcements  | As and when required    |
| Media announcements  | As and when required    |

#### KEY FOCUS AREA

- Business performance and updates
- Financial position
- Revenue growth
- Value creation and sustainability
- Long-term relationship development
- OSK's market position and reputation within the industry
- Risk management
- Corporate governance
- ESG initiatives and sustainability performance

#### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks          | Opportunities  |
|--------------------------|--|
| ➤ Higher cost of capital | ➤ Optimising financial strategy through efficient and effective funding management |

#### OUR APPROACH

OSK is committed to being a long-term and trusted business partner that is driven by good governance and a strong balance sheet to support our business objectives. We seek to engage and partner with lenders who share the same sustainability principles, position and values as us to enable us to make meaningful change in the communities where we operate.

## SUPPLY CHAIN PARTNERS

S9

### WHY WE ENGAGE?

We work closely with our vendors, suppliers and business partners in our value chain to ensure that our operations are carried out in line with OSK's ethical, safety and health, and sustainability policies and standards.

#### ENGAGEMENT CHANNEL AND FREQUENCY

| Engagement Platforms                                   | Frequency of Engagement |
|--|-------------------------|
| Satisfaction surveys                                   | Ongoing                 |
| Supplier audits  | Ongoing                 |
| Supplier-organised events                              | Ongoing                 |
| Anti-bribery and anti-corruption pledge and compliance | Ongoing                 |

#### KEY FOCUS AREA

- Legal compliance
- Ethics and integrity
- Workers' safety and health
- Fair procurement
- Quality and value
- Staying connected with the Company
- Supporting local suppliers and local produce

#### POTENTIAL RISK AND OPPORTUNITIES

- | Potential Risks                     | Opportunities                              |
|-------------------------------------|--|
| ➤ Potential supply chain disruption | ➤ Diversification of vendors and suppliers |

#### OUR APPROACH

OSK works across its value chain to minimise risks, maximise future opportunities and ensure sustainable economic growth.

# Stakeholder Engagement

## CONTRIBUTING TO THE GROWTH AND DEVELOPMENT OF THE INDUSTRY

Industry trade associations play a crucial role in facilitating communication with policymakers and regulators, fostering networking opportunities, advocating for industry concerns particularly regarding new legislation and providing essential tools and guidelines to enhance industry operations.

Our Business Units and Divisions actively participate in these associations, which serve as platforms for networking and dialogue with peers and authorities. Through continuous engagement, we contribute ideas and stay abreast of industry trends to promote responsible advancement within our sector.

| Business Unit/Division        | Membership of Industry Trade Associations   |
|-------------------------------|---|
| <b>Acotec</b>                 | <ul style="list-style-type: none"> <li>Malaysian Fire Protection Association</li> <li>Federation of Malaysian Manufacturers</li> <li>Building Materials Distributors Association of Malaysia</li> </ul>   |
| <b>Olympic Cable</b>          | <ul style="list-style-type: none"> <li>Malaysian Cable Manufacturers Association</li> <li>The Electrical and Electronics Association of Malaysia</li> <li>Malaysian Employers Federation</li> </ul>       |
| <b>Hospitality</b>            | <ul style="list-style-type: none"> <li>Malaysian Association of Hotel Owners</li> <li>Malaysian Association of Hotels</li> <li>Malaysia Holiday Timeshare Developers Federation</li> </ul>                |
| <b>Property Development</b>   | <ul style="list-style-type: none"> <li>International Real Estate Federation</li> <li>Real Estate and Housing Developers' Association Malaysia</li> </ul>  |
| <b>Construction</b>           | <ul style="list-style-type: none"> <li>Construction Industry Development Board</li> <li>Master Builders Association Malaysia</li> <li>Real Estate and Housing Developers' Association Malaysia</li> </ul> |
| <b>Atria Shopping Gallery</b> | <ul style="list-style-type: none"> <li>Malaysia Shopping Malls Association</li> <li>Malaysia Retail Chain Association</li> </ul>  |



At the core of our operations lies community enrichment. Throughout the reporting year, we conducted a range of community support and development activities, including clean-up initiatives, facility refurbishments, and contributions to festive celebrations, all aimed at fostering community well-being and joy

# Material Matters

Our Material Matters play a pivotal role in shaping business strategies and decisions, significantly contribute to our ability to deliver sustainable value. Conducting biennial materiality assessments since 2018, we consistently review and identify key Economic, Environmental, Social, and Governance (“E+ESG”) issues crucial to our stakeholders.

In the course of the reporting year, we reassessed the Group’s previously prioritised Material Matters and determined a renewed set of material matters based on their significance of potential and actual impacts to our operations, products, services, and major value chain activities.



| Material Matter  | Description and Scope  | UNSDG |
|--|--|-------|
| <ul style="list-style-type: none"> <li>Sustainable Return</li> <li>Quality Product and Customer Satisfaction</li> <li>Digitalisation and Innovation</li> <li>Responsible Supply Chain</li> </ul>                 | <ul style="list-style-type: none"> <li>Concentrate on building a resilient financial performance and fostering a thriving business environment to deliver sustainable returns aligned with stakeholder interests.</li> <li>Continuously develop and deploy digital and innovative technologies to enhance efficiency, streamline business processes, boost productivity, and facilitate business growth.</li> <li>Enhance customer satisfaction, deliver consistently positive experiences, and provide reliable, high-quality offerings through ongoing improvement efforts.</li> <li>Advocate a sustainable value chain with responsible practices throughout, positively impacting communities and the planet.</li> </ul> |       |
| <ul style="list-style-type: none"> <li>Environment and Climate Action</li> <li>Resource Efficiency and Responsible Consumption</li> </ul>  | <ul style="list-style-type: none"> <li>Actively protect and preserve the natural environment, conserve ecosystems, address the impacts of climate change, and drive initiatives towards a low-carbon future.</li> <li>Committed to enhancing resource optimisation and responsible waste management strategies, all aimed at minimising adverse effects on the environment and society.</li> </ul>   |       |
| <ul style="list-style-type: none"> <li>Talent Management and Empowerment</li> <li>Diversity, Equity, and Inclusion</li> <li>Safety, Health, and Well-being</li> <li>Community Support and Development</li> </ul> | <ul style="list-style-type: none"> <li>Empower employees by providing resources and support to contribute unique perspectives and talents, enhancing overall satisfaction, engagement, and productivity.</li> <li>Dedicated to a diverse and inclusive work environment, fostering respect, value, and fair and ethical treatment.</li> <li>Prioritise and uphold the safety, health, and well-being of our employees, premises, products, and services.</li> <li>Foster positive social impacts and build strong community relationships in all operational locations.</li> </ul>   |       |
| <ul style="list-style-type: none"> <li>Governance and Regulatory Compliance</li> <li>Data Privacy and Security</li> </ul>  | <ul style="list-style-type: none"> <li>Establish a strong ethical framework by upholding high standards of conduct, integrity, and strict adherence to applicable laws, regulations, guidelines, and specifications in all operations.</li> <li>Prioritise implementation of robust cybersecurity measures to safeguard against potential threats and vulnerabilities while responsibly managing sensitive information and upholding the highest standards of data privacy.</li> </ul>   |       |

# Material Matters

## MATERIALITY ASSESSMENT

We have conducted biennial materiality assessments since 2018, identifying current and evolving E+ESG issues crucial to stakeholders, thereby ensuring the continuous relevance of our prioritised material matters. In FY2023, we performed a materiality assessment to uphold accountability to stakeholders and maintain the prioritisation of the most significant issues.

In order to collect valuable insights, we conducted stakeholder engagement using online questionnaires. The objective was to comprehend stakeholder priorities and perspectives on material issues pertinent to the Group. Online surveys were disseminated to 10 groups of stakeholders, covering key internal and external stakeholders. We received 169 responses, with 46% coming from internal stakeholders and 54% from external stakeholders.



To streamline our materiality analysis, we adopted a four-step approach to evaluate the significance of our key sustainability topics and their relevance to both internal and external stakeholders:

- 01 Identification of Material Matters**

  - The process commenced by evaluating the existing matrix and list of material matters to pinpoint gaps and areas for improvement.
  - Relevant key matters pertaining to the Group's operations and stakeholders were identified, categorised based on ESG aspects, and aligned with both local and global expectations.
- 02 Stakeholder Engagement and Assessment Implementation**

  - Inputs from various stakeholders were actively sought through digital channels, employing methods such as online surveys.
- 03 Review and Prioritisation of Material Matters**

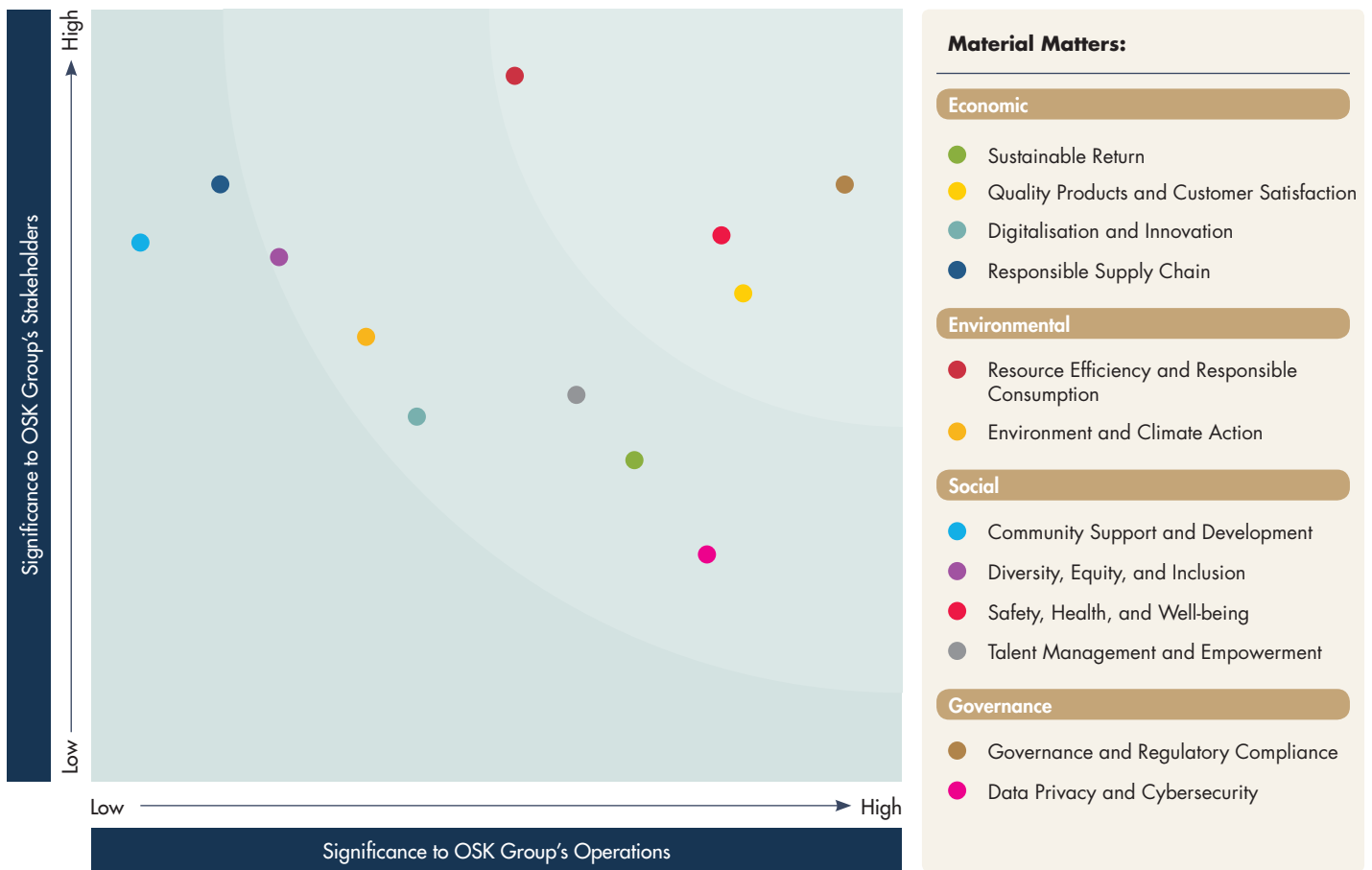
  - Stakeholders' responses to the material matters underwent thorough review and analysis.
  - The prioritisation of material matters involved identifying intersections between significant results and stakeholder interests for strategic focus.
- 04 Approval by the Board**

  - The materiality results were scrutinised by the Board and Senior Management to ensure their alignment and relevance to the Group's business operations.

The survey results, along with the materiality matrix aligning with the degree of materiality and the relative relevance of the 12 material matters to determine their priority, underwent additional validation by the Group Management Risk Committee and Risk Management Committee before receiving approval from the Board.

The outcomes of the FY2023 materiality assessment, focused on the 12 identified material matters, have been presented in the materiality matrix, underscoring the importance and relevance of prioritised sustainability issues for both our business and stakeholders.

This matrix has now become the cornerstone of our ESG integration efforts, offering a refreshed perspective on matters of utmost importance, aligning with the Group’s strategic priorities and stakeholder expectations.







04

# Material Matters: A Strategic Management Perspective

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# Economic Pillar: Driving Value Creation

## 01 SUSTAINABLE RETURN

### Why it Matters?

Sustainable return is crucial as it forms the bedrock of long-term corporate success, ensuring resilience, fostering innovation, and building trust with stakeholders. Beyond business, it contributes to societal well-being by promoting social and environmental responsibility, aligning the company with community values.



### Our Response

- Committed to a disciplined approach in executing long-term strategies
- Emphasise strategic investments, prudent financial practices, and meticulous balance sheet management
- Focus on strengthening our financial base to support continuous growth in 2024 and beyond
- Continue to prioritise enhancing operational efficiency
- Improve products and services to meet evolving needs and expectations of stakeholders

## OUR PROGRESS IN FY2023

### ▶ TOTAL DIVIDEND

**7.0** sen

(FY2022: 6.0 sen)

rewarding shareholders with a 16.7% dividend increase



### ▶ DIVIDEND PAYOUT RATIO

**31.0%**

(FY2022: 29.0%)



### ▶ RETURN ON EQUITY

**7.91%**

(FY2022: 7.61%)



### ▶ PROFIT BEFORE TAX

**RM555.1** million

(FY2022: RM485.1 million)



### ▶ NET GEARING RATIO

**0.41** times



### Moving Forward

We will persist in our disciplined approach, leveraging strategic investments and operational enhancements to ensure sustained growth.



## 02 QUALITY PRODUCTS AND CUSTOMER SATISFACTION

### Why it Matters?

Emphasising quality products and customer satisfaction is essential for building and maintaining our organisation's reputation, ensuring lasting returns. In a competitive market, consistently delivering high quality products builds trust, attracts and retains customers, and creates long-term value that positively impacts revenue and profitability. Our commitment to quality distinguishes us as a market leader, attracting customers who prioritise outstanding products and service.



### Our Response

- Maintain ISO certifications and industry licenses, emphasising our commitment to excellence
- Proactively integrate best practices from relevant industries, showcasing dedication to quality and innovation
- Work towards surpassing industry standards
- Emphasise rigorous internal quality control measures before delivering products or services
- Enhance customer experience through systematic customer satisfaction surveys and engagement activities, and following up on them

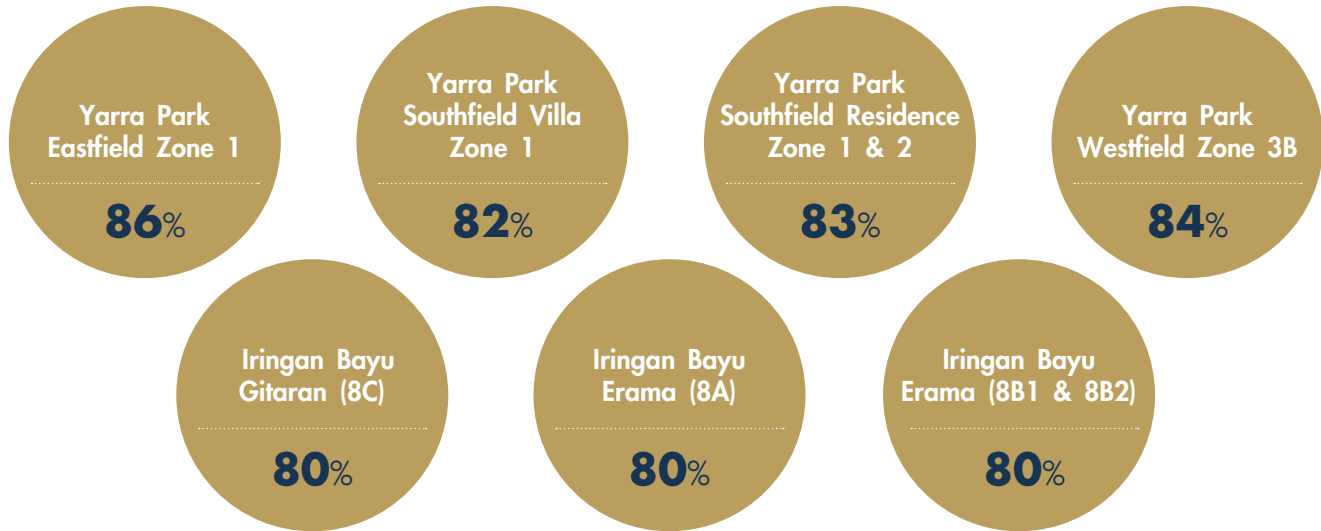
## OUR PROGRESS IN FY2023

**i** Ongoing maintenance of ISO certifications for quality assurance excellence across core businesses.

| Acotec   | Olympic Cable Company  | OSK Property   | OSK Construction  | Swiss Garden International   |
|--|--|--|---|--|
| <ul style="list-style-type: none"> <li>• <b>ISO 9001:2015</b><br/>Quality Management Systems</li> <li>• <b>ISO 14001:2015</b><br/>Environmental Management System</li> </ul> | <ul style="list-style-type: none"> <li>• <b>ISO 9001:2015</b><br/>Quality Management System</li> <li>• <b>ISO 45001:2018</b><br/>Occupational Health and Safety Management System</li> </ul> | <ul style="list-style-type: none"> <li>• <b>ISO 9001:2015</b><br/>Quality Management System</li> </ul> | <ul style="list-style-type: none"> <li>• <b>ISO 9001:2015</b><br/>Quality Management System</li> <li>• <b>ISO 45001:2018</b><br/>Occupational Health and Safety Management System</li> <li>• <b>ISO 14001:2015</b><br/>Environmental Management System</li> </ul> | <ul style="list-style-type: none"> <li>• <b>ISO 9001:2015</b><br/>Quality Management System</li> </ul> |

## Economic Pillar: Driving Value Creation

- ii Recognised with commendable QLASSIC scores by the Construction Industry Development Board ("CIDB"), showcasing our ongoing efforts to uphold our brand promise in property development and construction



- iii List of hotel properties acknowledged for exceptional guest satisfaction

**SJI Vacation Club Hotel**

- Agoda Customer Review Awards 2023, 8.9 out of 10
- Booking.com Traveller Review Awards 2023, 8.7 out of 10

**DoubleTree by Hilton Damai Laut Resort**

- TripAdvisor Travellers' Choice Award 2023

- iv Validation of industrial products for quality and distinction

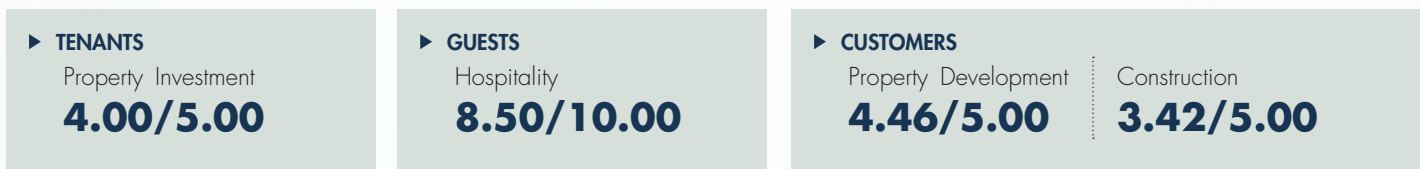
**Acotec**

- Industrialised Building System Manufacturer and Product Assessment and Certification by CIDB
- Green Label (Singapore) Certificate

**Olympic Cable Company**

- Certificate of Product Acceptance by Tenaga Nasional Berhad
- Certificate of Product Approval by Loss Prevention Certification Board

- v Facilitated periodical customer surveys across multiple platforms to enhance customer engagement and satisfaction, thereby elevating our service standards and product quality



### Moving Forward →

We will maintain excellence through industry certifications, exceed standards by integrating best practices, and prioritise rigorous quality control. Our commitment to enhancing customer experience remains unwavering through systematic surveys, reinforcing our position as a leader in quality and satisfaction.

### 03 DIGITALISATION AND INNOVATION

#### Why it Matters?

Embracing digital technology and innovation is essential for staying resilient, adaptable, and ahead of the competition across all areas of business. Targeted investments in advanced technologies enhance our operational efficiencies and provide a strong base for consistent evolution and growth.



#### Our Response

- Automate operations with new digital solutions such as Property Development Digital Ecosystem, Loan Origination and Loan Management system for Civil Servant Financing business
- Strategically migrate IT infrastructure to cloud computing platform in order to enhance scalability and flexibility

### OUR PROGRESS IN FY2023

- ▶ **Migrated existing on-premise IT infrastructure** to cloud computing platform or private cloud.

- ▶ **Implemented Loan Origination and Loan Management System** of Civil Servant Financing. In addition, we also implemented a call management system for the Civil Servant Financing business in order to record calls made to customers or prospects.



#### Moving Forward

We will continue prioritising digitalisation and innovation, exploring additional solutions to streamline operations and enhance efficiency. Our commitment to staying at the forefront of technology remains unwavering, ensuring sustained growth and adaptability in the ever-evolving business landscape.

## Economic Pillar: Driving Value Creation

### 04 RESPONSIBLE SUPPLY CHAIN



#### Why it Matters?

Maintaining a responsible supply chain is crucial, both ethically and strategically, in today's world that values social responsibility. We are dedicated to high ethical and environmental standards to reduce risks, while also choosing to support local economies by working with local suppliers.

This approach not only makes our business stronger but also boosts the economic and social health of communities through fair work conditions and labour practices.

#### Our Response

- Prioritise local suppliers for economic growth, achieving 99% local procurement (in respect of Property Development Division) in FY2023
- Ensure a secure working environment through health and safety controls and regular engagement sessions
- Committed to fortifying supply chain resilience by diversifying suppliers, enhancing risk management capabilities

## OUR PROGRESS IN FY2023

- ▶ **Property Development Division dedicates 99%** of its expenditure to local procurement



- ▶ **Building a safe and supportive** working environment for all stakeholders



- ▶ **Diversifying suppliers and enhancing risk management**



- ▶ **Upholding workplace safety** and providing a supportive environment for all stakeholders is crucial for our operational resilience. To this end, we collaborated closely with suppliers, contract workers, and part-timers through regular briefing sessions.



- ▶ **Continuously diversify our supplier network** to enhance resilience and risk management, adding 235 new suppliers across the Group. This reduces reliance on single sources, mitigates disruptions, and improves readiness for market fluctuations, ensuring operational continuity



### Moving Forward

We are committed to a responsible supply chain by prioritising local suppliers, ensuring a secure working environment, and diversifying our supplier base for enhanced resilience and sustainability.

# Environmental Pillar: Caring For The Environment

## 05 ENVIRONMENT AND CLIMATE ACTION

### Why it Matters?

In today's business landscape, companies globally prioritise climate-related goals due to the persistent challenge of global warming. Recognising our operations' impact on the planet, our long-term viability is directly linked to environmental considerations. Failing to take proactive measures to mitigate climate risks could have severe consequences for stakeholders.

Our dedication to being socially responsible and transparent is key to reducing our environmental footprint and meeting international sustainability standards.



### Our Response

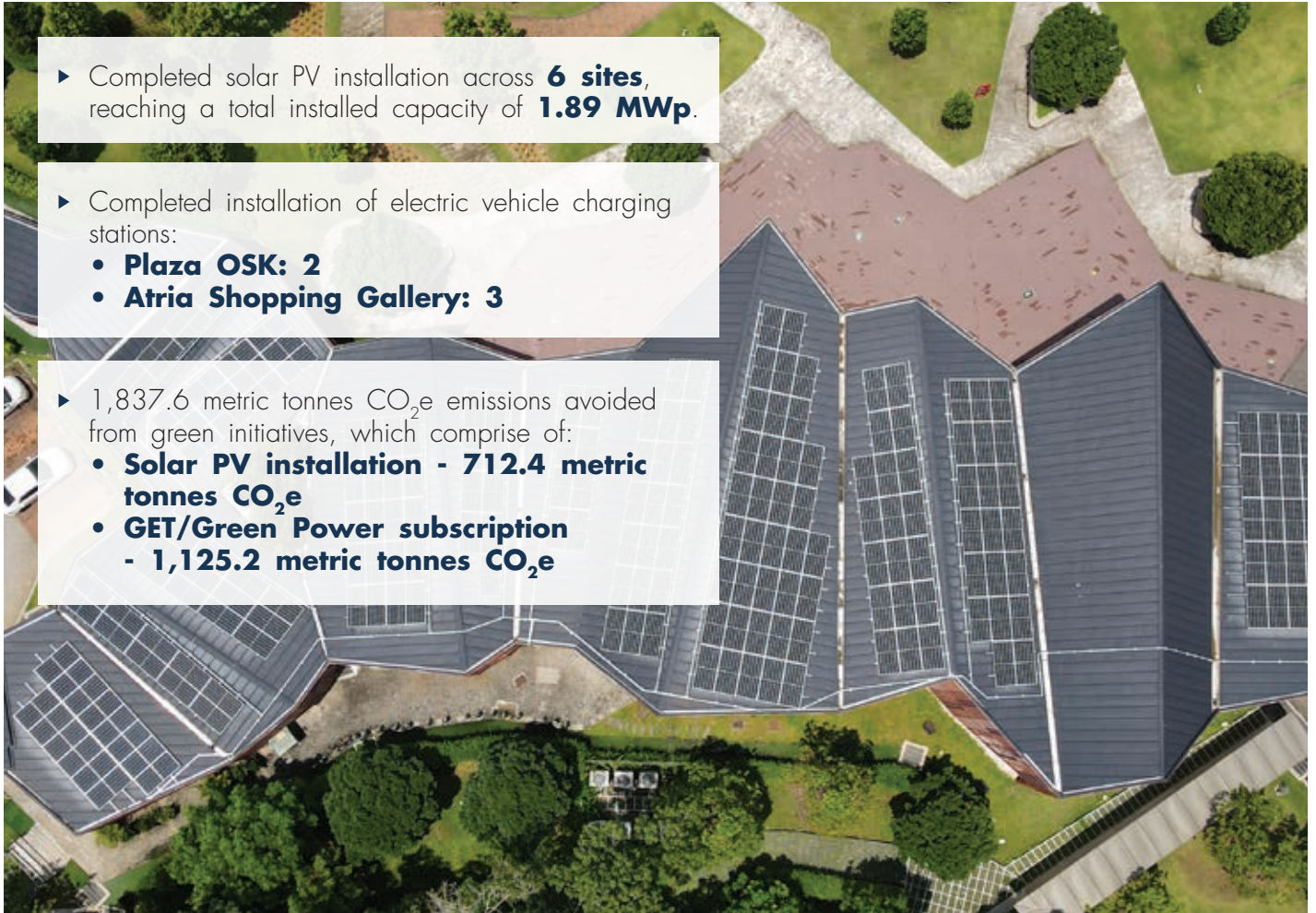
- Implement sustainable building practices with solar panel systems, rainwater harvesting, and electric vehicle charging stations on Group-owned properties
- Champion environmentally friendly products, including transit-oriented development, sustainable wall panels, and green services at hotels and retail properties
- Consistently improve energy efficiency through technology upgrades, reducing electricity consumption in various facilities

## OUR PROGRESS IN FY2023

Installed rooftop solar photovoltaic ("PV") system at two new sites, with a combined capacity of 1,058.4 kWp. The total installed rooftop solar capacity is 1,892.4 kWp, contributing to our overall generation of 1,218MWh of clean energy within the year.



Total Installed Capacity: **1,892.4** kWp



▶ Completed solar PV installation across **6 sites**, reaching a total installed capacity of **1.89 MWp**.

▶ Completed installation of electric vehicle charging stations:

- **Plaza OSK: 2**
- **Atria Shopping Gallery: 3**

▶ 1,837.6 metric tonnes CO<sub>2</sub>e emissions avoided from green initiatives, which comprise of:

- **Solar PV installation - 712.4 metric tonnes CO<sub>2</sub>e**
- **GET/Green Power subscription - 1,125.2 metric tonnes CO<sub>2</sub>e**

Committed to achieving net-zero emissions for Scope 1 and 2 by 2050, we track and monitor our greenhouse gas (“GHG”) emissions inventory to evaluate our environmental impact and prioritise reduction opportunities.

| GHG Emissions   | FY2023          |
|---|-----------------|
| <b>Scope 1:</b> Direct emissions from stationary combustion, mobile, and fugitive emissions (MtCO <sub>2</sub> e) | 39,839.5        |
| <b>Scope 2:</b> Indirect emissions from the generation of purchased energy (MtCO <sub>2</sub> e)                  | 21,265.9        |
| <b>Scope 3:</b> Indirect emissions from business traveling and employee commuting (MtCO <sub>2</sub> e)           | 3,145.7         |
| <b>Total GHG Emissions (MtCO<sub>2</sub>e)</b>  | <b>64,251.1</b> |

**Note:**

- Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard using the operational control consolidation approach.
- Scope 3 emissions: Emissions from Employee Commuting are determined by considering the distance between home and work, applying relevant emission factors. Business Traveling includes both domestic and overseas trips, categorised by mode of transport and distance, obtained from our employee claim system.
- The GHG emissions data for Scope 1, 2, and 3 have been internally reviewed.

## Environmental Pillar: Caring For The Environment

Acknowledged for integrating sustainable design principles into our projects, resulting in the attainment of three sustainable building certifications in total.

### Ryan & Miho

Gold, Completion & Verification Assessment, Green Building Index



### Anya Residences

Design Assessment, Green Building Index



### Nara @ Shorea Park

Bronze in Residential Category, Provisional GreenRE Certification



Continued effort in conserving biodiversity and ecosystems:

- ▶ **Preserved the 22-acre Iringan Bayu Wetland Park** within our Iringan Bayu township and a 3,745 m<sup>2</sup> public park at the Melbourne Square integrated development in Melbourne.
- ▶ **Planted a total of 100 trees at Iringan Bayu Wetland Park**, including 10 local tree species and those listed as critically endangered on the International Union for Conservation of Nature Red List.
- ▶ **100%** of our oil palm plantations are **Malaysian Sustainable Palm Oil** certified.



### Moving Forward

We are steadfast in our commitment to the environment. We will expand sustainable practices, promote eco-friendly products, and enhance energy efficiency across our properties, contributing to a greener future.



## 06 RESOURCE EFFICIENCY AND RESPONSIBLE CONSUMPTION

### Why it Matters?

Efficient use of resources and sustainable consumption are essential for any business, leading to not only environmental gains but also greater flexibility in uncertain times.

Adopting sustainable practices such as minimising waste and choosing eco-friendly materials allows us to maintain competitiveness. By prioritising responsible resource use, we reinforce our capacity to deal with challenges like scarcity of materials and supply chain interruptions.



### Our Response

- Advocate for responsible consumption, prioritising; reduce, reuse, and recycle of materials
- Optimise resource utilisation through careful planning
- Contribute to environmental preservation and financial sustainability with conscientious waste management practices across operations and support functions

### Our Progress in FY2023

#### TOTAL ELECTRICITY CONSUMED

We are committed to continuously improving energy efficiency to reduce electricity consumption and intensifying efforts to increase renewable energy generation, which includes retrofitting LED lighting across our Group-owned assets. Additionally, we have initiated the monitoring of consumption data, using FY2023 as the baseline year to guide our energy management strategies.

#### ▶ PROPERTY DEVELOPMENT

**840.1** MWh



#### ▶ PROPERTY INVESTMENT

**17,094.7** MWh



#### ▶ HOSPITALITY

**12,462.2** MWh



#### ▶ CONSTRUCTION

**868.2** MWh



#### ▶ INDUSTRIES

**8,054.0** MWh



#### ▶ PLANTATION

**170.4** MWh



#### ▶ FINANCIAL SERVICES

**3.5** MWh

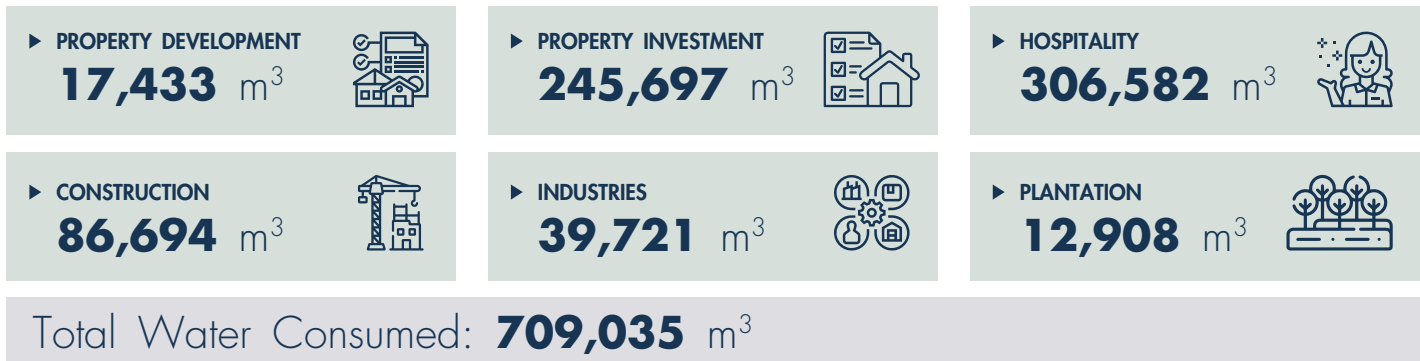


Total Electricity Consumed: **39,493.1** MWh

## Environmental Pillar: Caring For The Environment

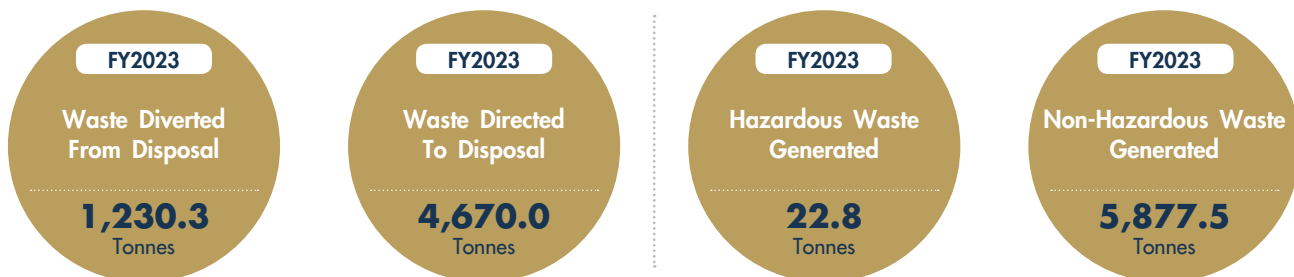
### TOTAL WATER CONSUMED

- Continued prioritisation of efficient water management and responsible water usage to reduce our environmental footprint, alongside monitoring and tracking of water consumption inventory.



### TOTAL WASTE GENERATED

- Ensured responsible and safe disposal of non-recyclable waste generated, complying with local waste regulations through a third-party waste management vendor.



Total Waste Generated: **5,900.3** Metric Tonnes

### WASTE DIVERTED FROM DISPOSAL



#### Moving Forward

Our commitment to resource efficiency and responsible consumption will remain strong. We will advocate for responsible consumption, optimise resource utilisation, and maintain conscientious waste management practices.

# Social Pillar: Elevating Societal Well-being

## 07 TALENT MANAGEMENT AND EMPOWERMENT

### Why it Matters?

Effective talent management is key in human resources, covering every stage of an employee's journey with the company.

By empowering our workforce, we boost their engagement, satisfaction, and productivity, which helps keep them with us longer. This strategy aligns the Group's aims with the ambitions of our employees, and is vital for building a workforce that is both flexible and adept, contributing to the company's financial success and helping us stay robust in a changing business world.



### Our Response

- Prioritise professional development with a 32.5% increase in annual spending and a 10.8% rise in training hours
- Foster inclusivity and engagement through diverse activities at both Group and divisional levels
- Prioritise employee well-being with initiatives promoting physical health, including holding health-week talks, providing health checks, discounted gym access and comprehensive health insurance coverage

## OUR PROGRESS IN FY2023

- ▶ Through a combination of physical and online training sessions, we reskilled and upskilled our employees, equipping them with essential soft and technical skills for on-the-job success.

- ▶ These initiatives were designed across six key categories:

**1** OSK Core Values: Curated in-house programmes to instill, reinforce, and promote our core values across all levels of our organisation

**2** Team Leadership Series: Leadership development programmes for middle and senior management levels

**3** Self-Leadership Series: Capacity building via professional certification

**4** New Hires Series: Corporate induction for management, executives and non-executives

**5** Technical Series: Upskilling programmes on technical courses related to job functions

**6** Hospitality Series

## Social Pillar: Elevating Societal Well-being

- ▶ **Training & Development Investment** in FY2023: **RM735,293, increased** by 32.5%



- ▶ **Recorded a 10.8% rise** in total training hours, **totalling 28,990 hours** in FY2023



- ▶ Continued commitment to upholding human rights and labour standards in employment, ensuring strict compliance with local laws and regulations
  - **Zero instances of discrimination, child or forced labour, or any violations of human and labour rights**

- ▶ Regular engagement initiatives at both Group and divisional levels foster camaraderie, maintain employee well-being, and cultivate an inclusive workplace culture. Amongst employee engagements conducted in FY2023 are as follows:

01

Annual townhall meeting with the Executive Chairman and the members of Senior Leadership Team

03

Divisional dialogue sessions with the Group Managing Director and Deputy Group Managing Director

02

Initiatives promoting physical health, such as sponsoring participation in running events, providing discounted gym access, and organising outdoor fitness activities

04

Cross-departmental social gatherings

05

Talent development programmes like debate competition and "OSK Got Talents"



### Moving Forward

We remain committed to talent management and empowerment. We will continue prioritising professional development and fostering inclusivity and engagement. Additionally, our commitment to employee well-being will persist through initiatives promoting physical health and comprehensive health insurance coverage.

## 08 DIVERSITY, EQUITY, AND INCLUSION



### Why it Matters?

Creating a work environment that values diversity and inclusion is key to our company's dynamics. By committing to diversity, equity, and inclusion, we promote unity and collaboration, which leads to better business results. A diverse and inclusive team not only supports personal growth but is also essential for keeping our employees, boosting their dedication, and driving our company's overall success, resilience, and improved performance.

### Our Response

- Firm commitment to a diverse and inclusive workplace based on fairness, equality, and respect
- Proactive implementation of the Diversity, Equity, and Inclusion ("DEI") Policy for equal opportunities
- Achieved 37.3% female representation in senior management positions, showcasing dedication to diversity and inclusivity

## OUR PROGRESS IN FY2023

- Revised our Diversity and Inclusion Policy to reinforce our commitment to nurturing a culture that embraces diversity, promotes equality, and supports personal growth and development, empowering individuals to reach their full potential.

► **The staff force grew by 18.0%** year-on-year to 1,544 employees as of 31 December 2023



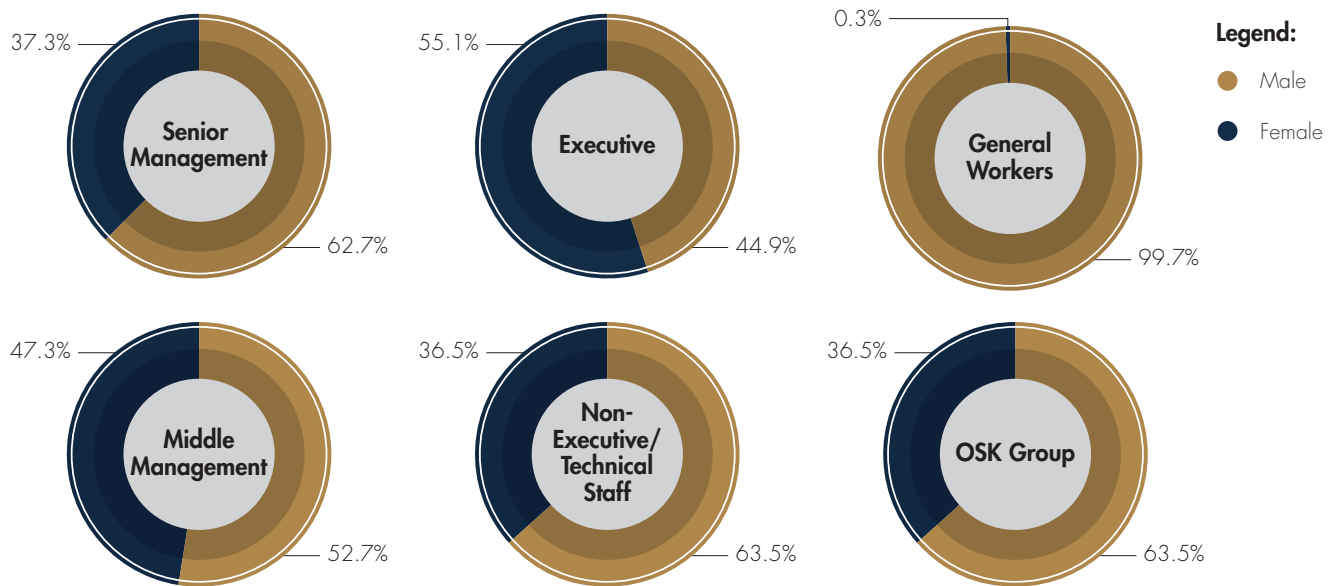
► **Recorded 37.3% female representation** in senior management positions



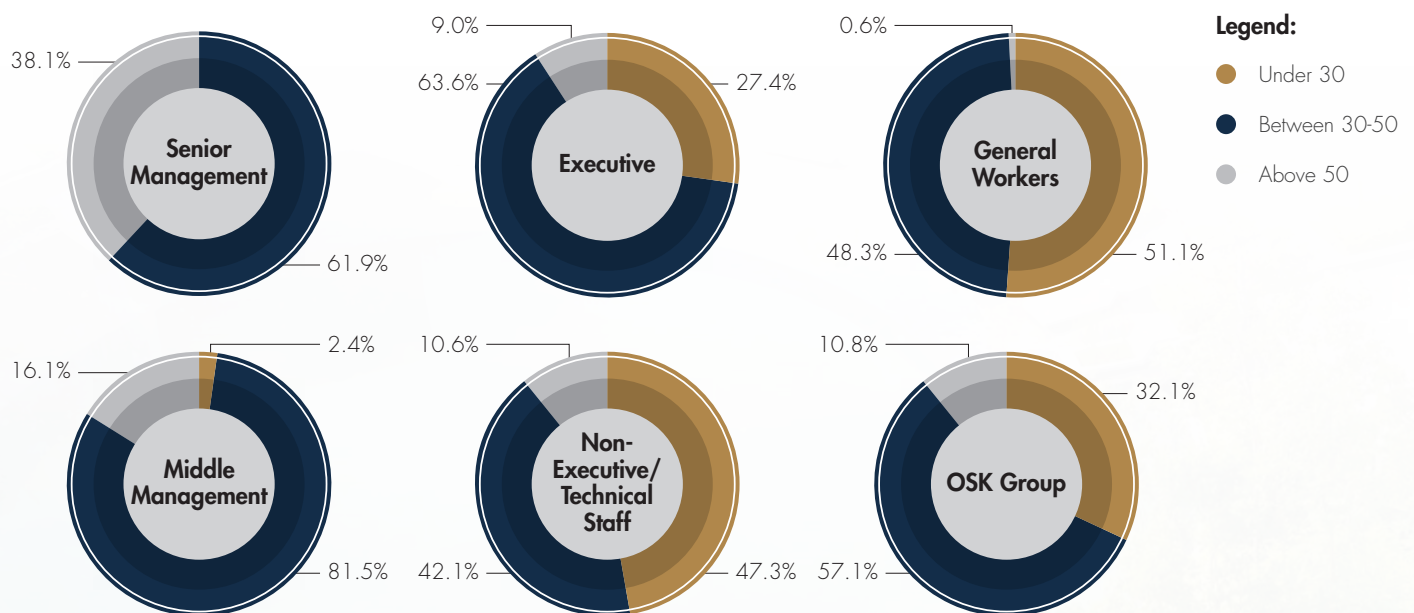
## Social Pillar: Elevating Societal Well-being

- Remained committed to promoting equal employment opportunities and non-discrimination by selecting talent based on merit while actively encouraging diversity across gender, race, religion, age, and nationality.

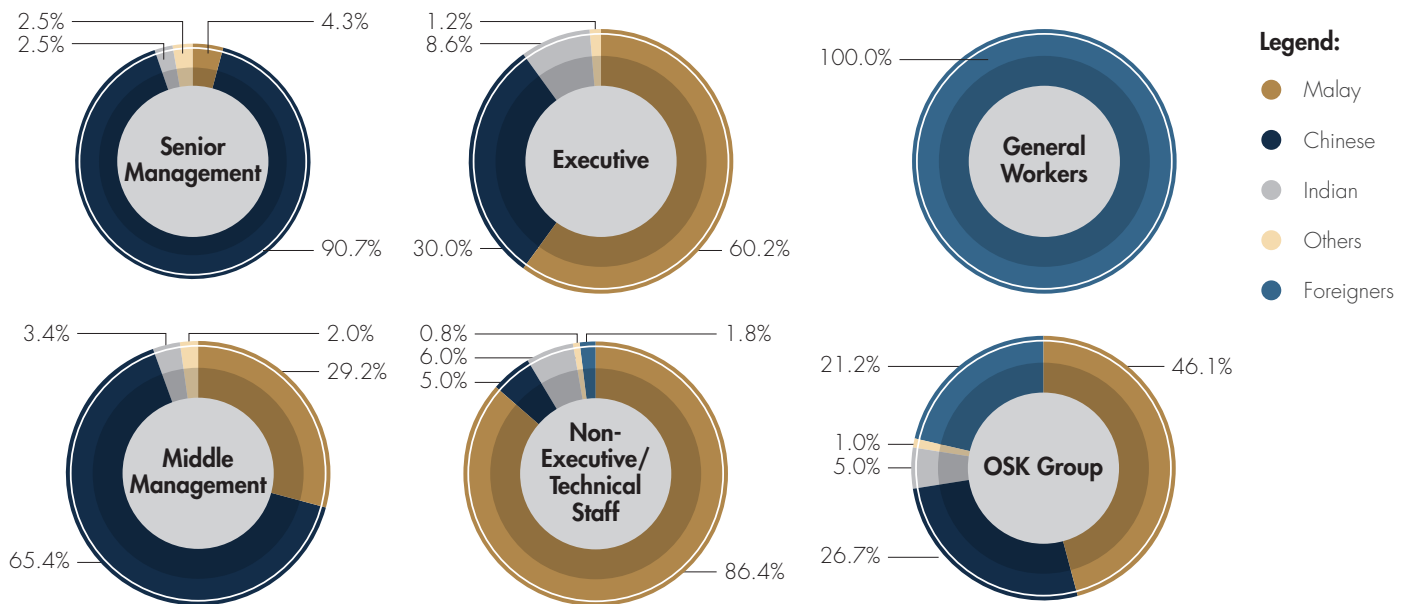
### By Gender



### By Age Group



**By Ethnicity**



**Moving Forward** ➔

Our commitment to DEI remains strong. We will continue fostering a workplace grounded in fairness, equality, and respect through our proactive DEI policy. Our dedication to equal opportunities and enhancing diversity at all levels will persist, ensuring an inclusive and equitable workplace for sustained success.



## Social Pillar: Elevating Societal Well-being

### 09 SAFETY, HEALTH, AND WELL-BEING

#### Why it Matters?

Safety, health, and well-being in the workplace are essential for enhancing employee engagement and retention, creating a secured and supportive environment. Proactive efforts in addressing health, safety, and well-being concerns contribute to long-term employee commitment and stability within the workforce.

Additionally, ensuring compliance with workplace safety regulations is not only a legal requirement but also a fundamental ethical responsibility for organisations committed to ethical business practices and prioritising the well-being of their workforce.



#### Our Response

- Adhere to Occupational Health and Safety Management Systems
- Establish dedicated Occupational Safety and Health Committees at key operational sites for compliance with the Occupational Safety and Health Act 1994
- Conduct comprehensive periodic assessments to ensure compliance
- Provide training sessions and awareness programmes for safety and health best practices
- By adopting an Incident Management Policy and keeping detailed records with our Group Risk Management team, we have achieved notable safety outcomes

### OUR PROGRESS IN FY2023

- Ensured adherence to applicable health and safety regulations and standards by our employees, tenants, customers, contractors, and their employees at both our business premises and project sites, as guided by our ISO 45001:2018 Occupational Health and Safety Management System ("OHSMS") and Group Health and Safety Policy.
- Conducted annual surveillance audits, comprising internal and external assessments. These audits meticulously review safety protocols, procedures, and incident responses, ensuring alignment with industry standards.





- Dedicated OSH Committees at each key operational sites were successful in carrying out their duties of overseeing the safe execution of our business operations and promoting workplace safety and health standards.
- Ensured continuous OSH training for all employees, including workers, supervisors, and management, as a fundamental aspect of our approach. This includes on-the-job OSH measures and regular refresher courses for both employees and contract workers.
- Continued our commitment to transparent reporting by empowering employees and workers to promptly report incidents without fear of retaliation as guided by our Incident Management Policy through regular reminders and awareness campaigns.



- ▶ **All construction sites** are certified with ISO 45001:2018 Occupational Health and Safety Management System



- ▶ **Olympic Cable** is certified with ISO 45001:2018 Occupational Health and Safety Management System



- ▶ **343 employees** attended various trainings on health and safety standards



- ▶ **Zero** workplace fatalities

### Moving Forward

We will be persistent in our commitment to safety, health, and well-being. We will adhere to Occupational Health and Safety Management Systems, ensuring compliance through dedicated OSH Committees. Ongoing comprehensive assessments, training sessions, and wellness activities will be prioritised. Our established Incident Management Policy and Risk Management team will continue fostering continuous improvement for commendable safety results across our operations.

## Social Pillar: Elevating Societal Well-being

### 10 COMMUNITY SUPPORT AND DEVELOPMENT

#### Why it Matters?

At the core of our values is a steadfast dedication towards uplifting the communities in need within Malaysia.

Through OSK Foundation, we utilise internally generated funds and employee volunteerism to implement philanthropic initiatives focusing on education, community development and the environment. As part of our initiatives, OSK Foundation launched our Scholarship Programme in 2021 for promising students from challenging social-economic backgrounds, with the aim of helping them build successful careers and change their lives, and that of their families, for the better.



#### Our Response

- Committed to contributing to community betterment, especially for underserved populations through OSK Foundation. Some of our key initiatives include:
  - Co-develop and implement programmes that address specific community issues such as basic food needs, health, literacy, life skills and job training
  - Provide scholarships to individuals and support educational initiatives
  - Encourage and organise volunteerism within the community for various causes and needs

### OUR PROGRESS IN FY2023

- Promoted equal access to education for all through the disbursement of scholarships, in alignment with SDG 4. To date, OSK Foundation has supported 27 deserving students from both national and private universities across Malaysia to overcome financial obstacles and pursue higher education, internship opportunities, and potential job placements within the Group.
- Among the myriad of initiatives undertaken by OSK Foundation to support underserved communities this year, the following activities highlight a portion of our efforts:-

### ► Community Education Support

- Contributed to the “Empowered 2 Teach” initiative. This effort has positively impacted 40 children and 24 teachers in Orang Asli pre-schools located in settlements in Perak and Sabah.
- Sponsored Innovation Clubs for 14 primary and secondary schools adopted by the Malaysian Collective Impact Initiative, aimed at developing children’s life skills through technology.
- Sponsored 25 young adults, aged 16 to 32, in the Infinite Minds Neurodiverse Digital Skills Programme. This initiative aimed to provide computing basics and digital design skills with the goal of equipping these B40 special needs youths with digital tech skills to enable them for eventual employment.
- Sponsored free tuition and meals programme for 53 children who come from underprivileged or broken families around the Kajang area.
- Sponsorship of refurbishment initiatives for a local school in Kuala Lumpur to improve the school facilities.

### ► Community Well-being

- Delivered essential resources and material support to uplift spirits and enhance the festive experience for the community members facing economic challenges through the Festive Gifts of Hope programme. throughout the year
- Provided rental support to the Atria Alzheimer’s Disease Foundation Malaysia Community Centre to enhance its operations and further the well-being and support for individuals affected by Alzheimer’s, benefitting 600 individuals, including patients, caregivers, volunteers and community groups.
- Engaged in 6 charity run events, directing 100% of our sponsorship towards various specific causes.

### ► Women Empowerment

- Teamed up with the Women’s Institute of Management to conduct workshops covering fundamental and intermediate entrepreneurship, with the aim of enhancing women’s business management skills across Malaysia. A total of 156 women underwent training in the basic level workshop, while 294 women participated in the intermediate level workshop.
- Sponsored the World Women’s Economic and Business Summit in May 2023, aiming to empower women, acknowledge their achievements and bring together women leaders from the region for the exchange of ideas and provide networking opportunities.



► **Empowering Communities:**  
**RM2.1 million** invested in the community

► **Touching Lives: Benefiting**  
**10,846** individuals

### Moving Forward

Our unwavering commitment to community support and development continues. Through OSK Foundation, we will persist in implementing charitable initiatives with a focus on education, community development, and environmental betterment. Our dedication to supporting youth education, including the scholarship programme and collaboration with higher education institutions, remains a priority, contributing to the overall betterment of our communities.

# Governance Pillar: Championing Responsible Governance

## 11 GOVERNANCE AND REGULATORY COMPLIANCE

### Why it Matters?

Governance and regulatory compliance play a pivotal role in establishing the ethical foundation of an organisation. They ensure legal obligations are met, preventing consequences like reputation damage and loss of business opportunities.

Additionally, regulatory compliance protects stakeholder interests, mitigates legal and financial risks through robust risk management, and fosters enhanced transparency and accountability. These practices contribute to the broader goal of fostering peace, justice, and strong institutions in the societal context.



### Our Response

- Maintain strong corporate governance, adhering to the relevant regulations
- Proactively meet evolving regulatory expectations and monitor operating licenses for compliance
- Operate under stringent risk management practices guided by internal policies
- Prioritise integrity and anti-corruption initiatives with ongoing monitoring and awareness programmes
- Reported zero cases of bribery or corruption in FY2023

## OUR PROGRESS IN FY2023

► **Updated the Anti-Bribery and Corruption (“ABAC”) and conducted corruption risk assessments** across all core business operations to ensure full compliance with ABAC standards.

► **Conducted awareness programmes**, including training sessions, to reinforce our commitment to preventing bribery and corruption, and to promote a culture of compliance and ethical decision-making among our employees.

► **Maintained a clean record** with **zero** reported cases of bribery and corruption.

*Note: For further information on our anti-bribery and anti-corruption measures, kindly refer to our Statement on Risk Management and Internal Control (“SORMIC”) of the Integrated Annual Report 2023.*

### Moving Forward →

Our commitment to strong governance and regulatory compliance remains firm. Prioritising integrity and anti-corruption efforts, we are dedicated to maintaining trust and transparency with stakeholders through ethical practices, ensuring a zero-tolerance approach to bribery and corruption.

## 12 DATA PRIVACY AND CYBERSECURITY



### Why it Matters?

In the contemporary digital landscape, data privacy and cybersecurity emerge as crucial pillars for ensuring business resilience. Adhering to stringent data protection practices is imperative not only for regulatory compliance but also to avoid legal implications and build trust with stakeholders.

Prioritising data security is paramount for our business as it upholds trust, ensures compliance with regulations, safeguards intellectual property, and protects sensitive financial and strategic information. Our strong belief in implementing robust data security measures reflects our commitment to thriving in an environment where information confidentiality and integrity are of utmost importance.

### Our Response

- Embed data governance in our risk management framework to ensure effective data management and privacy compliance
- Align data practices with regulatory and ethical standards, particularly focusing on compliance with the Personal Data Protection Act 2010
- Proactively implementing IT risk management practices, including phishing simulations and physical briefings for employees
- Invest in advanced security tools and infrastructure controls to enhance cybersecurity capabilities
- Conduct inspection programs to ensure intermediaries maintain robust frameworks for managing cyber risks, with a focus on incident response
- Prioritising comprehensive employee trainings throughout the year resulted in no recorded complaints related to data privacy breaches in FY2023

## Governance Pillar: Championing Responsible Governance

### Our Progress in FY2023

▶ **Ensured the continuous operation** of the IT governance framework and data governance through regular internal and external audits to guarantee the effective management, quality, security, and privacy of data assets.

▶ **Aligned with our internal IT Policy**, our governance structure is organised into:

Information Classification  
and Control

Access Control and  
Management

Outsourcing and Third-party  
Contracts

▶ **Regular phishing simulations and physical briefings** were conducted for employees to provide additional guidance in navigating the evolving landscape of phishing threats, thereby enhancing our overall cybersecurity resilience.

▶ **Zero substantiated complaints** concerning breaches in customer privacy or data loss.

▶ **Organised email awareness campaign to raise awareness** of our IT Policy among employees, as well as IT governance initiatives.

#### Moving Forward

We have and will continue to strengthen data privacy and cybersecurity by embedding data governance in our risk management framework and aligning practices with regulatory standards. We will also continue to implement IT risk management measures, invest in advanced security tools, conduct regular employee training, and maintain a proactive stance against cyber risks through inspection programmes. Our aim is to uphold a secure digital environment and cultivate a culture of awareness and preparedness among our employees.





ANYA at Shorea Park, Puchong





05

# Appendix

- 64 Accelerating Sustainability Impact: Sustainability Performance Data Table (FY2023)
- 68 GRI Content Index

# Accelerating Sustainability Impact

## SUSTAINABILITY PERFORMANCE DATA TABLE (FY2023)

\* Only cover Property Development division

\*\* Only cover business travel with claims reimbursement

| INDICATOR   | UNIT          | 2023       |
|---|---------------|------------|
| <b>Responsible Supply Chain</b>   |               |            |
| Bursa C7(a) Proportion of spending on local suppliers   | Percentage    | 99.75*     |
| <b>Environment and Climate Action</b>   |               |            |
| Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e   | Metric tonnes | 39,839.49  |
| Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e   | Metric tonnes | 21,265.85  |
| Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting) | Metric tonnes | 3,145.67** |
| <b>Resource Efficiency and Responsible Consumption</b>  |               |            |
| Bursa C4(a) Total energy consumption  | Megawatt      | 39,493.13  |
| Bursa C9(a) Total volume of water used  | Megalitres    | 709.035200 |
| Bursa C10(a) Total waste generated  | Metric tonnes | 5,900.34   |
| Bursa C10(a)(i) Total waste diverted from disposal  | Metric tonnes | 1,230.30   |
| Bursa C10(a)(ii) Total waste directed to disposal   | Metric tonnes | 4,670.04   |
| <b>Diversity, Equity and Inclusion</b>  |               |            |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category   |               |            |
| Age Group by Employee Category  |               |            |
| Senior Management Under 30  | Percentage    | 0.00       |
| Senior Management Between 30-50   | Percentage    | 61.86      |
| Senior Management Above 50  | Percentage    | 38.14      |
| Middle Management Under 30  | Percentage    | 2.44       |
| Middle Management Between 30-50   | Percentage    | 81.46      |
| Middle Management Above 50  | Percentage    | 16.10      |
| Executive Under 30  | Percentage    | 27.43      |
| Executive Between 30-50   | Percentage    | 63.62      |
| Executive Above 50  | Percentage    | 8.95       |
| Non-Executive/Technical Staff Under 30  | Percentage    | 47.35      |
| Non-Executive/Technical Staff Between 30-50   | Percentage    | 42.07      |
| Non-Executive/Technical Staff Above 50  | Percentage    | 10.58      |
| General Workers Under 30  | Percentage    | 51.09      |

Internal assurance

| INDICATOR   | UNIT       | 2023  |
|---|------------|-------|
| General Workers Between 30-50   | Percentage | 48.29 |
| General Workers Above 50  | Percentage | 0.62  |
| Gender Group by Employee Category                                     |            |       |
| Senior Management Male  | Percentage | 62.71 |
| Senior Management Female  | Percentage | 37.29 |
| Middle Management Male  | Percentage | 52.68 |
| Middle Management Female  | Percentage | 47.32 |
| Executive Male  | Percentage | 44.93 |
| Executive Female  | Percentage | 55.07 |
| Non-Executive/Technical Staff Male                                    | Percentage | 63.48 |
| Non-Executive/Technical Staff Female                                  | Percentage | 36.52 |
| General Workers Male  | Percentage | 99.69 |
| General Workers Female  | Percentage | 0.31  |
| Bursa C3(b) Percentage of directors by gender and age group           |            |       |
| Male  | Percentage | 66.67 |
| Female  | Percentage | 33.33 |
| 30-39 years   | Percentage | 11.11 |
| 40-49 years   | Percentage | 22.22 |
| 50-59 years   | Percentage | 11.11 |
| 60 years and above  | Percentage | 55.56 |
| Percentage of employees by ethnicity - Senior Management - Malay      | Percentage | 4.24  |
| Percentage of employees by ethnicity - Senior Management - Chinese    | Percentage | 90.68 |
| Percentage of employees by ethnicity - Senior Management - Indian     | Percentage | 2.54  |
| Percentage of employees by ethnicity - Senior Management - Others     | Percentage | 2.54  |
| Percentage of employees by ethnicity - Senior Management - Foreigners | Percentage | 0.00  |
| Percentage of employees by ethnicity - Middle Management - Malay      | Percentage | 29.27 |
| Percentage of employees by ethnicity - Middle Management - Chinese    | Percentage | 65.37 |
| Percentage of employees by ethnicity - Middle Management - Indian     | Percentage | 3.41  |

Internal assurance

## Accelerating Sustainability Impact

| INDICATOR   | UNIT       | 2023   |
|---|------------|--------|
| Percentage of employees by ethnicity - Middle Management - Others                 | Percentage | 1.95   |
| Percentage of employees by ethnicity - Middle Management - Foreigners             | Percentage | 0.00   |
| Percentage of employees by ethnicity - Executive - Malay                          | Percentage | 60.24  |
| Percentage of employees by ethnicity - Executive - Chinese                        | Percentage | 30.02  |
| Percentage of employees by ethnicity - Executive - Indian                         | Percentage | 8.55   |
| Percentage of employees by ethnicity - Executive - Others                         | Percentage | 1.19   |
| Percentage of employees by ethnicity - Executive - Foreigners                     | Percentage | 0.00   |
| Percentage of employees by ethnicity - Non-Executive/Technical Staff - Malay      | Percentage | 86.40  |
| Percentage of employees by ethnicity - Non-Executive/Technical Staff - Chinese    | Percentage | 5.04   |
| Percentage of employees by ethnicity - Non-Executive/Technical Staff - Indian     | Percentage | 6.04   |
| Percentage of employees by ethnicity - Non-Executive/Technical Staff - Others     | Percentage | 0.76   |
| Percentage of employees by ethnicity - Non-Executive/Technical Staff - Foreigners | Percentage | 1.76   |
| Percentage of employees by ethnicity - General Workers - Malay                    | Percentage | 0.00   |
| Percentage of employees by ethnicity - General Workers - Chinese                  | Percentage | 0.00   |
| Percentage of employees by ethnicity - General Workers - Indian                   | Percentage | 0.00   |
| Percentage of employees by ethnicity - General Workers - Others                   | Percentage | 0.00   |
| Percentage of employees by ethnicity - General Workers - Foreigners               | Percentage | 100.00 |
| Percentage of Directors by ethnicity - Malay                                      | Percentage | 22.22  |
| Percentage of Directors by ethnicity - Chinese                                    | Percentage | 66.67  |
| Percentage of Directors by ethnicity - Indian                                     | Percentage | 11.11  |

### Talent Management and Empowerment

Bursa C6(a) Total hours of training by employee category

|                               |       |        |
|-------------------------------|-------|--------|
| Senior Management             | Hours | 2,135  |
| Middle Management             | Hours | 4,487  |
| Executive                     | Hours | 11,249 |
| Non-Executive/Technical Staff | Hours | 11,119 |

Bursa C6(b) Percentage of employees that are contractors or temporary staff

|  |            |       |
|--|------------|-------|
|  | Percentage | 28.43 |
|--|------------|-------|

Bursa C6(c) Total number of employee turnover by employee category

|                               |        |     |
|-------------------------------|--------|-----|
| Senior Management             | Number | 25  |
| Middle Management             | Number | 68  |
| Executive                     | Number | 214 |
| Non-Executive/Technical Staff | Number | 171 |

Internal assurance

| INDICATOR   | UNIT       | 2023         |
|---|------------|--------------|
| General Workers   | Number     | 31           |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations                                   | Number     | 0            |
| <b>Safety, Health and Well-Being</b>  |            |              |
| Bursa C5(a) Number of work-related fatalities   | Number     | 0            |
| Bursa C5(b) Lost time incident rate ("LTIR")  | Rate       | 0.0          |
| Bursa C5(c) Number of employees trained on health and safety standards  | Number     | 343          |
| <b>Community Support and Development</b>  |            |              |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR        | 2,100,000.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in the communities                                      | Number     | 10,846       |
| <b>Governance and Regulatory Compliance</b>   |            |              |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category              |            |              |
| Senior Management   | Percentage | 67.80        |
| Middle Management   | Percentage | 76.59        |
| Executive   | Percentage | 75.15        |
| Non-Executive/Technical Staff   | Percentage | 25.19        |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks  | Percentage | 100.00       |
| Bursa C1(c) Confirmed incidents of corruption and action taken  | Number     | 0            |
| <b>Cybersecurity and Data Protection</b>  |            |              |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data  | Number     | 0            |

## STATEMENT OF ASSURANCE

### Internal Assurance

In compliance with the Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group Internal Audit conducted a review of the Group's sustainability reporting process.

This review focused on assessing material sustainability matters and verifying the sustainability data collected that is related to common material sustainability matters across subsidiaries in Malaysia and Australia, unless stated otherwise.

All relevant recommendations identified during this review have been carefully considered and incorporated in the preparation of this report. Nothing has come to our attention that cause us to believe there is any material misstatement of the reviewed data.

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