

# **SUSTAINABILITY STATEMENT**





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# SUSTAINABILITY AT UEM EDGENTA

At UEM Edgenta Berhad, we define sustainability as managing and operating a responsible business while securing profits and driving long-term value creation. In this regard, we strive to meet the needs of the present without compromising the ability of future generations to meet their own needs.

We acknowledge our responsibility to ensure that our services, practices and offerings are delivered in a way that recognises the interconnectedness of environmental, social and economic issues, striving to address these considerations in a balanced and sustainable way. Ultimately, we trust that sustainability is significantly key to our current balanced success and future viable growth.

Backed by such a commitment, we envision becoming an industry leader with sustainability as our hallmark of excellence and corporate citizenry, building positive and impactful relationships with our stakeholders for the long-term. This is aligned with our Edgenta Way - delivering quality services to our customers across our Healthcare Support, Property & Facility Solutions, and Infrastructure Services, along with Asset Consultancy. We aim to do so while maintaining industry standards, advanced technology-based, efficiency and robust safety considerations.

In enhancing our approach towards sustainability, we have established a two-year Sustainability Roadmap (FY2022 – FY2024) that will provide the overarching steer to our sustainability journey. The roadmap outlines our strategy and initiatives surrounding our

material matters and provides a framework for governance, performance management as well as reporting and communication in line with leading industry standards. Similarly, the roadmap will adequately complement our existing Sustainability Policy, which has guided the integration of sustainability into our operations. In view of the introduction of the roadmap, we will also be reviewing and updating the Sustainability Policy in FY2023.

To ensure that we further align and commit ourselves to the Sustainability Roadmap that we have developed in June 2022, we have embedded ESG KPIs as part of our corporate scorecard. The ESG KPIs are cascaded down to all Business Units and Corporate Support Departments in our effort to further integrate sustainability culture within the organisation and work together towards our sustainability goals. In the reporting year, we have achieved more than 80% of the initiatives that are listed in our 2022 roadmap.

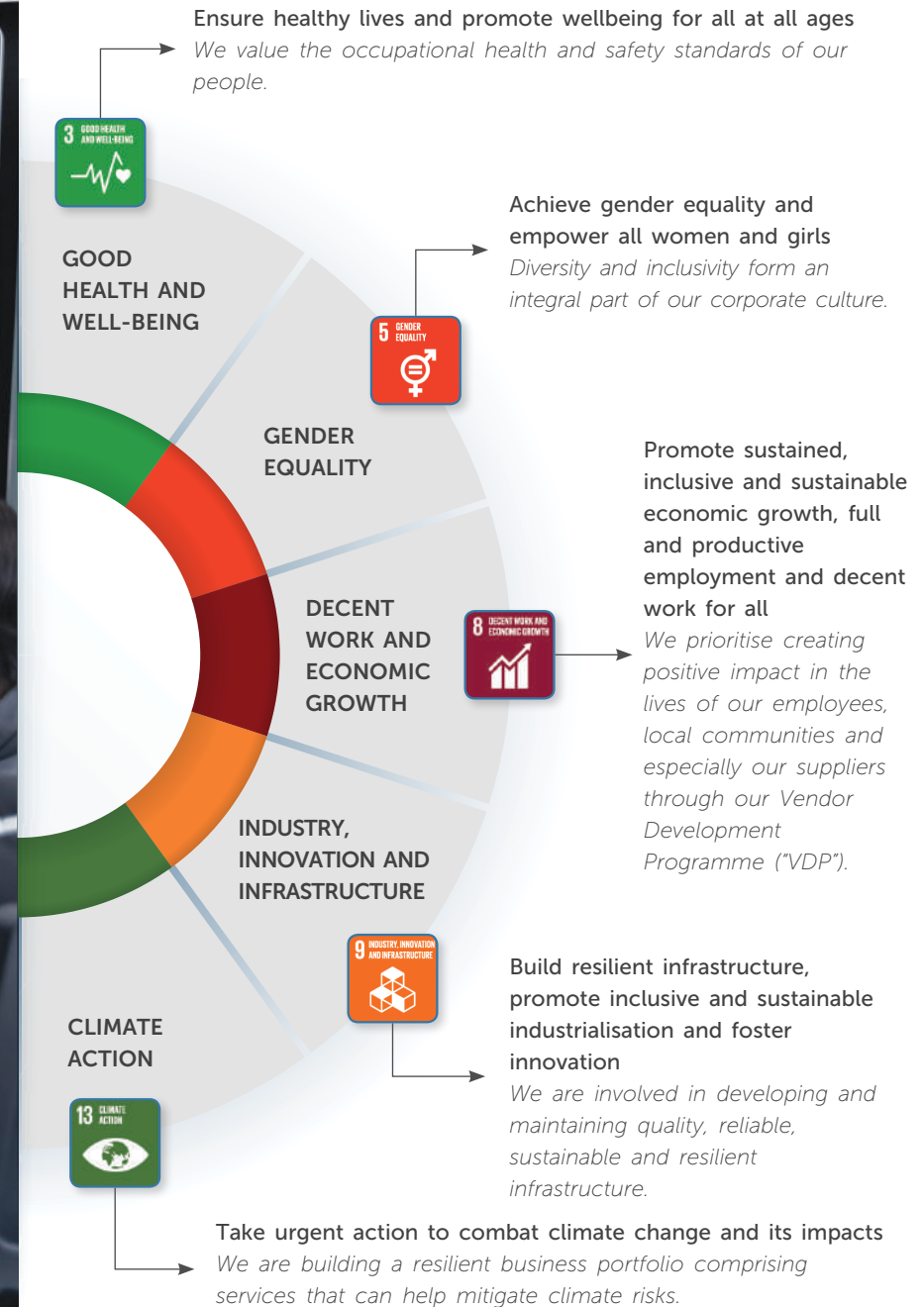
Our sustainability aspirations are underpinned by our economic, environmental and social commitments, with the objective of driving the initiatives and actions taken across our key sustainability material matters, which are:



## SUSTAINABILITY AT UEM EDGENTA



Further to the key pillars established, we have also committed to the following UN SDGs, which we believe may assist us at setting our strategic approach towards fulfilling our sustainability ambitions.





## SUSTAINABILITY AT UEM EDGENTA

### SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

As we continue to align our efforts towards our sustainability ambitions, the following highlights put into perspective the impact and value that we are achieving through our business and our relationships with our stakeholders. Towards this goal, our achievements also represents our strong commitment for our employees and peers to embrace and support our continued success.

#### General

- ▶ During the year under review, we achieved a marked improvement in our FTSE4Good rating – from 2.5 to 3.1 – driven largely by enhancements to our disclosures and in our social practices
- ▶ Looking forward, we are confident that we can continue to boost our FTSE4Good rating by undertaking initiatives within the material matters prioritised within our Sustainability Roadmap, namely Supply Chain Management, Climate Change and Energy, Environment Management and Human Rights Assessment
- ▶ This will help pave the way for us to become an industry leader in sustainability, furthering our reputation as a provider of quality services amongst existing and potential clients

#### Sustainable Economic Growth

- ▶ Achieved a commendable 99.4% procurement ratio from companies based in Peninsular and East Malaysia
- ▶ Collaborated with HSBC Amanah Malaysia Berhad ("HSBC Amanah") to develop a Syariah-compliant Supplier Financing Programme, with over 380 SMEs and Micro Small-to-Medium Enterprises ("MSME") vendors offered to join the programme since the first phase of its implementation

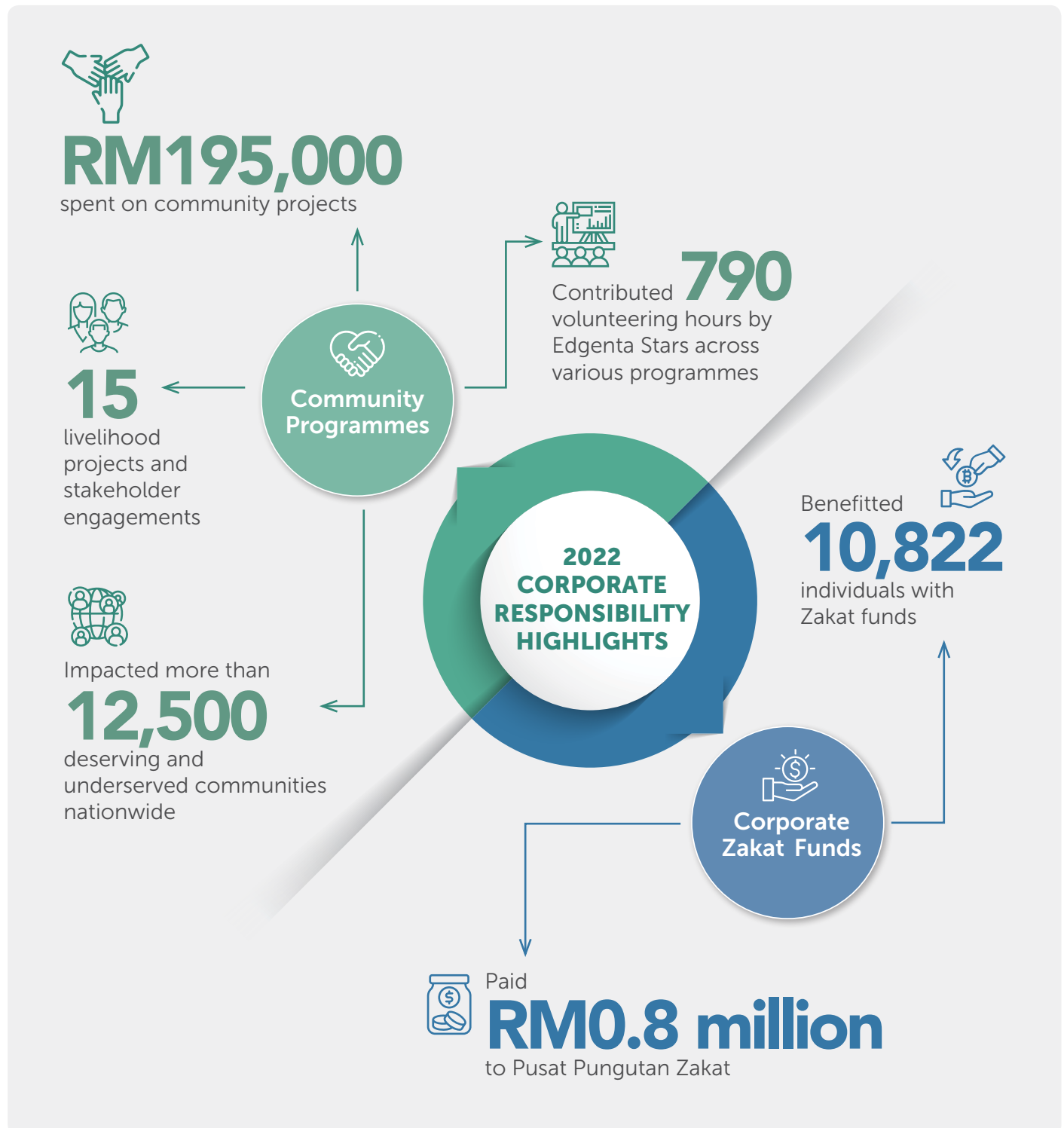
#### Minimising Environmental Impact

- ▶ Achieved approximately 38,178,319 kWh in energy savings in 2022, through our Energy Performance Contracting ("EPC") services, which translates to approximately RM16.2 million of total electricity cost savings for our clients
- ▶ Continued to manage high quality sustainable assets comprising nineteen (19) GBI and LEED certified buildings at various levels from 2021
- ▶ Developed a greenhouse gas ("GHG") emission inventory for Scope 1 and 2
- ▶ Conserved a total of 6,000 m<sup>3</sup> of natural water through the Natural Water Harvester exercise, a collaborative water conservation effort between the Group and PLUS Malaysia Berhad ("PLUS") that leverages facilities in Rest and Service Areas ("RSAs") along the North-South Expressway
- ▶ Collected a total of 6,603 containers through our in-house KLEAN Machine, leading to an indirect reduction of our carbon footprint by 341 kg CO<sub>2</sub>eq
- ▶ Developed a central data repository for ESG data

#### On Social Value Creation

- ▶ Recorded a total of 393,899 hours of employee development training, with 99.1% of our employees fulfilling their training requirements, comparing well to our target of achieving between 85% to 89% completion
- ▶ Introduced various ESG capacity buildings programmes to our Board of Directors ("Board"), Senior Management and Executives
- ▶ Completed 15 livelihood projects and stakeholder engagement activities, spending RM0.2 million to impact 12,500 communities nationwide
- ▶ Disbursed RM1.2 million of Zakat funds to Asnaf recipients, benefitting 10,822 individuals

## SUSTAINABILITY AT UEM EDGENTA





## SUSTAINABILITY AT UEM EDGENTA

### MESSAGE FROM THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER



OUR SUSTAINABILITY JOURNEY OVER THE PAST YEARS HAS BEEN NOTE-WORTHY DESPITE THE CHALLENGES AND UNCERTAINTIES WE FACED. WHILE WE AIM TOWARDS ACHIEVING OUR GOALS, WE ARE CONSTANTLY GUIDED BY OUR COMMITMENT ON SUSTAINABILITY, WHICH IS TO ACHIEVE EQUITABLE BUSINESS GROWTH WHILE DELIVERING IMPACTFUL SOCIAL AND ENVIRONMENTAL STEWARDSHIP.

In defining sustainability, we believe that it is key for us to protect the value of the business and ensure that our stakeholders continue to reap the benefits and value that the Group generates. At the same time, we must make conscious efforts towards addressing key ESG issues that matter to the organisation and our stakeholders. While striking a balance in this respect is challenging, we are committed to taking the necessary strides, thereby leading this transition as an entity that truly embraces the value of sustainability. With that, our commitment has been truly exemplified through our efforts, initiatives and achievements during the year under review, as defined within this report.

## SUSTAINABILITY AT UEM EDGENTA

MESSAGE FROM THE MANAGING DIRECTOR/  
CHIEF EXECUTIVE OFFICER

In FY2022, we took a big step forward with the development of our first Sustainability Roadmap. The roadmap is a result of our approach to further solidify our sustainability commitments with a comprehensive structure and fundamental targets. Being in sync with our Edgenta of The Future 2025 ("EoTF2025") vision, it enables us to determine our focus areas, benchmark our achievements to date and, most importantly, define our future outlook on addressing issues that are key to us. Similarly, as a vital component of our sustainability framework, the pillars defined in the roadmap guide our general approach to our initiatives and actions, performance measurement, reporting and communication as well as governance and culture.

In forging the true value of our roadmap, the Board continues to provide us with the necessary guidance, leadership and insights required to embrace sustainability in our practices and business. With this, we are able to maintain effective processes and procedures that are central to our sustainability policy, in line with what would be expected of a global entity with deep sustainability aspirations.

**DELIVERING SUSTAINABLE ECONOMIC GROWTH**

Recognising the nature of the present-day global economy, we continue to prioritise market expansion, operational optimisation and technological innovation. Through our continued expansion, we are better equipped to integrate our operations with the markets that we serve, thereby not only creating value for the Group but also delivering positive economic impact for our stakeholders. Likewise, our wide-ranging cost and operational efficiency measures have empowered us to stay ahead of our targeted milestones on overall savings, with this effort bolstered by our introduction and commercialisation of technology-based solutions and platforms.

To this end, we launched Asseto, our new performance-based Computerised Maintenance Management System ("CMMS") platform, during the year under review, paving the way for the implementation of expanded and improved smart building solutions. Since October 2022, Asseto has been rolled out to all buildings managed under our Property & Facility Solutions division, with more than 30,000 assets already connected to the platform. Asseto has also been implemented to enhance maintenance work orders and business processes for the Petronas Twin Towers and Menara 3 buildings.

While it is clear that our successful growth is dependent on the overall economic landscape, it is also imperative to us to embrace the benefits of establishing a responsible supply chain that is local to our operations. Further to establishing key policies that govern our suppliers, we will be enhancing our Procurement Vendor Management Policy to include ESG factors as part of the criteria for vendor performance evaluation. This will allow us to support our vendors in adopting sustainability considerations within their operations.

**99.1%**   
**OF OUR EMPLOYEES  
FULFILLED THEIR TRAINING  
REQUIREMENTS  
DURING FY2022**

In addition, we remain committed to supporting the Bumiputera Vendor Development Programme ("BVDP"), which is derived from the government's Bumiputera Empowerment Agenda. During the year under review, we awarded 47% of all contracts to Bumiputera vendors, exceeding our target of 35%. In line with this initiative, we have also collaborated with HSBC Amanah to develop a Syariah-compliant Supplier Financing Programme ("SFP") that aims to provide fund assistance to SMEs without collateral requirements.

**MINIMISING OUR ENVIRONMENTAL IMPACT**

Cognisant of the physical and transitional risks of climate change, we are working proactively to seek out opportunities that may reduce our climate footprint and reduce any negative impacts to the environment. Through key leaders and competent teams within our organisation, we actively monitor changes in regulatory requirements, advancements in eco-technology as well as general developments in our natural ecosystem. Further to this, our dedicated Board Governance and Risk Committee ("BGRC") oversees sustainability risks for the Group as a whole, with their remit including overseeing and guiding actions to mitigate climate change and its impacts. Our approach in this regard is bolstered by the adoption of practices in line with the ISO 14001:2018 Environmental Management System and ISO9001:2018 Quality Management System certifications.

One of the main highlights of our approach to climate change is our deployment of energy efficiency technologies and solutions. This is exemplified through our EPC services, whereby we provide our clients with data-driven solutions that enable them to reduce their energy consumption and drive greater energy efficiency. Our EPC services generated 38,178,319 kWh in energy savings in 2022, which equates to approximately RM16,246,116 of total electricity cost savings for our clients.



## SUSTAINABILITY AT UEM EDGENTA

### MESSAGE FROM THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER

AS THE NEXT STEP IN OUR ENVIRONMENTAL JOURNEY, WE WILL BE DEVELOPING A CARBON NEUTRALITY OR NET ZERO STRATEGY WHICH WE AIM TO LAUNCH IN FY2023.

Taking the next steps in our environmental journey, we have begun the process of developing a carbon neutrality or net zero strategy which we aim to launch in FY2023. We have also enhanced our data collection processes and expanded our data points, while ensuring our data owners and preparers are well equipped with knowledge on carbon accounting by organising and collaborating numerous trainings and knowledge sharing sessions with subject matter experts. We have also set up a working team to define boundaries, research suitable emission factors and set up an enhanced data template. On a related note, the results of our FY2022 emissions inventory indicated total Scope 1, 2 and 3 emissions of 17,447.41 tCO<sub>2</sub>.

Meanwhile, echoing our approach to energy efficiency, we have also expanded our waste management efforts, with focus placed on assessing and adapting circular economy practices. In line with this, our KLEAN reverse vending machine collected a total of 6,603 containers during a period of just four months, leading to an indirect reduction of our carbon footprint of 341 kg CO<sub>2</sub>eq. In further supporting the circular economy, we have built on the success of our recycled asphalt programme with the Taiping Municipal Council by beginning construction of a Recycled Asphalt Premix Plant. We expect the plant to be operational by Q4 2023 and to drive up to 800 tonnes in CO<sub>2</sub> emissions reductions annually.

#### CREATING SOCIAL VALUE

Social stewardship is a core element of the sustainability of our business. With our Edgenta Stars being the foundation of our success, we have always been committed to creating an environment that is safe, secure and that supports equality, diversity and non-discrimination. This has led to the implementation of our health and safety framework, which focuses on providing crucial platforms for safety in addition to aid-related policies and procedures.

Having seen the impact of the pandemic, we have been made aware of the importance of our employees' emotional wellbeing. This led us to actively identify employees in need through our Depression Anxiety Stress Scale ("DASS") surveys and provide them with access to psychologist and psychiatrist consultations. Likewise, for this year, we further enhanced the psychological support we offer with the appointment of an in-house psychologist.



## SUSTAINABILITY AT UEM EDGENTA

### MESSAGE FROM THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER



Looking beyond employee support, our commitment to empowering career and professional development remains undimmed. To this end, we recorded a total of 393,899 hours of employee development training in FY2022, with 99.1% of our employees fulfilling their training requirements. We also hold deep to our belief that our employees come first. To this end, we have continued to invest in employee engagement activities, welfare assistance, equal opportunity benefits and other measures to ensure that our employees feel appreciated and cared for.

Sustainability remains at the forefront of our engagement with employees. To ingrain sustainability values in our employees we launched ESG awareness campaigns across the organisation, commencing with our ESG Awareness Month in 2022.

Besides, various ESG awareness programs were carried out, such as the official launch of the roadmap, panel discussions on sustainability topics by industry experts, vibrant webinars on current ESG topics, carbon emission training for data owners and emission training for data owners.

To cascade the values of the roadmap down to our businesses and our international offices, we also successfully ran ESG awareness sessions in various locations across our operations.

As a diversified organisation, we deeply understand and embrace our responsibility to uplift the communities we engage and interact with. In view of driving impactful contributions to society, we recently updated our Corporate Responsibility policy and framework. With our focus remaining true to our three pillars of Education, Community Enrichment and Well-being, and Environment, we have channelled our growing efforts to 15 livelihood projects and stakeholder activities with a combined spend of RM0.2 million, impacting 12,500 communities across Malaysia during the past year. The lessons learned and experiences gathered via these initiatives have provided us with greater hope that we will be able to engage with more communities and contribute to further needs in the future.

#### ACCELERATING OUR COMMITMENT TO FUTURE GENERATIONS

Sustainability has become a fundamental aspect of our operations and a key consideration of our customers. As we move forward, each and every one of us has an important role to play in advancing our sustainability objectives and creating a culture that values sustainability. To this end, I am proud to say that we are making strong progress against our goals, and that our momentum for continued positive change remains strong.

Having said this, our continued success will not be possible if not for the unwavering support, trust and contribution of all of our stakeholders. As we look forward at accelerating our sustainability journey, we trust that you will be part of the legacy we want to leave behind for our future generations.

#### SYAHRUNIZAM SAMSUDIN

Managing Director/Chief Executive Officer



# SUSTAINABILITY AT UEM EDGENTA

## ABOUT THIS REPORT

This sustainability report represents the strong commitment of UEM Edgenta to disclose its plans, progress and performance consistently throughout its sustainability journey. To this end, the publishing of this sixth (6<sup>th</sup>) year report is aimed towards providing an in-depth account of the Group's collective focus and efforts at creating and sustaining its ESG values and achievements.

### Reporting Scope and Boundary

The content of this report, covering the period 1 January 2022 to 31 December 2022 ("FY2022"), is scoped to the Group's operations in Malaysia and other jurisdictions, namely Singapore, Indonesia, Taiwan and the UAE and the KSA. Further consideration will be placed on expanding our reporting to include performance data from more locations within these jurisdictions in the future.

### Reporting Framework

This report has been prepared with reference to the Global Reporting Initiative Standards, with its content guided by the 3<sup>rd</sup> Edition of the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad. The following five UN SDGs remain relevant in this report and have material impact on our business and stakeholders.



### Assurance

We have not sought external assurance for this report. However, we are embarking on obtaining internal assurance for our upcoming report in FY2023.

As our reporting matures, we will be embarking on obtaining external assurance to comply with Bursa's Malaysia's guidelines that require public listed companies to seek assurance on Sustainability Reporting.

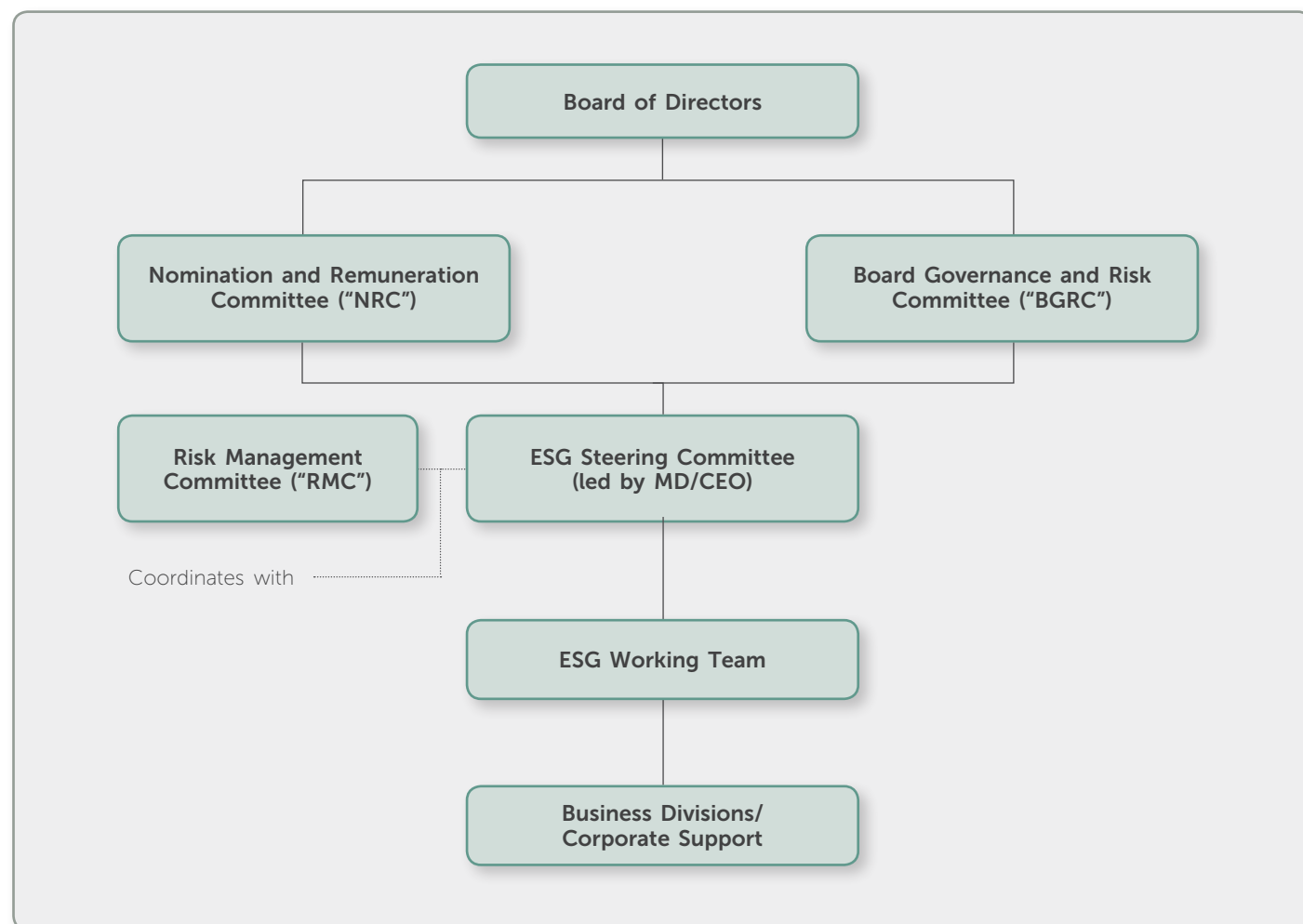
## SUSTAINABILITY GOVERNANCE

We are cognisant of the fact that in order to run a sustainable business, we must be rigorous with our sustainability governance framework and structure as this shapes our sustainability direction and drives the effectiveness of our sustainability initiatives.

Our governance framework reflects our intention to integrate sustainability as part of our business, aligning with the call for greater accountability in managing our sustainability performance, forming an essential aspect of stakeholder accountability.

## SUSTAINABILITY AT UEM EDGENTA

## Governance Structure



Our robust and comprehensive governance structure is guided from the top, with the Board setting the tone and maintaining oversight of the overall sustainability strategy and ambitions of the Group. With this leadership role, the Board is responsible for monitoring all sustainability-related matters on a constant basis, and assessing and deliberating on sustainability strategies across the cycle of conception, implementation, development and completion through its quarterly meetings. Along with the key guidance that the Board provides, the Board discharges its responsibilities directly and through its committees, i.e. the Board Governance and Risk Committee ("BGRC"), which oversees the approval and implementation of sustainability programmes and monitors sustainability performance and risk management (which include environmental risks) and the Nomination and Remuneration Committee ("NRC"), which reviews Board and senior management performance against agreed KPIs. In January 2023, the BGRC affirmed the Group's commitment to align its sustainability disclosures with the recommendations made by the Financial Stability Board's Task Force on Climate-Related Financial Disclosure ("TCFD") by FY2025. This pledge is in line with Bursa Malaysia's Enhanced Sustainability Reporting Framework issued on 26 September 2022. In FY2023, the Group will prepare a TCFD work plan to meet this commitment.



## SUSTAINABILITY AT UEM EDGENTA

Working with senior management, our Risk Management Committee ("RMC") plays a significant role in institutionalising our enterprise risk management framework, which entails assessing, monitoring and managing key risks, including sustainability risks, throughout the Group. In line with this, the RMC acknowledges that environmental or climate risks form one of the key components of the Group's sustainability risk profile.

In further complementing the role of the RMC, we have also established an ESG Steering Committee which is delegated the role of developing and monitoring our strategies, policies, processes and initiatives related to sustainability as approved by the Board. In addition, the ESG Steering Committee periodically reviews the sustainability performance of the Group and recommends action plans for further improvements as part of our overall sustainability framework.

Moreover, the Board has elected our Managing Director/Chief Executive Officer to be our dedicated focal point in embedding the intentions of our sustainability framework within our operations and to exemplify good leadership relating to our day-to-day sustainability performance.

Coordinating with the RMC to consider and incorporate sustainability risk within the Group's risk profile, an ESG Working Team has been formalised and is tasked with monitoring, tracking and reporting sustainability performance on a quarterly basis. The roles of the ESG Working Team include:

- ▶ Developing sustainability strategy and frameworks
- ▶ Coordinating the implementation of sustainability related projects
- ▶ Supporting the development of sustainability targets and KPIs
- ▶ Connecting, engaging and educating the various internal stakeholders on ESG matters
- ▶ Monitoring, evaluating and reporting on a regular basis the progress of sustainability initiatives/programmes/events to the ESG Steering Committee/Board
- ▶ Overseeing the preparation of the Group's Sustainability Report and other required disclosures related to sustainability

In supporting the pillars of our governance structure, our affiliation with the CEO Action Network ("CAN") has been impactful during the year, allowing us to further engage and interact on key issues that matter within a network of peers advocating sustainability. Since our acceptance to the network in 2021, we have leveraged on this extended grid of collaboration to build awareness, expand capacity and initiate actions addressing matters such as climate change, social stewardship and others. As part of our affiliation with CAN, our Edgenta Stars were also provided with opportunities to participate and collaborate with CAN on several knowledge sharing sessions during the year, including on sustainability assurance and carbon tax.

Besides, the Board also participated in several other sustainability engagement and awareness sessions, including the Path to Net Zero Webinar. Furthermore, ESG awareness sessions at business units also led to a collaboration between our team at Infrastructure Services and PLUS in initiating a recycling 3R (Reduce, Reuse and Recycle) campaign at rest areas along the North-South Expressway ("NSE").

### RISK MANAGEMENT

A formal Risk Management Framework - developed based on the principles of ISO:31000 - has been established to set clear guidelines in relation to the risk management methodology of the Group. Based on the framework, a structured process has been established to identify, evaluate and manage significant risks, including thorough significant consideration of ESG risks. In managing ESG risks, the organisation defines its context and lists down measures to mitigate potential exposure to such risks.

*For further information on the way we manage our ESG risks, please refer to Risks and Mitigation on page 72 of this report.*

The risk management process includes identifying key risks at areas of significance, assessing the likelihood and impact of risk exposure, determining the relevant risk mitigation and remedial plans, and presenting key matters for review and deliberation. In addition, our risk ratings and mitigating actions are subjected to regular reviews in order to identify emerging risks, update our risk profile and follow up on the implementation of proposed initiatives.

*For more details on our risk management framework and control processes, please refer to Statement on Risk Management and Internal Control on pages 237 to 245 of this report.*

## SUSTAINABILITY AT UEM EDGENTA

### OUR SUSTAINABILITY ROADMAP

As we embark on the next phase of our sustainability journey, we have taken the initiative to develop our first Sustainability Roadmap as a key component of our sustainability framework. With the target of better defining our vision and strategy, the roadmap was developed by aligning our actions with our sustainability goals and objectives while staying true to the UN SDGs we have adopted.

The two-year roadmap (FY2022 - FY2024) was developed through a comprehensive and holistic approach which included gathering insights from stakeholders through various workshops and taking into consideration the material matters that are significant to our business operations and our stakeholders. Through the exercise, the roadmap defined six sustainability pillars to guide our journey moving forward.

▶ Approach

▶ Materiality

▶ Performance Measurement

▶ Governance and Culture

▶ Initiatives and Actions

▶ Reporting and Communication



## SUSTAINABILITY AT UEM EDGENTA





## SUSTAINABILITY AT UEM EDGENTA

## Future Outlook (by 2024)

Develop a sustainability policy and strategy while:

1. Enhancing material matter-level policies
2. Monitoring the implementation of sustainability policies across the Group
3. Integrating our overall ESG commitment within our corporate vision and mission
4. Communicating our sustainability policy to our stakeholders

Enhance sustainability data disclosure and communication processes by:

1. Establishing a general stakeholder management strategy
2. Aligning with Bursa Malaysia's proposed amendments on sustainability reporting
3. Integrating the outcome of our materiality assessment and our stakeholders' responses into our sustainability strategy development

Establish a GHG emissions baseline and reduction targets while enhancing our ESG performance measurement and methodology. Specific actions to be undertaken include:

- |   |  |
|---|--|
| 1. Establishing a baseline for GHG emissions across Scope 1 and Scope 2                       | 6. Digitising our sustainability management and reporting processes      |
| 2. Establishing quantitative targets and KPIs for high priority material matters (short-term) | 7. Embarking on a GHG emissions inventory for Scope 3                    |
| 3. Monitoring our progress at achieving KPIs and targets                                      | 8. Expanding digital technology adoption across the organisation         |
| 4. Aligning our KPIs and targets with the outcomes of our materiality assessment              | 9. Aligning quantitative targets with the national sustainability agenda |
| 5. Committing to a GHG emissions reduction target (short-term)                                | 10. Setting a net zero target while developing a decarbonisation path    |

Enhance disclosure on our governance structure. Specific actions to be undertaken include:

1. Embedding a culture of sustainability at a deeper level amongst our employees
2. Enhancing the involvement of employees in sustainability programmes
3. Improving communication by senior management on our sustainability commitments

Enhance disclosure on existing initiatives. Specific actions to be undertaken include:

- |   |   |
|---|---|
| 1. Developing qualitative KPIs and targets for initiatives under prioritised material matters | 4. Establishing a Group-wide ESG performance monitoring mechanism |
| 2. Identifying ESG risks within our supply chain  | 5. Improving the ESG capacity and knowledge of our suppliers      |
| 3. Expanding on initiatives for other material matters  | 6. Establishing a Group Human Rights Statement                    |

Attain assurance on sustainability disclosures and reporting according to the GRI Standards, with specific actions to be undertaken including:

- |   |   |
|---|---|
| 1. Enhancing material matter disclosures with reference to Bursa Malaysia's common sustainability matters | 3. Performing an assessment of our preparedness to embark on climate-related disclosures based on the recommendations of the TCFD |
| 2. Seeking internal assurance of selected performance indicators  |   |

## SUSTAINABILITY AT UEM EDGENTA

### STAKEHOLDER ENGAGEMENT

As we progress on our sustainability journey, we deeply recognise the role of our stakeholders as an essential element in aligning our approach and performance towards our ESG goals. Through constant, two-way, open and transparent engagements with our stakeholders, we keep abreast of their feedback and expectations while providing crucial communication on our sustainability performance. With input from our stakeholders, we are able to enhance the foundation of our sustainability agenda and business priorities while responding to their needs more effectively, ultimately enabling us to deliver greater long-term value.

The stakeholders that we actively engage with include Boards of Directors and Employees, Client and Partners, Shareholders, Investors and Analysts, Government and Regulators, Industry and Business Associations, Supply Chain Partners, Community and Media.

*For more information on our stakeholders, please refer to Stakeholder Engagement on page 56 of this report.*

### MATERIALITY ASSESSMENT

As part of our ongoing efforts to further understand our material issues, our material assessment exercise for this year included the views of our external stakeholders. Interviews and surveys were conducted across a broad set of stakeholders, with an 80% response rate. These engagements helped reaffirm our materiality matrix, highlight strengths and opportunities and call out areas for improvements.

In FY2022, we continued to acknowledge our 11 ESG matters as major drivers of our sustainability efforts. As a result of the materiality assessment performed in 2021, the matters included four with economic impact (Business Ethics, Economic Development, Supply Chain Management and Innovation); two with environmental impact (Climate Change and Energy, and Environmental Management); and the remaining five with social impact (Human Rights Assessment, Occupational Health and Safety, Customer Satisfaction, Employment Culture and Local Community). By focusing on these matters, we were able to better manage our stakeholders' expectations and create long-term value for them in a manner that is consistent with our business strategies and objectives.

Furthermore, through the assessment, we also developed a detailed action plans for our four primary material sustainability matters - Human Rights Assessment, Supply Chain Management, Climate Change and Energy, and Environmental Management - which were identified as our immediate focus areas. For these matters, we further elected focus groups, champions and working group members to reinforce our approach in addressing these issues towards meeting our roadmap targets.

*For more information on these material matters, please refer to Our Material Matters on page 70 of this report.*



## SUSTAINABILITY AT UEM EDGENTA



## BUSINESS ETHICS

We strive to inculcate a culture and belief in our DNA which is anchored on our core values, FIRST – Future Focused; Imagine New Ways; Respect For All; Solutioning Mindset; and True to Our Word. Through these core values, we commit to show Respect for All – where we treat our colleagues and stakeholders with respect and True to Our Word – where we are guided by integrity to build trust. As we strive towards becoming a Technology-Enabled Solutions Company, integrity, ethics and accountability are essential components which we must harness at both the professional and personal levels. Defining our ethical stance also enables us to achieve better brand recognition and growth, improve our customer retention, attract greater talent and establish wider appeal to our stakeholders.

With attention on our core values, the BGRC is tasked to provide oversight and guidance, aided by the support of the Risk, Integrity and Compliance Department ("RICD"). The primary role of the RICD is to assist with the management of our Enterprise Risk Management ("ERM") framework, Business Continuity Management ("BCM") plan and any other matters that relate to compliance and integrity. In summation, this structure provides adequate governance over the control and execution of our key focus areas.

*For more information on our focus areas of good business ethics, please refer to the Corporate Integrity and Ethical Business Conduct section on page 246 of this report.*





Products and services  
purchased locally

**99.4%**



## AREAS DISCUSSED

Economic Development

Supply Chain Management

# Sustainable Economic Growth



## SUSTAINABLE ECONOMIC GROWTH



## Economic Development



### COMMITTING TO RESPONSIBLE ECONOMIC DEVELOPMENT

Positive economic performance generates the funds necessary to reinvest in the Group's workforce and surrounding communities. We see this positive outcome as being pivotal to our ability to continuously create value and deliver meaningful impact across our business footprint in the long run. With the aim of delivering strategic economic impact and driving the sustainable development of our communities, business ecosystem and national economies, we consistently invest in innovative and efficient solutions that enhance our operations and products.

This goal has driven us to further expand on our EoTF2025 vision, which was first developed and introduced in 2021. In its 2<sup>nd</sup> year of implementation, significant progress has been made that paves the way for the Group to become a global tech-enabled asset and facilities management company. In doing so, entrenching sustainability into our operations becomes a key paradigm towards building a resilient ecosystem – enriching people's livelihoods, protecting and preserving the environment and enabling value creation for the communities that we interact with.

The objectives of EoTF2025 are anchored on enhancing profits through the scalability of our business in the various markets we operate in. This is predicated on the ability to replicate the Group's franchise through market expansion strategies, optimising the way we operate through efficiencies in our value chain, enhancing the value proposition to our clients through the use of technology to accelerate the deployment of services, and increasing transparency and data on asset performance.

Furthermore, we have continued to support Bumiputera vendors as well as SME suppliers through our development and financing programme. Ultimately, with our structure and capabilities, we believe that we are well-placed to support our nation in reviving the economy from the impacts of the pandemic over the last few years.

## SUSTAINABLE ECONOMIC GROWTH

### EXPAND FOOTPRINT AND DEEPEN SOLUTIONS BASE

In today's global economy, market expansion is imperative to foster economic growth as it broadens our customer base and income stream. Furthermore, participation in international markets can lead to increased trade and economic integration between the Group and the markets that we serve, which in turn sets us up for future business opportunities.

A central theme of EoTF2025 is the ability of the Group to replicate its franchise in international markets by expanding into adjacencies within existing core markets and entering into new markets. Presently, we operate in six countries – Malaysia, Singapore, Indonesia, Taiwan, the United Arab Emirates and the Kingdom of Saudi Arabia. In developing our growth themes for each of these markets, the Group is committed to creating positive economic impact for stakeholders and the local economy through our operations, either by contributing to development in the local areas or communities in which we operate (e.g., through local hiring), by engaging with local suppliers or by developing sustainable solutions that meet the needs of our clients.

With 38% of our revenue and 62% of new contracts originating from international markets, our diversified portfolio across different geographies gives us the advantage of a far-reaching network with broader sources of income to sustain the Group financially in the long run.

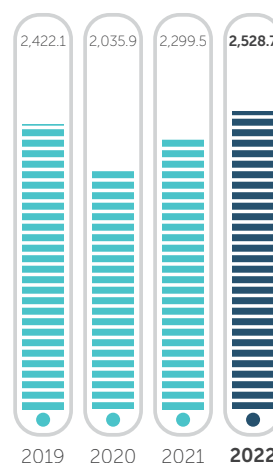
#### Revenue generated from international markets



Moreover, as a result of our conscientious planning and implementation of market expansion strategies, we have been able to drive and distribute value to our stakeholders and the countries that make up our operational footprint by accruing meaningful contributions to our operation, as depicted here:

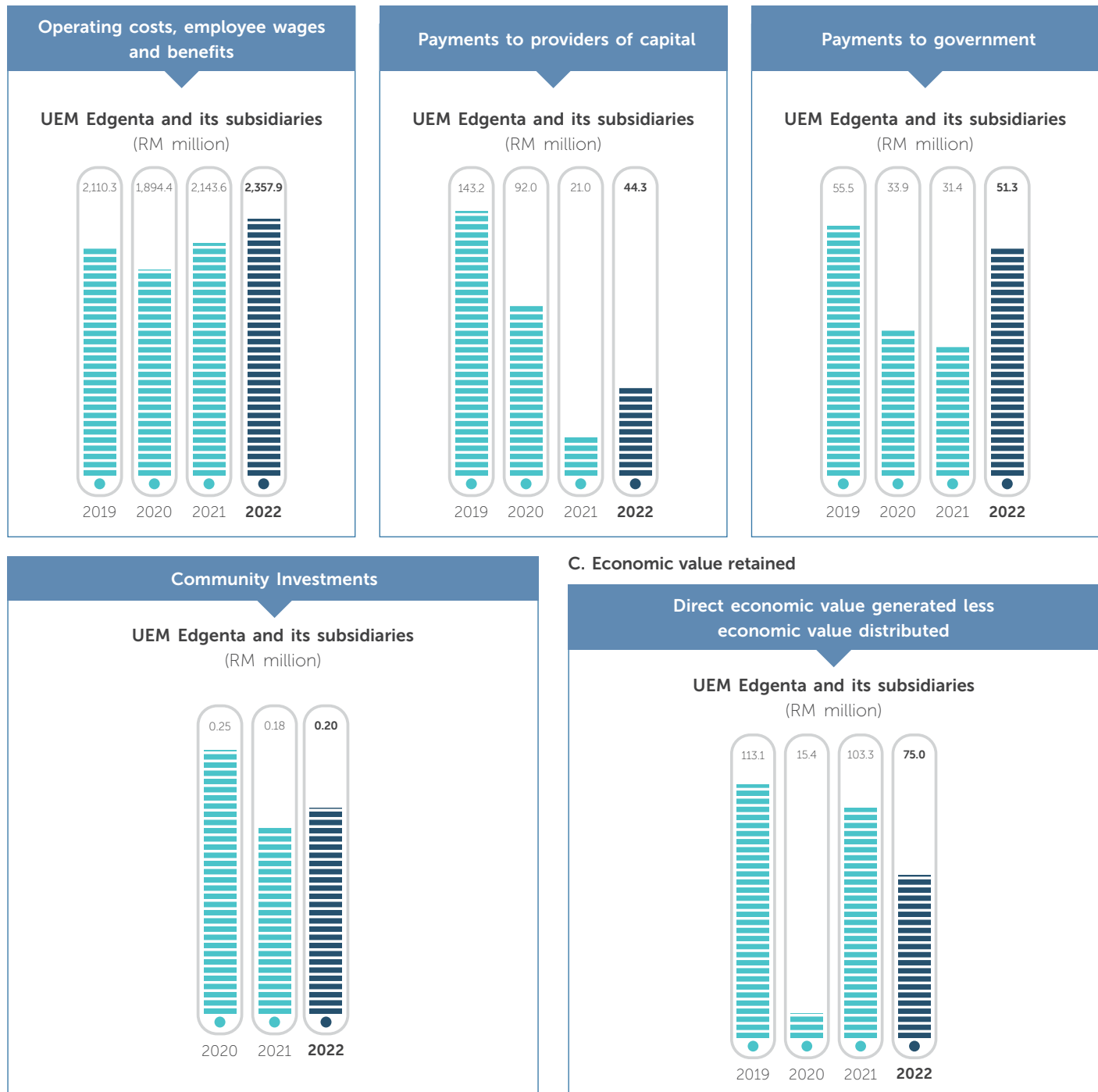
#### A. Direct economic value generated from revenue:

##### UEM Edgenta and its subsidiaries (RM million)



## SUSTAINABLE ECONOMIC GROWTH

### B. Economic value distributed through:



In our efforts to build industry resilience and deepen our solutions base, the Group reinforced its support to ensure sustainability in healthcare infrastructure by rolling out solutions that enhance the quality and availability of key healthcare infrastructure. In FY2022, the Group further extended its support by replacing aging equipment through its Replacement Through Maintenance ("RTM") programme for high critical biomedical equipment (62 units of equipment provisioned since 2020), the provision of hybrid ICU units to complement the expanding needs of hospitals (15 units provided since 2020) and by driving environmental effectiveness in healthcare infrastructure through GBI and/or LEED certifications. More recently, the Group entered into a partnership with Weitmarscher Ambulanz ("WAS"), a leading manufacturer of ambulances, and First Ambulance Malaysia to pioneer the concept of "Ambulance-as-a-Service" and introduce electric ("EV") ambulances to markets where we operate.



## SUSTAINABLE ECONOMIC GROWTH

By maintaining a wide-ranging portfolio and a strong global market presence, we are ideally positioned to navigate macroeconomic headwinds and spur resilient growth. To this end, supported by our multi-pronged EoTF25 strategy and a solid financial position, we will continue to take advantage of international expansion opportunities by offering quality tech-enabled solutions to new markets.

### EXTRACT VALUE FROM CORE BUSINESS

In 2022, we continued to push ahead with our journey of optimisation to deliver sustainable economic value to our clients through cost and operational efficiency measures. To this end, the Group has rolled out a target of RM100 million in savings to be generated over 5 years and as of FY2022 (2<sup>nd</sup> year of implementation) approximately 50% of the target cumulative savings have already been achieved. These initiatives include efficiencies in procurement and payment processes, digitalisation and the introduction of new and high-tech mechanisation features in our day-to-day operations.

By extracting value from our core businesses, we contribute to the economy through the connections we build from our business transactions and the returns on investments we generate for our ultimate holding company, Khazanah National Berhad. In addition, we also drive positive economic impact through our local recruitment efforts that span across all levels of employment including senior management positions, where such positions are made available. Through these efforts, we ensure that our employees are adequately remunerated with salaries, retirement benefits and other economic benefits, enabling them to contribute to the local economy through their spending, investment and tax payments.

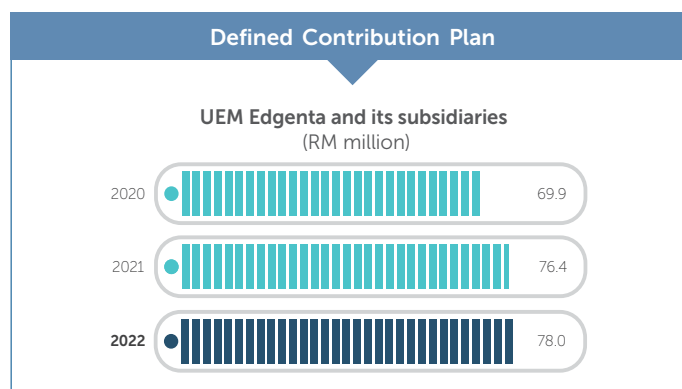
With this in mind, we consistently ensure that we adhere to the minimum wage legislation relevant to each country where we operate. In our commitment to be a fair-pay workplace, our minimum wage in Malaysia and Taiwan is above local requirements, whereas in Singapore, we comply with the Progressive Wage Model that is compulsory in the cleaning sector to help uplift lower-wage workers' salaries. Awareness briefings are also provided to all suppliers to ensure that compliance with minimum wage levels forms a key constituent of their compensation framework.

As another channel to distribute value, we contribute to employees' retirement savings through two types of retirement plans:

#### i) Defined Contribution Plan

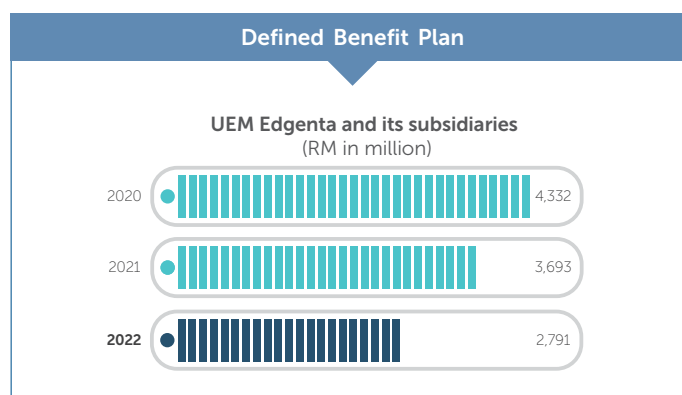
- ▶ Post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds, as required by respective countries' employment acts

- ▶ The Group will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years
- ▶ Pension liabilities are calculated based on a contractual rate against employees' salaries as stipulated in the employment contract



#### ii) Defined Benefit Plan

- ▶ Voluntary contributions that are not mandated by the countries' employment acts are made entirely by the employer when the employees become eligible to the pension scheme. This is currently exercised in Edgenta Mediserve Sdn. Bhd. and Edgenta UEMS Ltd.
- ▶ Pension liabilities are calculated based on the actuarial present value of the benefits payable to the employees when certain conditions are met
- ▶ For Edgenta Mediserve Sdn Bhd, assets are not set aside by the Group to meet pension liabilities. Nonetheless, funding to meet these obligations is set aside on the year when these obligations arise. For Edgenta UEMS Ltd, the plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the government of Taiwan



## SUSTAINABLE ECONOMIC GROWTH

The Group received and utilised tax benefits as follows:

### Tax relief and tax credits

- ▶ For UEM Edgenta and its subsidiaries, there was utilisation of previously unrecognised losses and reinvestment allowance against current year income tax amounting to RM6.6 million in tax reliefs/credits. There was no actual cash inflow as this amount was deducted from respective companies' chargeable income, thereby reducing the amount of estimated income tax payable for the financial year ending 2022

In line with Group-level principles of non-discriminatory compensation to improve the welfare of the local communities in areas that we operate in, the Human Resource Department has continually maintained insightful statistics in relation to these efforts, enabling close monitoring and progressive improvement to compensation schemes. With that, the Group is pleased to disclose the following performance data as a testament to our local recruitment and minimum wage compliance efforts:

### Male to female minimum wage ratio

Entity	Minimum wage ratio*
UEM Edgenta and its local subsidiaries	1:1 (at significant locations of operations <sup>1</sup> )
UEMS Singapore	1:1

\*Note: Operon, which operates in the UAE, is not governed by minimum wage requirements.

### Local recruitment performance

Entity	Senior management <sup>2</sup> hired locally
UEM Edgenta and its subsidiaries	100%
UEMS Singapore	85%
Entity	Senior management from the local <sup>3</sup> community
UEMS Singapore	0.30%
Operon	0.38%

Guided by our central tenet that an empowered workforce plays an integral part in driving long-term business performance and economic growth, we will continue to champion equitable pay for our employees that sufficiently reflects increasing living costs. This approach also shapes our overall compensation policy, which is designed on a fair and structured basis to reallocate value generated from our operations to the communities that have been paramount to our continued success.

<sup>1</sup> Significant locations of operations can be defined as Malaysia and Singapore for UEM Edgenta and UEMS Singapore respectively while for Operon, it is defined as the area where the Company delivers contractual services within the United Arab Emirates.

<sup>2</sup> Senior Management refers to the Top Management and Headquarter Management staffs for UEM Edgenta and UEMS Singapore respectively while in Operon, it refers to the highest level of authority within its operations.

<sup>3</sup> The term "local" refers to Malaysia and Singapore respectively for UEM Edgenta and UEMS Singapore and within the Emirates of the United Arab Emirates for Operon.

## SUSTAINABLE ECONOMIC GROWTH



### ENHANCE PRODUCT AND TECHNOLOGY PROPOSITION

While the focus in the prior year was to initiate UEM Edgenta's digital ecosystem platform (i.e., Edgenta NXT), our attention for the year under review was to launch the platform into our service offerings. Asseto, a new performance-based Computerised Maintenance Management System ("CMMS") platform developed in-house, was launched in October 2022. This software-as-a-service platform will help pave the way for Edgenta NXT's smart buildings solutions by anchoring on the need for renewed efficiency in infrastructures, enabling real-time data convergence on a single platform to empower engineers and facilities managers to manage multiple buildings seamlessly and efficiently.

To-date, Asseto has been rolled out across all of the buildings that are being managed under the Property & Facility Solutions division with more than 30,000 assets already connected to the platform. Building on the success of the internal roll-out, Asseto was then introduced for the first time in a commercial environment to enhance maintenance work orders and business processes for the Petronas Twin Towers and Petronas Tower 3. The platform rides on cutting-edge technology to enable real-time operations and automation, contributing to the reduction of manual work, eliminating manual surveillance and supporting audit tracking, thereby increasing overall performance at project sites.

Moving forward, the Group is committed to further enhancing Asseto's core by developing applications for other types of buildings and infrastructure, including hospitals and road infrastructures.

As we move forward in pioneering technology solutions to transform the industry, the Group recognises the importance of developing a more cohesive technology ecosystem that can integrate with various partner solutions across various verticals to further enhance our value proposition to our clients. To this end, the Group has formalised several partnerships with leading international companies to further enhance its solutions for smart cities and sustainability. During the year under review, partnerships were formed with Disrupt-X on the customised development of an IoT platform for the facilities management industry, Sumitomo Corporation Asia and Softbank Corporation for the creation of smart and sustainable city solutions, ITMAX Systems for solutions pertaining to the field of public space networked systems and related analytics intelligence, and Alibaba on the integration of Asseto and Alibaba's sustainability platform to help the Group and our customers measure, analyse and manage carbon emissions. These partnerships and solutions will be offered via Edgenta NXT through its Asseto platform with an interoperable infrastructure that enables data and analytics to be integrated from the source.



## SUSTAINABLE ECONOMIC GROWTH

### Supply Chain Management



#### DRIVING A RESPONSIBLE AND LOCAL SUPPLY ECOSYSTEM

As an entity with a global footprint, we are mindful of the benefits that a responsible supply chain, local to our operations brings. Positive impacts have been acknowledged from maintaining a transparent supply chain, which include benefits for overall business efficiency. Likewise, an optimised supply chain can also potentially contribute to cost reductions which in turn increase the tangible value of the products and services we are able to offer to our stakeholders. Besides, developing trust-based supplier relations is similarly a vital cornerstone towards crisis-proof governance, ensuring that exposure to compliance risks is tactfully managed and mitigated. Ultimately, upholding high ethical standards in our supply chain will broadly help us consistently deliver seamless consumer experiences, safeguarding our reputation and position as a leader in the industry.

We are looking at establishing key policies which can form core expressions of our sustainability and compliance based procurement framework. In this regard, we will strive to inculcate Environment Social and Governance factors in our Procurement Vendor Management Policy as part of the criteria for vendor selection or performance evaluation. For instance, our business partners as well as third parties supplying on-site services have the obligation to:

Uphold our occupational health and safety standards by providing a healthy and safe workplace for their employees and maintaining compliance with all relevant local health and safety laws, regulations and standards, including site-specific safety requirements

Comply with all applicable local labour, employment and human rights legislation, including but not limited to minimum wage, minimum age for employment and maximum hours of work

Be guided by our Sustainability Policy to strengthen efforts in addressing environmental issues, such as waste, energy and emissions

In addition to that, the Group's Procurement and Contract Management ("GPCM") has executed various ESG initiatives according to our Sustainability Roadmap, with our suppliers during our year in review which include:

- Identification of dedicated persons-in-charge from GPCM to lead ESG initiatives and data collation
- Conducted ESG assessments on 675 vendors selected based on average spend and volume of order to evaluate their ESG maturity and understanding, with capacity-building initiatives conducted to raise their ESG literacy levels
- Commenced evaluation and identification of parameters to track and compute Scope 3 emissions within our supply chain

## SUSTAINABLE ECONOMIC GROWTH

- Knowledge Sharing session with suppliers: ESG Awareness with Edgenta's Business Partners Webinar
  - ▶ In November 2022, GPCM, in collaboration with the ESG team, conducted a webinar to raise awareness on ESG. The webinar received participation from 201 active suppliers, with feedback received indicating that the webinar improved their understanding of ESG

In future, along with our plan to segmentise vendors into one of the four areas - Strategic, Critical, Operational and Transactional - we intend to embed ESG capability criteria in our vendor segmentation assessment to evaluate the impact vendors have on the Group from various aspects such as business operations, profitability and continuity.

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As part of our impartial and transparent procurement procedures, we have in place a stringent due diligence process whereby potential new suppliers are thoroughly vetted before any form of engagement. During an onboarding process, supplier information is submitted through the Credit Tip Off System ("CTOS") as an additional risk-reduction strategy to screen out vendors that may carry potential financial/legal threats to the Group. Once a potential supplier has successfully completed the onboarding process, they are required to understand, acknowledge and pledge their commitment to ethical business practices, as outlined in the Code of Conduct for Business Partner ("COCBP") and Business Partner Letter of Declaration ("BPLoD"). Besides, other efforts carried out include the continuation of our "Projek Perintis" (a Contractor HSSE Development Programme), review exercises of the health and safety impact of our products and services, and enhancements to our procurement process to be more efficient and transparent. Further information on Projek Perintis can be found within the "Occupational Health and Safety" disclosures, on page 158 of the report.

As part of our continued effort to uphold the Group's environmental standards across our supply chain, suppliers in UEMS Singapore undergo strict screening procedures to ensure they are equipped with Singapore Green Labelling Scheme ("SGLS") certification. With that, the Group works closely with these suppliers to enhance our sustainable product offerings to our customers.

In supporting our robust procurement framework, enhancements have been made to our procurement process during the year in review. With the goal of driving greater efficiency and transparency, the Oracle Procure-to-Pay ("PTP") self-service system was designed for suppliers to manage administrative procedures such as updating their vendor profiles, participating in Requests-for-Proposals and/or Tender exercises, making payments and more by themselves. This digital transformation in our procurement operations has been communicated to suppliers via training sessions to ensure understanding of the system and its intended purpose.

At the same time, our approach in establishing a responsible supply chain is closely associated with our pledge towards climate protection. This is further bolstered by our support towards the Ministry of Health Malaysia's Sustainability Programme's goal of achieving net carbon neutrality in healthcare facilities by 2045. Parallel to this national aspiration, our Singapore office - UEMS Singapore - is determined to continue along its path of improving resource conservation through various sustainable procurement initiatives, which promotes the purchase and use of green consumables, materials and chemicals in its facilities. In 2022, our healthcare unit UEMS Malaysia added to their usage of environmentally friendly detergents.



\*Note: Types of biodegradable detergents used

## SUSTAINABLE ECONOMIC GROWTH



In this similar vein, we have taken a forward-looking approach and planned various initiatives as per our “Focus Material Matter: Supply Chain Management ” section in our Sustainability Roadmap,. Some of the initiatives include carrying out more comprehensive supplier evaluations to gauge ESG maturity levels further, expanding on the scope of the ESG awareness webinar rolled out in 2022, planning capacity-building and training for suppliers, and conducting extensive, multi-point due diligence checks on vendors. Meanwhile, our Property and Facility Solutions division (Operon Middle East) plans to implement ISO 14001 in 2023 and carry out supplier environmental screening in 2023.

### PROVIDING BUSINESS OPPORTUNITIES

While we remain focused on developing our local supply chain, our approach has simultaneously allowed us to further extend support to local vendors by establishing the BVDP during the year under review. The BVDP, which was derived from the government’s Bumiputera Empowerment Agenda, aims to elevate local entrepreneurial communities with training modules designed in-house, allowing underserved Bumiputera businesses that meet our governance and policy requirements to participate competitively in the local and global markets. Currently, there are seven vendors participating in this programme.

Besides, every year, we set out to meet the government’s goal of awarding at least 30% of all contracts to Bumiputera vendors through its Bumiputera Vendors Contract Award programme. Nonetheless, through our transparent tender and negotiation process which enables the Group to make optimal decisions on our business partners, we have gone beyond this target by granting 47% of contracts to Bumiputera vendors during the year.

In order to ensure that sustainable procurement decisions are securely anchored within our supply chains, mindful selection of suppliers with similar principles of entrepreneurial responsibility to our own will continue to be our primary focus, especially in this era of geopolitical tension and global supply chain disruptions. During the year, no suppliers selected or contracted were subjected to due diligence processes for environmental impacts.

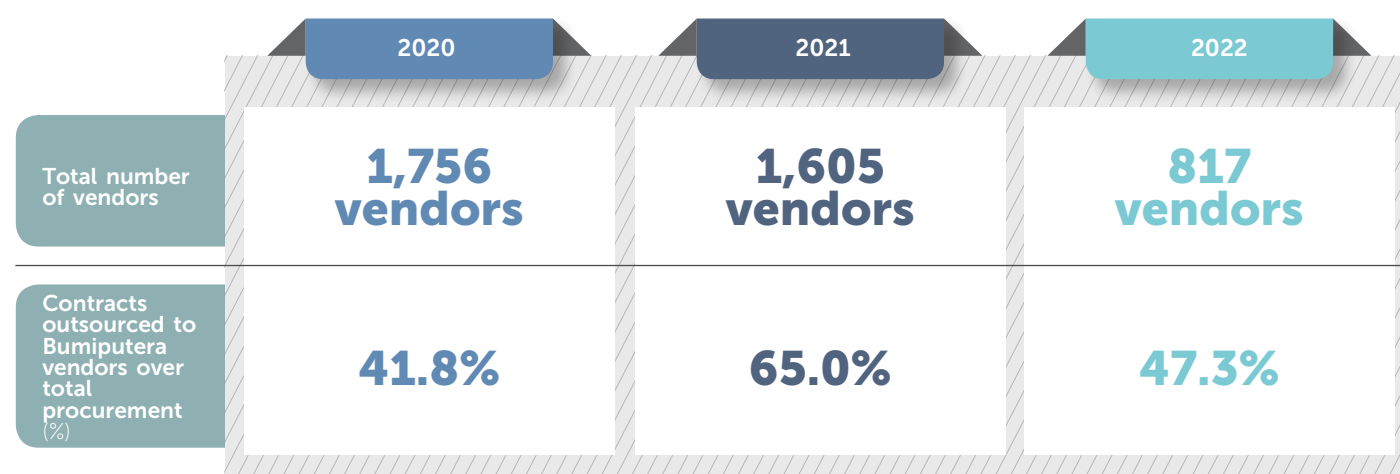
To further demonstrate our commitment towards BDVP and the sustainability of the small and medium industry players who form part of our value chain, targets set to encourage the growth of these businesses is tracked as part of our MD/CEO’s key performance indicators. In conclusion, our local procurement and supply chain financing policies will continue to be a catalyst to unlock further economic value for the Group and our stakeholders at large.

## SUSTAINABLE ECONOMIC GROWTH

As an additional mark of our commitment to support our supply chain partners, we have also collaborated with HSBC Amanah to develop a Syariah-compliant Supplier Financing Programme ("SFP") that helps fund the growth aspirations of SMEs by providing them with affordable financing without collateral. The launch of the SFP took place on the 30<sup>th</sup> of August 2022 at our Learning Centre and was graced by the Malaysian Minister of Entrepreneur Development and Cooperative. Since the first phase of its implementation, over 380 SMEs and MSME vendors have been offered to join the programme, with more vendors in the pipeline expected to be onboarded.

For the year under review, we have achieved the following performance on local supplier procurement:

### a. Percentage of procurement budget spent on total vendors



The amount spent on vendors, total number of vendors, and total contracts outsourced to Bumiputera vendors dropped between 2021 and 2022 as there were major healthcare maintenance contracts (the recipients of which were mainly Bumiputera vendors) awarded for the contractual period of three years in 2021. Hence, by contrast, there is an overall decrease in large healthcare maintenance contracts in 2022.

### b. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local (within Peninsular and East Malaysia) to that operation, such as percentage of products and services purchased locally.





Average yearly  
environmental impact  
contributed to our  
clients includes

**between  
10% to 52%**

reduction in energy  
consumption levels

We manage

**19 Green  
Building Index  
("GBI") and  
Leadership in  
Energy and  
Environmental  
Design ("LEED")-  
certified**

buildings at various  
certification levels



## AREAS DISCUSSED

Climate Change and Energy

Maintaining Our Environmental Stewardship

# Minimising Environment Impact





## MINIMISING ENVIRONMENT IMPACT

### Climate Change and Energy



#### ADDRESSING CLIMATE CHANGE AND EXPLORING ENERGY EFFICIENCY

As an organisation that is involved in various business segments, we are deeply conscious that climate change threatens the balance of our business ecosystem and the environment as a whole, and therefore may result in supply chain disruptions, increased regulatory or compliance requirements and other significant outcomes and risks. At the same time, the evolving challenges brought about by climate change provide fertile ground for the Group to capitalise on emerging opportunities by demonstrating thought leadership and developing innovative ways to adapt to the changing climate. With that, our business strategies are geared towards limiting our climate footprint and minimising negative impacts on the environment, not only for our operations but also in assisting our clients to achieve the same for their business assets. Towards this goal, comprehensive policies have been established by the Group to reflect our commitment to addressing climate change impacts, while we uphold our business partners and the procurement activities we engage in, to the same standards.

In view of the 12<sup>th</sup> Malaysia Plan to achieve carbon neutrality by 2050, minimising our carbon footprint and reducing the adverse impact of our operations have on the environment is imperative. To further align our key strategic initiatives to our net zero or carbon neutrality goals, we have a dedicated BGRC that oversees enterprise risks including sustainability risks and various of their

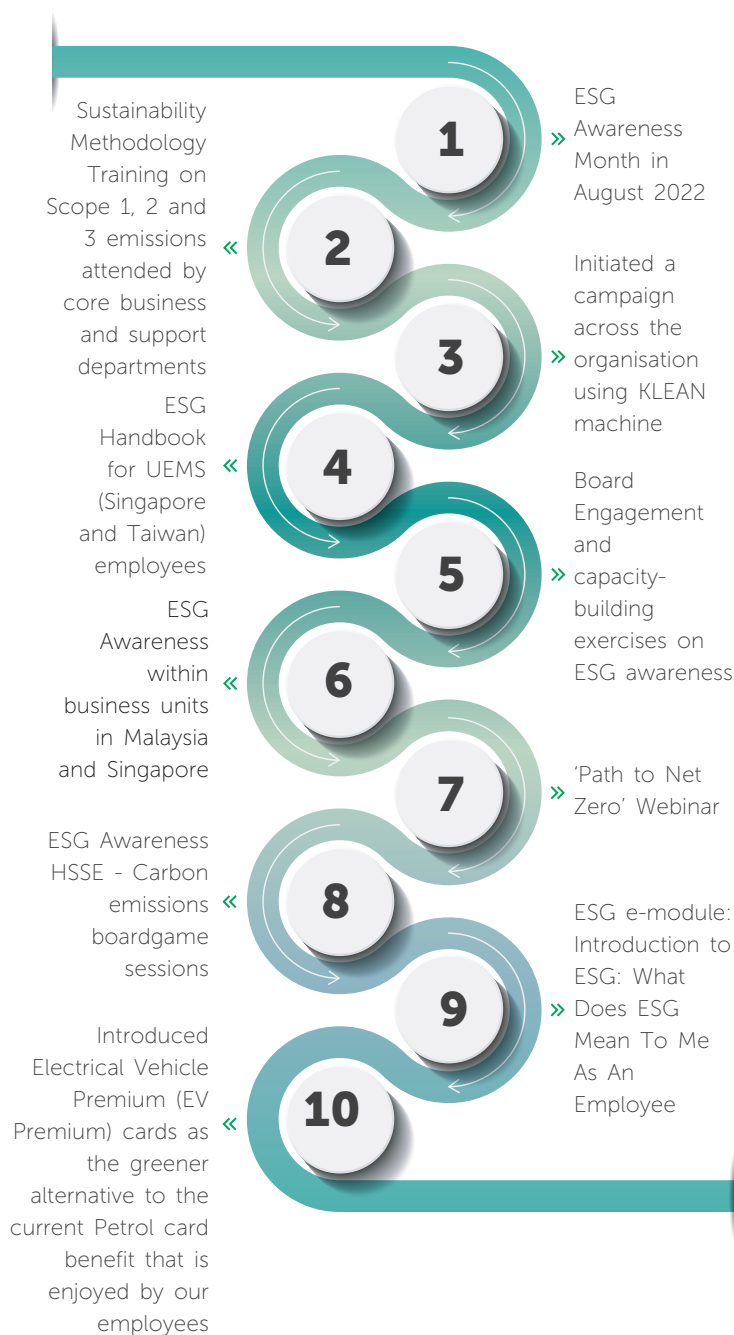
components such as climate change for the Group as a whole. Further information on how our governance structure is tailored to address sustainability issues can be found in the Sustainability Governance section.

Our stakeholders are increasingly focusing their attention on climate-related matters and keenly observe how we respond to climate risks. Furthermore, our workforce - which comprises a significant number of employees from younger generations - want us to conduct our business and run our processes in ways that do not harm the environment. To this end, the ISO 14001:2018 - Environmental Management System and ISO 9001:2015 - Quality Management System certifications help ensure that a standardised process is applied across the Group in identifying and addressing environmental risks. The effectiveness of our integrated management systems is continually assessed by accreditation bodies and official authorities.

During the year, a two-year Sustainability Roadmap was announced in conjunction with our ESG Awareness Month in August 2022, reflecting our dedication to environmental protection and sustainability aspirations. The Roadmap which is currently being rolled out progressively, saw us run the following initiatives to instill ESG awareness among our staff.

## MINIMISING ENVIRONMENT IMPACT

### List of initiatives to build Environmental, Climate Change and Energy Awareness



Given the pace at which environmental regulations are evolving, it is critical that we remain abreast of the latest sustainability-related developments and seize opportunities to better serve the market. With that, services aligned with green initiatives are consistently offered across our businesses as drivers of value creation.

In this respect, as an Energy Service Company ("ESCO"), we provide Energy Efficiency and Renewal Energy Solutions with Zero Upfront Capex financing via EPC and Power Purchase Agreements ("PPA"). These services are primarily focused on introducing and promoting the application of energy efficiency and renewable energy in order to create a low-carbon ecosystem for the occupants of UEM managed buildings, asset, and infrastructure.

We also engage in sustainability matters through networks that we belong to. During the year under review, we deepened our relationships with sustainability circles such as the CAN and Climate Governance Malaysia by engaging with subject matter experts in these communities and planning various capacity and knowledge sharing sessions on climate related topics such as carbon tax and sustainability assurance for the benefit of our staff and their members.

### ENERGY EFFICIENCY AND GREEN BUILDING SOLUTIONS

In FY2022, we continued to provide various services as part of our offerings that kept the climate at its forefront, such as our EPC works, GBI initiatives and LEED certification solutions. Our energy conservation solutions continue to pave the way for our customers to obtain their Green Building Index ("GBI") certifications through our Green Performance Contracting ("GPC") programme.

We provide these services not only for our clients but also embed such services in our own practices. We are committed to managing our energy efficiently, recognising the pivotal role that energy management plays in reducing our emissions consumption as well as the greater benefits that sustainability and renewable energy may bring in securing our future. This is similarly echoed in the partnerships which we have built with our customers, whereby we provide support on their journey of enhancing energy efficiency, especially by reducing footprint from electricity consumption in the healthcare, industrial, commercial and retail sectors.



## MINIMISING ENVIRONMENT IMPACT

With that, we have undertaken the following energy efficiency and green building initiatives during the year under review:

- ▶ Our efforts and capabilities surrounding renewable energy solutions
  - The Group is a Registered Solar Photovoltaic ("PV") Investor ("RSPV")<sup>1</sup> with the Malaysian Sustainable Energy Development Authority ("SEDA"), enabling us to implement renewable energy solutions through comprehensive energy audit evaluations, feasibility studies and viable funding models.
  - In order to keep abreast of evolving industry requirements, we remain in proactive contact with regulatory bodies (i.e., SEDA and Construction Industry Development Board ("CIDB")), ensuring compliance with prevailing standards at all times.
  - Renewable energy solutions form an underpinning component of the services offered within our Property and Facility Solutions ("PFS") and Healthcare Support business segments. Through these business divisions, we maintain commercial buildings and public healthcare assets across a broad client base including the Prime Minister's Office in Putrajaya, Mercu UEM Petronas Twin Towers and Menara 3 and 47 of CIMB Group Holdings Berhad's sites.
- ▶ Usage and maintenance of solar panels and solar thermal technology to generate renewable energy at Menara UEM and our Clients' sites
  - The usage and maintenance of photovoltaic solar panels on the roof of Menara UEM, contributing to 4% of total electricity usage, wherein the Group's electricity source is derived from the grid and solar panels installed.
  - Deploying photovoltaic solar panels at Hospital Sultanah Maliha as detailed further in our featured success story below.
  - The installation and maintenance of Solar Thermal that collect and concentrate sunlight to produce the high temperature heat needed to generate hot water, at Hospital Sultanah Bahiyah, Kedah.
- ▶ Provision of Energy Performance Contract services
  - EPC<sup>2</sup> is an invaluable driver of our success in the energy solutions business, allowing well-founded, data-driven energy management programmes to be executed. These programmes are tailored to the specific needs of the client through a series of ESG-based assessments taking electrical consumption levels and other factors into consideration.
  - Through the evaluation, areas that could benefit from energy reduction strategies are highlighted, especially for Significant Energy Use ("SEU") equipment such as Chiller, Air Compressor,

and Lighting systems etc. Energy savings (computed based on Investment Grade Audit guidelines) driven by such efficiency measures can, in turn, generate capital expenditure to finance more extensive renewable energy technologies. This is demonstrated by the implementation of Energy Conservation Measures ("ECMs") identified through energy audits, gap analyses and building assessments, which provides tangible benefits such as electrical energy and cost savings which can be used to retrofit or optimise the system with more efficient energy technologies with data intelligence.

- The repayment on the EPC projects is via shared saving model or fixed payment which can be offered through zero capex models with performance guarantee over the contract period. The shared savings on spend and duration of the contract are simulated over a financial modelling taking into account the asset's life cycle costing.
- In order to measure the efficiency of our EPC projects, measurable results are monitored real time via Energy Monitoring System with customised dashboard and verified annually via the International Performance Measurement and Verification Protocol ("IPMVP") methodology, with the verification conducted by qualified experts. The Projects that the Group manages are also monitored via our Command and Contract Centre ("CnC"), which is the Central hub for the creation and implementation of IoT applications into the realm of facilities management through digital workforce.
- To this end, we have undertaken 11 EPCs between 2016 to 2022, with a total contract value of RM110 million. During that same period, we have achieved 38,178,319 kWh energy savings per year, which translates into approximately RM16.2 million of total electricity cost savings for our clients per year.



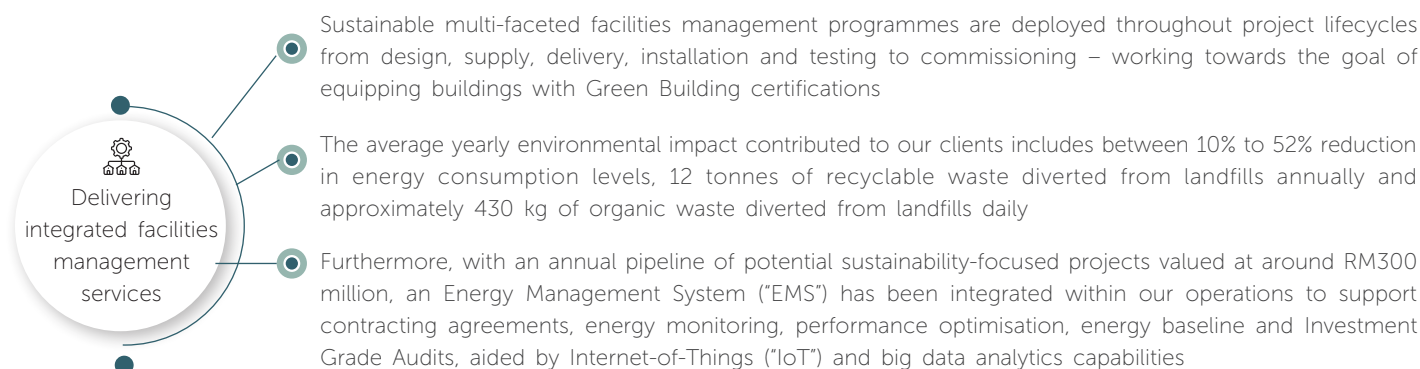
An additional EPC contract was secured during FY2022 which is expected to further contribute another **1.8 million kWh** energy saving per year, translating to approximately **RM0.7 million** of total electricity cost savings per year for our client.

<sup>1</sup> A Registered Solar PV Investor is allowed to operate as an investor under the Net Energy Metering ("NEM") scheme by SEDA, offering Power Purchase Agreements ("PPA") and services on solar leasing.

<sup>2</sup> EPC is based on a profit-sharing agreement between the building owner and the Energy Service Company ("ESCO") (in which case would be the Group), whereby upfront capital for energy efficiency projects is borne by the ESCO while asset owners make future repayments from cost savings.

## MINIMISING ENVIRONMENT IMPACT

- ▶ Implementation of real-time monitoring of energy consumption
  - The Energy Monitoring System and the SmartConnect platform developed by our Property & Facility Solutions business segment uses real-time data on critical parameters to revolutionise energy management by employing machine learning for prescriptive analytics. The platform seamlessly integrates critical building support systems, enabling energy consumption across all areas within a building to be monitored in real-time and benchmarked against the Building Energy Index.
- ▶ Active energy management of third-party assets
  - We take a highly participative approach towards asset management, whereby all pertinent aspects are systematically evaluated and corroborated with on-site stakeholders (i.e., building owners, facilities manager or the operations team that manage the site), for continuous energy efficiency measures to be implemented. This includes providing qualified Energy Manager services for our existing Integrated Facilities Management contracts.



### Providing Green Performance Contracting ("GPC") and Green Building Certifications

- ▶ We manage nineteen (19) GBI and LEED-certified buildings at various certification levels. To complement these business offerings, value-added services such as calculations on ESG baseline and GHG inventory, development of net zero carbon building strategies and other green initiatives are provided to our clients.
- ▶ As part of our GBI initiatives, more than 14 GBI buildings (e.g., the Petronas Twin Towers, Tune Hotel KLIA2 and the Prime Minister's Office and etc.), continue to remain under our care.
- ▶ GPC solutions are guided by industry standards (i.e. Malaysian Standard 1525:2019) and focus on the six (6) pillars within GBI-Energy Efficiency, Water Efficiency, Indoor Air Quality and Innovation Sustainable Site Planning and Management ("SM") and Materials and Resources, with priority/primary focus on the first four. These are integrated into our Facilities Management and Comprehensive Maintenance Programme to upkeep capital investments.
- ▶ Green Building Certification that we maintain for our clients is the LEED Certification. In the reporting year, a hospital that we maintain, Slim River Hospital, was accorded with a Platinum LEED rating.
- ▶ Sustainability projects are backed by robust risk and mitigation plans, Business Impact Analysis and comprehensive Standard Operating Procedures ("SOP") before and after project implementation.

**Sungai Siput Hospital maintained by the Healthcare business became the first hospital in the world to receive the**



**Malaysian Carbon Reduction and Environmental Sustainability Tool ("MyCrest") certification with a 4-star rating.**

We also have the Energy Management Gold Standard whereby **32 healthcare facilities** was accorded with a **3-star rating**.

## MINIMISING ENVIRONMENT IMPACT

### OUR FEATURED SUCCESS STORY

Hospital Slim River received an award from the Malaysian Green Technology and Climate Change Corporation ("MGTC"). The hospital was accorded a 4-Diamond in Low Carbon City Recognition (Partner Category Diamond) under category of energy (electrical) with reduction of GHG emission of 37.32% (2016 as baseline). Various elements were measured including energy, water, waste, mobility and greenery. The Hospital successfully achieved a significant carbon dioxide reduction as a result of energy-saving projects that have been carried out through a sustainability programme including conversion/retrofitting of chiller systems, LED lights, HVAC systems and the installation of solar panels.

Furthermore, under our LEED certification programme with Hospital Sultanah Maliha, the hospital became the first healthcare facility in the world to be awarded LEED gold. We undertook steps to ensure indoor air quality meets ASHRAE<sup>1</sup> standards, use lamp with reduced picograms per lumen hour, reduce refrigerant impact to the atmosphere, install solar PVs, rainwater harvesting and food waste composting mechanisms that convert waste to bio-organic fertiliser, in phases, between 2016 to 2020. As a result, the hospital became the first in the world to be recognised as a Green Hospital under the 'Existing Building, Operation and Maintenance' ("EBOM") category rated by the LEED system.

Apart from energy solutions driven by collaborations with our customers, we have strategic and joint venture partnerships with leaders in the energy management industry, such as Resource Data Management Asia, which enables the sharing of resources and market development opportunities.

In conclusion, our performance data for the year under review can be summarised below:

Electricity Consumption (kWh) data for 62 sites



The increase in electricity consumption from FY2021 was due to the increase in number of sites tracked (refer page 139 for number of sites breakdown).

### Environmental impact reduction in Clients' facilities through EPCs executed under the PFS segment

	2022
Number of EPCs	11
Total Annual Energy Savings (kWh)	38 million/year
Total Annual Electricity Cost savings (RM)	16 million/year
Number of chillers retrofit projects	19
Chiller plant efficiency improvement* (*The average range for all the equipment that have been retrofitted or optimised for EPC projects. The value will typically be the same each year over the contract period.)	30-50%

Note: The operational energy consumption data disclosed here are verified by independent third parties but are without data assurance. The data above is specifically for FY2022.

In building a shared, sustainable future, we look forward to continued collaborations with our customers, collectively working towards minimising greenhouse gas emissions and managing resources efficiently through tech-driven solutions.

<sup>1</sup> The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) is an American professional association seeking to advance heating, ventilation, air conditioning and refrigeration systems design and construction.

## MINIMISING ENVIRONMENT IMPACT

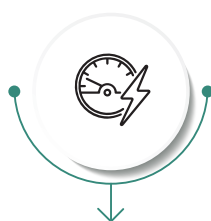
### DECARBONISATION

The Group remains committed to attaining net zero or carbon neutrality by 2050, in line with the international and national targets being announced by the various governments in the jurisdictions that we operate in by exploring innovations that contribute to sustainable energy generation and resource-efficient energy-saving measures. We are therefore undergoing a process to determine our decarbonisation strategy and outline medium-term strategies and policies to achieve this ambition. To form the baseline for our decarbonisation path, we continued to track our scopes 1, 2 and 3 emissions and in 2022, increased the number of sites tracked from 25 to more than 60 sites encompassing our global geographical locations.

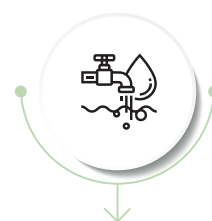
In 2022, the main composition of our main carbon footprints are as follows:



**Scope 1:** Emissions from petrol and diesel fuel consumption from our fleet of vehicles, refrigerants and natural gas



**Scope 2:** Emissions from our buildings' electricity consumption

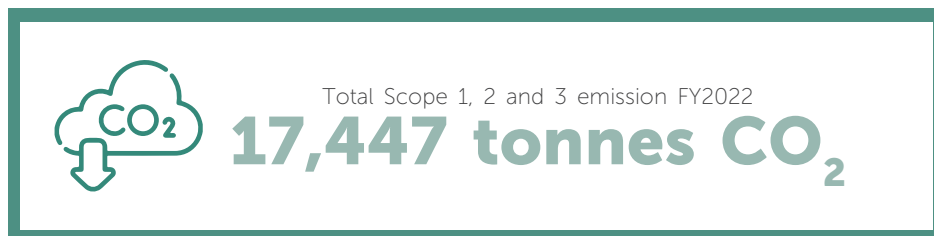


**Scope 3:** Business travel and water consumption emissions, employee commuting, upstream leased assets

In 2022, we kick-started our decarbonisation initiative by mobilising data owners across our organisation to build an inventory of our emission data points. As part of this process, we determine boundaries, parameters and calculation methodology to produce our initial emission baseline which include additional data points of our Scope 1, 2 and 3 emission. We have begun working on automating some aspects of this procedure which led to our recent engagement with Alibaba.

We are currently looking at scenario climate models to evaluate potential decarbonisation paths in developing our net zero/carbon neutrality strategy and The Energy Expert platform from Alibaba contributes to improving this process. The platform is trustworthy as it has also been certified by TÜV Rheinland<sup>1</sup> and its processes are in accordance with ISO 14064 as well as GHG Protocol. The Energy Expert platform help enterprises manage their carbon assets most cost-effectively, providing one-stop solutions for:

- Carbon monitoring, reporting and validation;
- Carbon asset evaluation and recording of latest carbon market movements; and
- Planning of carbon neutrality pathways and progress-tracking towards setting goals based on industry carbon reduction, capture and offsets measurements.



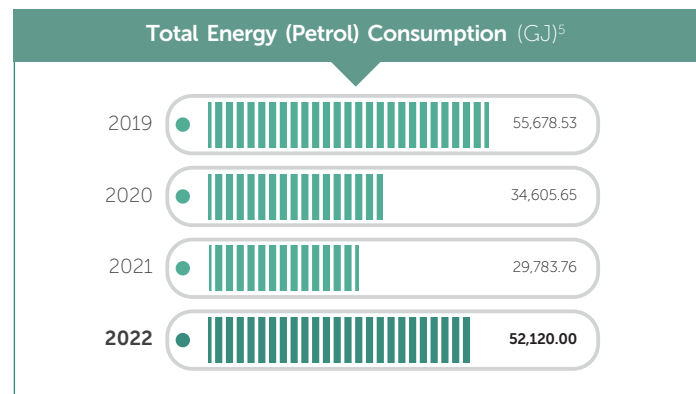
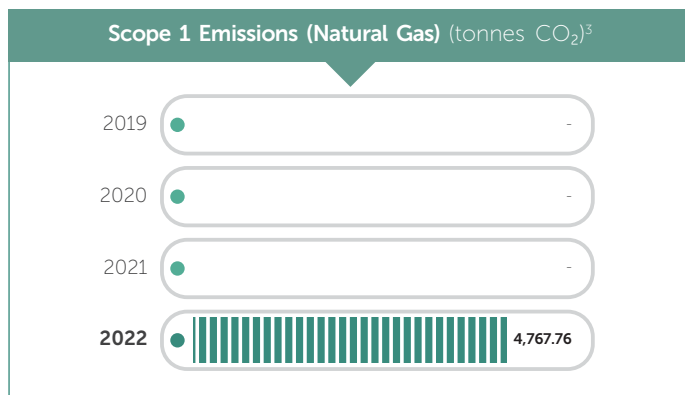
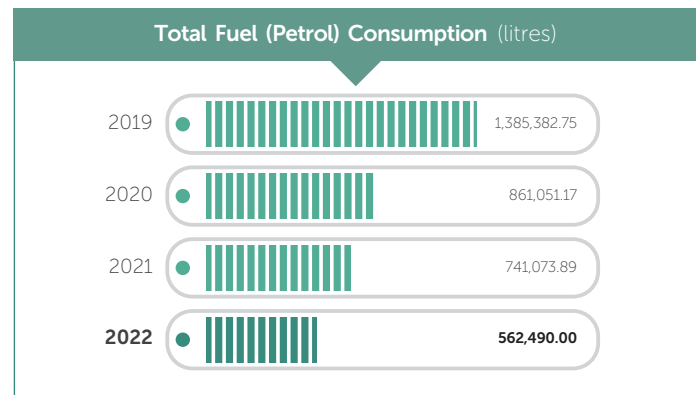
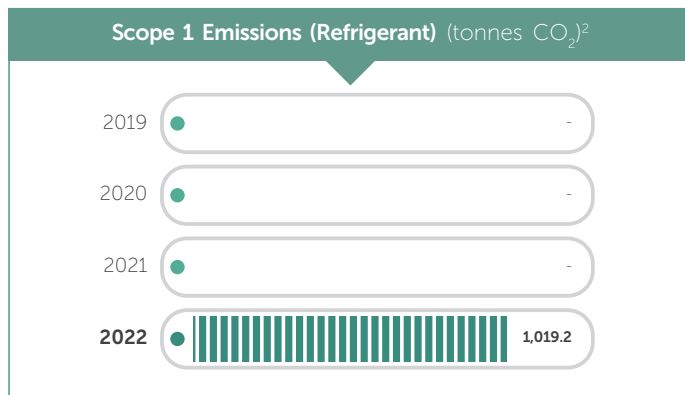
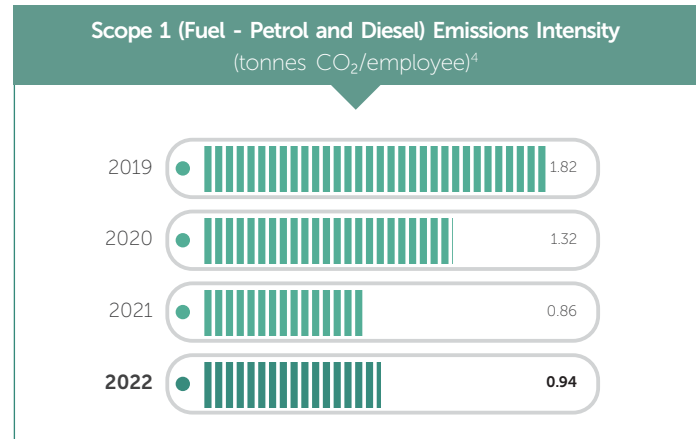
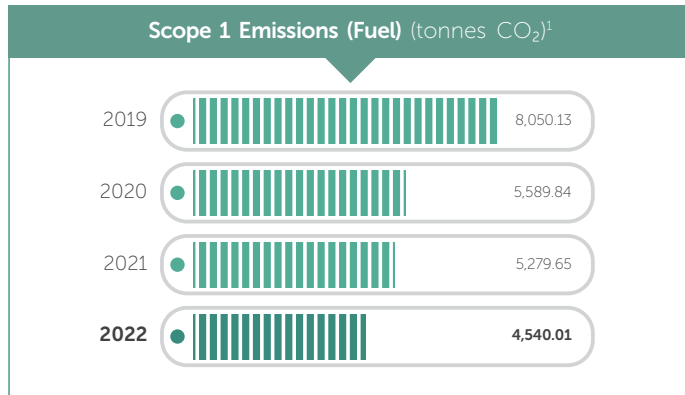
<sup>1</sup> TÜV Rheinland is one of the world's leading testing service providers that carries out product certifications.



## MINIMISING ENVIRONMENT IMPACT

As a result of our carbon footprint reduction efforts, we achieved the following performance during FY2022:

### a. Scope 1: Combustion emission and consumption data\*



\*Note:

The emissions data disclosed here are verified by an independent third party, but are without data assurance.

For 2022, we also reclassified some of the vehicles in our fleet which are under operating lease into Scope 3 Upstream Leased assets.

<sup>1</sup> The Scope 1 emissions (fuel) has been restated using emission factors that are appropriate to our business and the total emission (fuel) is 2% lower compared to previously reported.

<sup>2</sup> The Scope 1 emissions (refrigerant) are a result of the Group's own consumption of refrigerant.

<sup>3</sup> The Scope 1 emissions (natural gas) are a result of the natural gas combustion from our laundry, linen and incineration plants for our healthcare business.

<sup>4</sup> FY2022 Total number of employees = 6,722. This comprises of employees of Malaysia staff only. Our international workforce was excluded from the GHG intensity calculation considering insignificant emissions from the said workforce.

<sup>5</sup> The total energy (petrol) consumption has been restated using conversion factors that are appropriate to our business and the total energy (petrol) is 15-19% higher compared to previously reported.

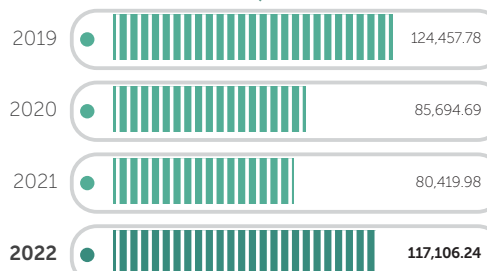
## MINIMISING ENVIRONMENT IMPACT

Total Fuel (Diesel) Consumption (litres)<sup>1</sup>

## Total Energy (Diesel) Consumption (GJ)



## Total Energy Consumption (Petrol and Diesel) (GJ)



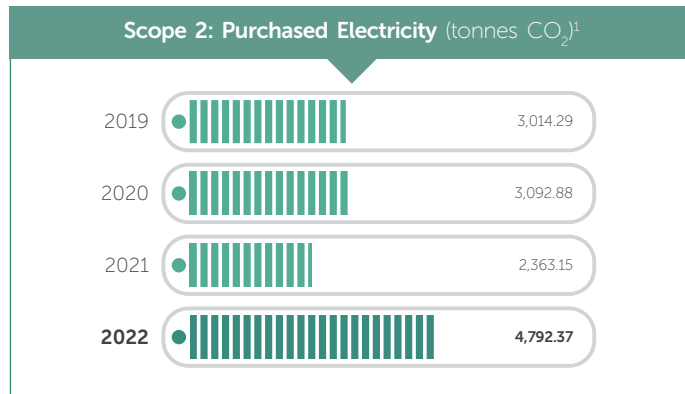
\*Note:

<sup>1</sup> The correct figure for Total Fuel (Diesel) Consumption figure from 2019 should be 1,791,126.36, instead of 41,791,126.36 which resulted from a misprint last year.

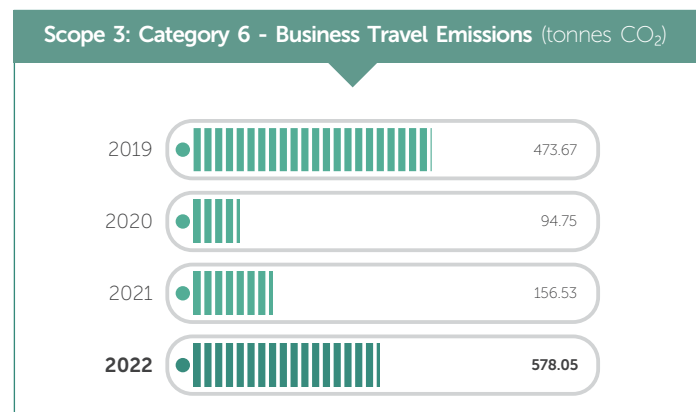
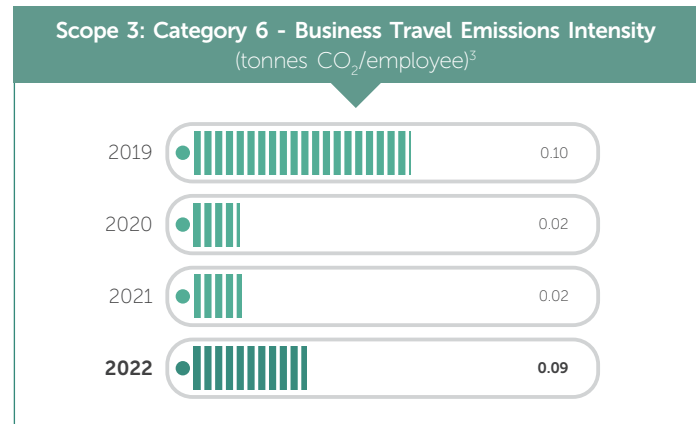
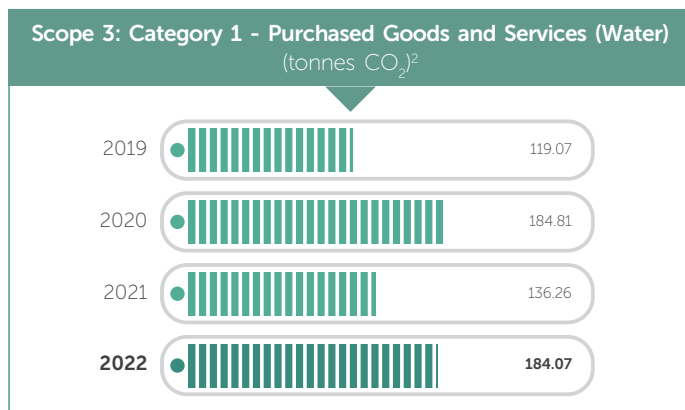
## MINIMISING ENVIRONMENT IMPACT

The increase in electricity emissions from FY2021 was due to the increase in number of sites tracked (2019: 10 sites, 2020: 14 sites, 2021: 25 sites and 2022: 62 sites).

### b. Scope 2 Emission Data\*



### c. Scope 3 Emission Data\*



\*Note:

The emissions data disclosed here are verified by an independent third party, but are without data assurance.

<sup>1</sup> Total electricity emissions (tonnes CO<sub>2</sub>) for 2019 to 2021 have been restated to take into consideration the industry accepted and published emission factors for each year in each of the country that we operate.

<sup>2</sup> The Scope 3 (water) emissions data for FY2019 – 2021 is restated using standardised, published emission factors relevant to our business activities in FY2022.

<sup>3</sup> FY2022 Total number of employees = 6,722. This comprises of employees of Malaysia staff only. Our international workforce was excluded from the GHG intensity calculation considering insignificant emissions from the said workforce.

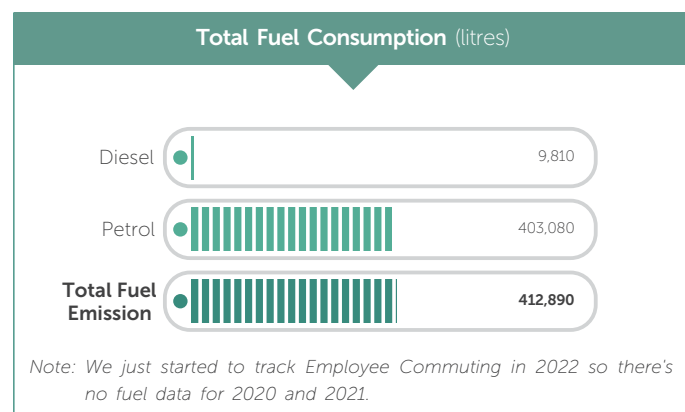
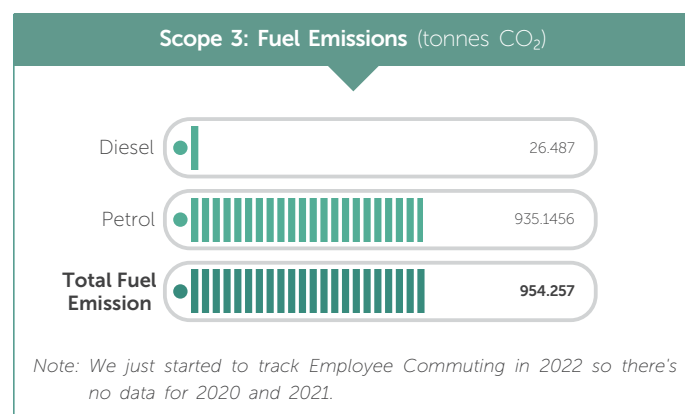
Electricity Emission % Variance <sup>1</sup>			
Year	2019	2020	2021
Previously Disclosed emission (tonnes CO <sub>2</sub> )	3,765.52	4,652.81	4,886.44
Restated emission (tonnes CO <sub>2</sub> )	2,984.36	2,363.15	2,554.52
Variance	21%	49%	48%

Water Emission % Variance <sup>3</sup>			
Year	2019	2020	2021
Previously Disclosed emission (tonnes CO <sub>2</sub> )	1,516.99	2,416.00	1,781.93
Restated emission (tonnes CO <sub>2</sub> )	119.07	184.81	136.26
Variance	92%	92%	92%

## MINIMISING ENVIRONMENT IMPACT

During the year, business travels increased from FY2021 to FY2022, as a result of increase in local, regional and international travel activities as lockdowns were lifted and borders were re-opened. 29% of all business travels are made up of local travel by various forms of transportation such as taxi and bus.

### d. Scope 3 Emissions Data (Category 7: Employees Commuting)



Petrol and diesel consumption increased between FY2021 and FY2022 due to increase in business operations, post COVID-19 Monitoring activities at highways and buildings managed by us increased as lockdowns were lifted and economic activities resumed. This led to increased fuel consumption in cars and vehicles we owned and rented.

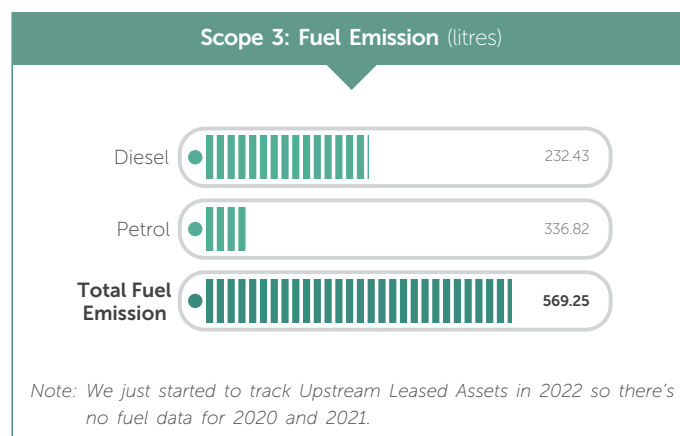
Note:

Category 7 - Employees Commuting includes emissions from the transportation of employees between their homes and their worksites.

Emissions from employee commuting may arise from:

- Automobile travel
- Bus travel
- Rail travel
- Air travel
- Other modes of transportation (e.g., subway, bicycling, walking)

### e. Scope 3 Emissions Data (Category 8 - Upstream Leased Assets 2022)



Note:

Category 8 - Upstream Leased Assets includes emissions from the operation of assets that are leased by the reporting company in the reporting year and not already included in the reporting company's Scope 1 or Scope 2 inventories.

In 2022, we started to track two new Scope 3 categories, which are, Scope 3 Category 7 Employee Commuting and Scope 3 Category 8 Upstream Leased Assets. Scope 3 is an area we are continuously enhancing and moving forward, we will continue to embed transparent, systematic carbon footprint quantification across our value chain, with the objective of identifying emission drivers and provide impetus for innovations that can reduce carbon emissions.



## MINIMISING ENVIRONMENT IMPACT

### Maintaining Our Environmental Stewardship



While climate change is a primary risk to our environment, we also recognise our responsibility to provide stewardship in other environmental areas including waste management, material consumption and water management. Our approach to addressing such issues has also enlightened us on the potential benefits we may obtain, spanning from cost savings to efficiency optimisation.

Waste management protocols are adapted within each business segment to address challenges specific to them. In line with this approach, our Healthcare Support division manages waste generated across a broad spectrum of sources, including chemical, clinical, heavy metal, electrical and electronic equipment, and kitchen waste. Moreover, we closely adhere to waste management standards established by the Department of Environment ("DOE") of Malaysia, particularly on waste incineration practices by treating emissions before they are released into the atmosphere. As for our Property & Facility Solutions division, we constantly seek new ways of handling waste, thereby contributing to improved operational efficiency.

Besides waste management, we acknowledge the importance of resource recovery and have allocated approximately RM15 million to construct a dedicated plant that produces our own recycled asphalt premix. The plant is expected to go live in Quarter 4 of 2023 and deliver a potential carbon dioxide equivalent ("CO<sub>2</sub> eq") reduction of 800 tonnes per year (see Material Utilisation on page 144 for further details). As for our commitment to reducing water consumption, we take full advantage of our rainwater harvesting capabilities and have channeled rainwater for other usages, such as cleaning the RSA along the North-South Expressway and irrigating plants.

In encapsulating all key sustainability matters within our operations, 98% of our operating sites are ISO 14001 certified, ensuring that robust environmental management systems are consistently established across the Group.

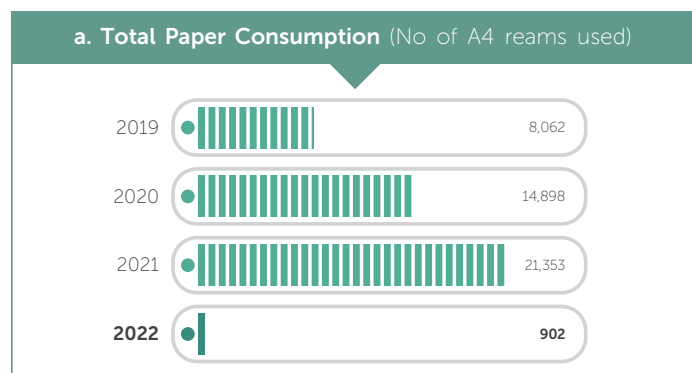
## MINIMISING ENVIRONMENT IMPACT

### WASTE MANAGEMENT

As a multinational entity, we are cognisant of the waste our business activities and operations generate.

In order to deliver efficient, effective and responsible waste management for both general domestic waste and scheduled waste, key strategies/actions taken include:

- ▶ Reducing Paper Consumption through Digitalisation
  - With the goal of imparting a sense of accountability in the consumption of printing paper, a new practice will be initiated during 2023 whereby departmental consumption reports will be prepared and presented to the Head of Units on a quarterly basis.
  - Paper waste typically accounts for a large proportion of solid waste generated, making the digitalisation of our processes vital in curbing unnecessary paper consumption. In alignment with this approach, we leverage on digital solutions such as Adobe Sign to help streamline our day-to-day operations.



The drastic decrease between FY2022 and FY2021 is due to the backlog inventories of A4 paper that were not used in the previous years and also as a result of our flexible working policy where staff are working remotely. As mentioned above, UEM Edgenta is transitioning towards digital documents, hence the decrease in paper consumption.

- ▶ Disposal of electronic waste ("e-waste")
  - E-waste forms part of the scheduled waste we generate alongside waste oil, contaminated containers and filters.
  - In order to ensure the safe discarding of electronic devices that carry severe environmental and health risks, the HSSE department has put in place a designated e-waste bin at the lobby of Menara UEM. The e-waste bin accepts various forms of electronic products ranging from small home appliances to mobile phones, computer accessories and used batteries.

#### ▶ Healthcare Waste Management Services ("HWMS")

- As an ethical HWMS provider, we ensure that our stakeholders in healthcare facilities can work in a safe and healthy environment without fearing exposure to health hazards or risks of infections. Our utmost priority is the implementation of stringent protocols under a comprehensive waste management framework to minimise waste generation, promote recycling, ensure proper disposal of hazardous waste, and engage employees in environmentally responsible practices.
- Within our Healthcare Support division, we remain steadfast in averting the negative impacts that the by-products of our clinical waste incineration activities generate. To this end, we are keenly exploring non-conventional, fossil fuel-free alternatives.
- As a whole, our scope of work covers healthcare waste collection, transportation, storage, hygiene, infection control, treatment, and spillage management. For each case, our trained HWMS team oversees the segregation at the source. Following which, these scheduled and unscheduled waste are collected, stored and transported out according to procedure for each waste type, and ensuring strict adherence to local regulations.
- Lastly, with a team of over 40 employees (including engineers, logistic coordinators, drivers etc.) dedicating their effort and time to this service, we have managed to make the following contributions.

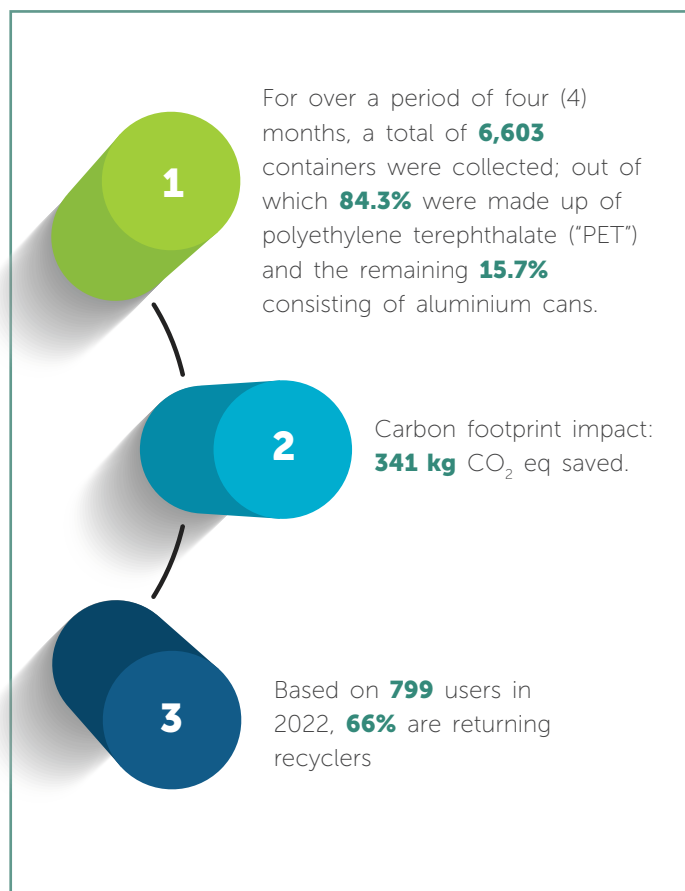
#### ▶ Recycling campaign

- In support of a recycling culture, our Infrastructure Services division partnered with our client, PLUS Malaysia to organise a recycling campaign with the theme 'Asingkan! Demi Masa Depan Kita' in three (3) separate RSA along the North-South Expressway. The participating RSAs were from the Rawang, Gunung Semanggol and Ayer Keroh locations. The campaign held on February 2022 included exhibition booths, information sharing sessions and games conducted around the theme of recycling. Waste segregation activities were also carried out with PLUS Malaysia, the results of which were monitored by weighing the segregated waste. Following the success of this event, more recycling campaigns emphasising on the importance of 3Rs (Reduce, Reuse, Recycle) will be organised to encourage greater participation.

## MINIMISING ENVIRONMENT IMPACT

### ► Installation of KLEAN machine

- In line with our desire to set a strong example through sustainable practices, we have sought to further inculcate a culture of recycling within the organisation through the installation of our KLEAN machine. This reverse vending machine rewards recyclers with points that are redeemable for vouchers and has been stationed in Menara UEM since 2021. It is mobile application-enabled and powered by AI technology capabilities that allow it to recognise and automatically sort incoming materials into recycling bins.
- Within our reporting period, we observed the following performance data gathered from the KLEAN dashboard real-time tracking and reporting feature:



- With this information gathered on the KLEAN machine, we will be able to develop the best strategy to increase recycling rates in our building. We are looking forward to renewing it and are considering the possibility of installing more KLEAN machines throughout our operations.

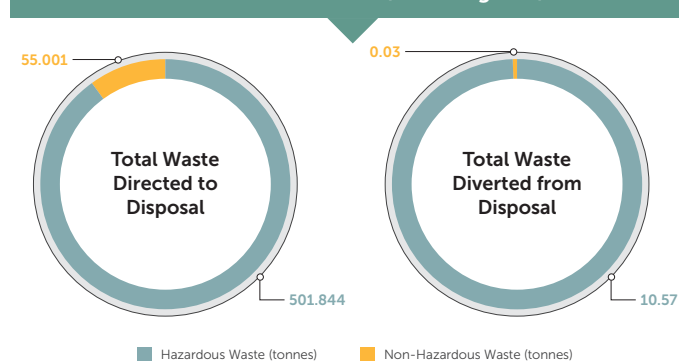
### ► Bring Your Own Mug Campaign

- As a means to promote environmentally conscious practices in an engaging manner, our employees are encouraged to bring their own mugs to a café we operate at Menara UEM for a RM1 discount on their orders.



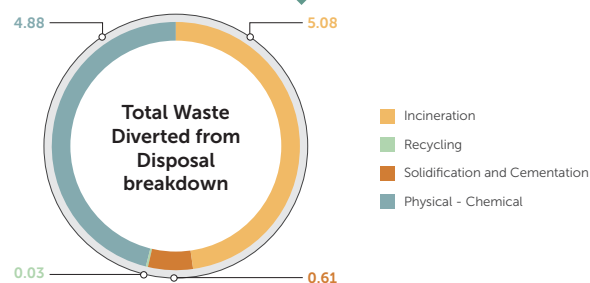
During the year being reported, we are disclosing more data on waste across our business and how these wastes are being treated. Furthermore, we are focusing on solutions to better manage waste and reduce amounts sent to landfill, an approach that we are currently deploying across all our business activities. Driven by the proactive implementation of our waste management approaches, we observed the below results during the year in review:

### b. Total Waste Generated (UEM Edgenta) 2022



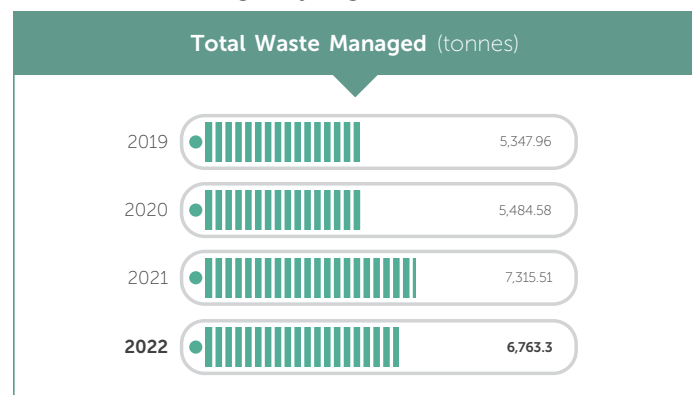
\*We only started tracking our waste in FY2022.

### c. Total Waste Diverted from Disposal Breakdown (UEM Edgenta)



## MINIMISING ENVIRONMENT IMPACT

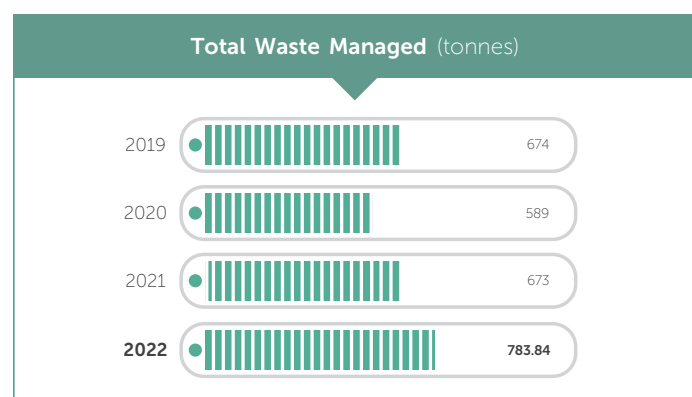
d. Total Waste Managed by Edgenta for Healthcare Client



e. Total Waste Managed Directed to Disposal by Edgenta for Client

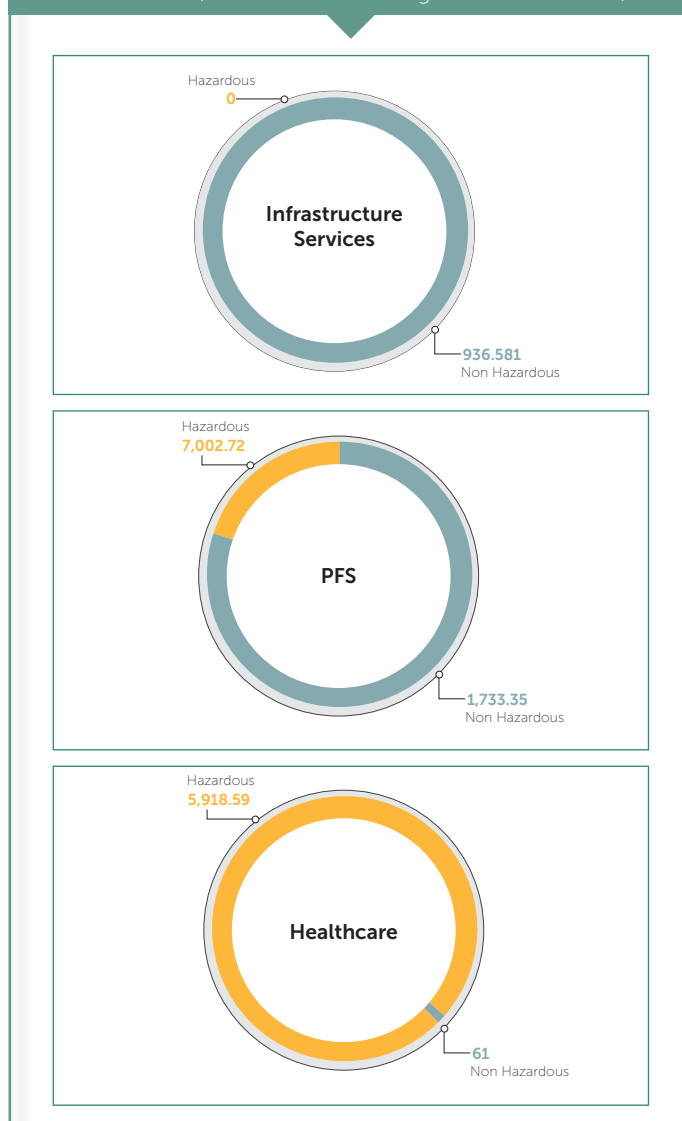


f. Total Waste Managed Diverted from Disposal by Edgenta for Client

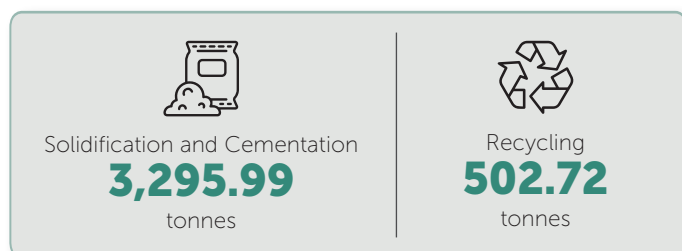


The total waste managed for healthcare client decreased from FY2021 to FY2022 as waste generated at hospitals decreased post COVID-19.

g. Total Waste Managed Directed to Disposal by Edgenta for Clients (breakdown according to Business Units)



h. Total Waste Managed Diverted from Disposal Breakdown by Edgenta for Client



Moving forward, we will remain on the lookout for new opportunities to enhance our waste management capabilities across our operations, with an aim to increase the efforts of recycling and waste diversion from landfills.



## MINIMISING ENVIRONMENT IMPACT

### MATERIAL UTILISATION

Through our mindful approach to material utilisation, we place greater value on responsible and efficient consumption of materials and other resources relevant to our operations. This has led us to recycle and optimise our usage of other resources. With the asphalt industry having a significant environmental impact, we have set up a Pavement Research Centre which focuses on the research and development of innovative pavement materials and advanced maintenance techniques. Moreover, we have also constructed a Recycled Asphalt Premix Plant which serves as a recycling facility for asphalt.

Furthermore, collaborations with business partners that share the same aspirations have been pivotal in helping us to implement breakthrough resource utilisation strategies, as illustrated below:

#### ► The Pavement Research Centre and Recycled Asphalt Premix Plant

Being the building block for infrastructure development, asphalt has long been a culprit of adverse environmental impact. In addressing this, we have embarked on a recycled asphalt programme with the Taiping Municipal Council in 2021. This programme was undertaken to better align our business operations with responsible material consumption practices by leveraging our PRC facility that focuses on research and development of various materials. Building upon the resounding success of the collaboration with Taiping Municipal Council, we have embarked on the construction of a Recycled Asphalt Premix Plant, which we expect to be operational by Q3 of 2023.

The following performance disclosures reflect the progress we have made towards our material utilisation aims:

#### Pavement Research Centre

**13** variations of asphalt mixes tailored to the specific needs of our customers have been researched and produced.

**8** out of **13** mixes laid on the PLUS Expressways are currently undergoing a 12-month test run and have shown promising performance thus far. **30%** RAP and **100%** RAP in hot and cold applications respectively have been developed for use by our companies, diverting a significant amount of asphalt away from landfills.

#### Recycled Asphalt Premix Plant

The plant, which is expected to be fully operational by Q3 of FY2023, is projected

to drive up to **800 tonnes** in **CO<sub>2</sub> emissions reductions**

annually by decreasing the usage of virgin materials. We also aspire to commercialize the product and advocate for a greener road infrastructure in Malaysia..

#### ► Collaboration with PLUS Expressways and Cement Industries Malaysia Berhad ("CIMA") for New Jersey Barriers

Through an ongoing joint initiative with PLUS Expressways Berhad and CIMA, we are exploring the use of Fibre Reinforced Concrete in the construction of new jersey barriers to separate lanes. Within the year, the technical and commercial feasibility of the project was continuously explored. This includes efforts directed towards fine tuning and finalisation of product specifications along with discussions with the Malaysian road authorities (i.e., Jabatan Pengangkutan Jalan ("JPJ")). Even though the project is still at an exploratory stage, we believe that this new material has the potential to optimise concrete quality and labour usage, reinforce other raw material components such as steel, and shorten construction periods for minimised heat, noise and air pollution. With that, we expect to implement the project progressively by phases from 2023 onwards.

As part of our unwavering dedication towards resource efficiency, we will continue to pioneer research and development undertakings towards utilising materials more sustainably, with a particular focus on the sustainable use of asphalt in the infrastructure industry. Ultimately, we are on the right track in minimising waste, thereby contributing to the road safety and security of the nation's highways.

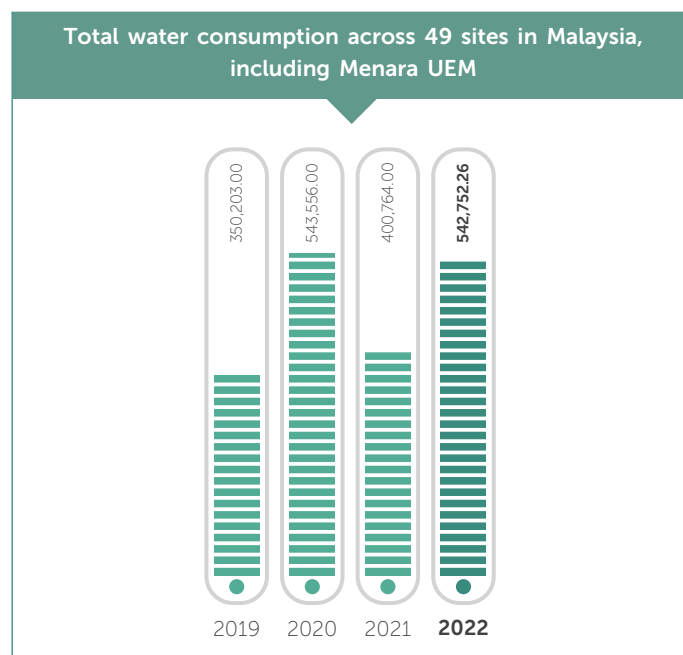
## MINIMISING ENVIRONMENT IMPACT

### WATER CONSUMPTION

As part of our overall approach on water resource stewardship, we also monitor our water consumption as withdrawn from municipal water supply, which is mainly utilised by our office and other operations. To this effect, various water management initiatives are currently being implemented across our organisation, including:

- ▶ Monitoring mechanisms, and water management plans and procedures as the Group's effort to reduce water consumption across all operations.
  - As a means to reduce the excessive usage of water, we have incorporated several water-saving measures such as the installation of water aerators in all faucets throughout the Group.
  - We have conducted briefings to raise awareness of the importance of water conservation and the implementation of practical water recycling solutions.
- ▶ Setting up a Natural Water Harvester project
  - The Natural Water Harvester is a collaborative water conservation effort between the Group and our customer, PLUS, that leverages facilities in the RSAs along the North-South Expressway. Under this conservation plan, water management initiatives, rainwater harvesting systems and tube wells are employed to reduce costs.
  - During the reporting period, approximately 6,000 m<sup>3</sup> of natural water was conserved from 11 rainwater harvester sites, 1 tube well and 1 river source. Looking forward, we plan to extend our rainwater harvesting system to all other RSAs in phases.

We have recorded the following results with regard to water consumption during the year:



Note:

<sup>1</sup> The Scope 3 (water consumption) emissions data for FY2019 – 2021 is restated using standardised, published emission factors relevant to our business activities.

To secure long-term water security, the Group will continue to implement organisation-wide monitoring mechanisms, water management plans and procedures, towards reducing water consumption across all operations

A member of UEM G

**100%**

of our business units  
are now certified  
under ISO 14001  
and ISO 45001

We recorded a total of

**313,981**

**hours**

of employee  
development training

We successfully generated

**159 new  
business ideas**

through the Edgenta  
Innovation Programme,  
with 12 ideas have been  
worked on for full  
implementation



## AREAS DISCUSSED

Occupational Health and Safety

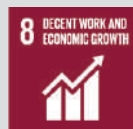
Employment Culture

Customer Satisfaction

Human Rights Assessment

Local Community

# Social Value Creation





## SOCIAL VALUE CREATION

### Occupational Health and Safety



#### SETTING OUR APPROACH ON OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees has always been a priority at UEM Edgenta. It is our belief that by ensuring a secure working environment that focuses on the physical safety, security and wellbeing of our people, we can foster greater motivation, goodwill and dedication. In addition, we commit to ensuring that the healthy and safe work environment we provide includes coverage for other key stakeholders of the Group, such as our vendors/suppliers.

By empowering our people with the ability to focus on their job functions without distraction of discomfort or potential hazards, we enable them to function efficiently and thus positively impact our business. Likewise, given the importance of a healthy and safe environment, we aspire to continually ensure the adoption of best practices, maintain full adherence to all regulations and persistently enhance our efforts wherever possible.

Our OE & HSSE department presently play a key role in ensuring the optimum version of our health and safety framework. This is crucial as the Group adheres to the guidelines of all its adopted standard requirements.

Overall, our intention remains to pursue and achieve our Goal Zero\* ambitions.

#### FEATURED STORY

##### PROMOTING THE HEALTH AND FITNESS OF EDGENTA STARS

As we begin emerging from the COVID-19 pandemic, many of us have started returning to our workplace more regularly in 2022. However, Edgenta continue to promote a flexible working arrangement allowing staff to practice a hybrid mode of working, blending both working from home and at the office. We understand that working from home may pose a risk for staff slipping into a sedentary lifestyle or feeling isolated, leading to feeling constant pressure or even experiencing mental health issues. With that, Edgenta launched Project DASS as a pilot during the pandemic and last year increased the coverage of this project to cover more staff. DASS is a survey that promotes early identification of mental illness among our employees to allow them for early treatment. In 2022, 2,389 employees were assessed under this programme and a third party was appointed to provide Employee Assistance Programme to resolve personal issues affecting work performance because of mental health conditions. The programme succeeded in breaking the emotional barrier among staff to discuss mental health issues more openly in a safe environment.

Besides, we also acknowledge that a passive lifestyle may also cause health issues or unhealthy habits. With that in mind, one of the primary causes of noncommunicable diseases ("NCDs") in Malaysia is obesity and lung failure caused by smoking. Through our Physical Health Assessment which was launched during the year, we were able to identify the percentage of our employees that suffer from obesity as well as those who smoke within our organisation. The identified employees are then invited to participate in health campaigns such as the Weight Warriors Programme and the Smoking Cessation Programme. The programmes aim to help participants to achieve a weight reduction of 10%, or to reduce their smoking rate by 30% by 2025. As of the end of 2022, the top 5 teams, consisting of 25 people of the Weight Warriors Programme had experienced an average weight loss of 22.3% of their total original weight while 50 participants from the Smoking Cessation Programme are still tracking their progress up until June 2023.

\*Goal Zero refers to no fatality cases, no harm to people, and no damage to the environment across all levels of the Group.

## SOCIAL VALUE CREATION

## Occupational Health and Safety Management System

- ▶ A comprehensive system that is implemented based on the standard requirements of ISO 14001 and ISO 45001 and is guided by local rules and regulations as well as other relevant HSSE legal requirements and industrial codes of practice.
- ▶ For our entities in Malaysia, the system adheres to the following regulations:
  - Occupational Health and Safety Act 1994
  - Factories and Machineries Act 1967
  - Environmental Quality Act 1974
  - Fire Services (BOMBA) Act 1988
- ▶ With the Group-wide implementation of this system, 100% of our business units are now certified under ISO 14001 and ISO 45001.
- ▶ All our key stakeholders (i.e., employees, contractors and vendors) are covered by the occupational health and safety management system, including by way of the implementation of relevant policies and procedures.
- ▶ In 2021, the Group took another step beyond its adoption of common standardised health and safety practices by being the first Malaysian company to be certified under the ISO 45005:2020 (Occupational Health and Safety Management – General Guidelines for Safe Working During the COVID-19 Pandemic). This certification has allowed the Group to stay focused at managing key risks arising from COVID-19, in which protecting the health, safety and wellbeing of our employees remained key.

## Quality Health, Safety, Security and Environment Policy

In line with our certification with standardised health and safety practices, the Group also maintain a QHSSE Policy. With the policy, it provides an overarching guidance for our practices at managing matters relating to health and safety of our stakeholders. Along with the guidance it provides, the policy is also a key representation of our commitment to:

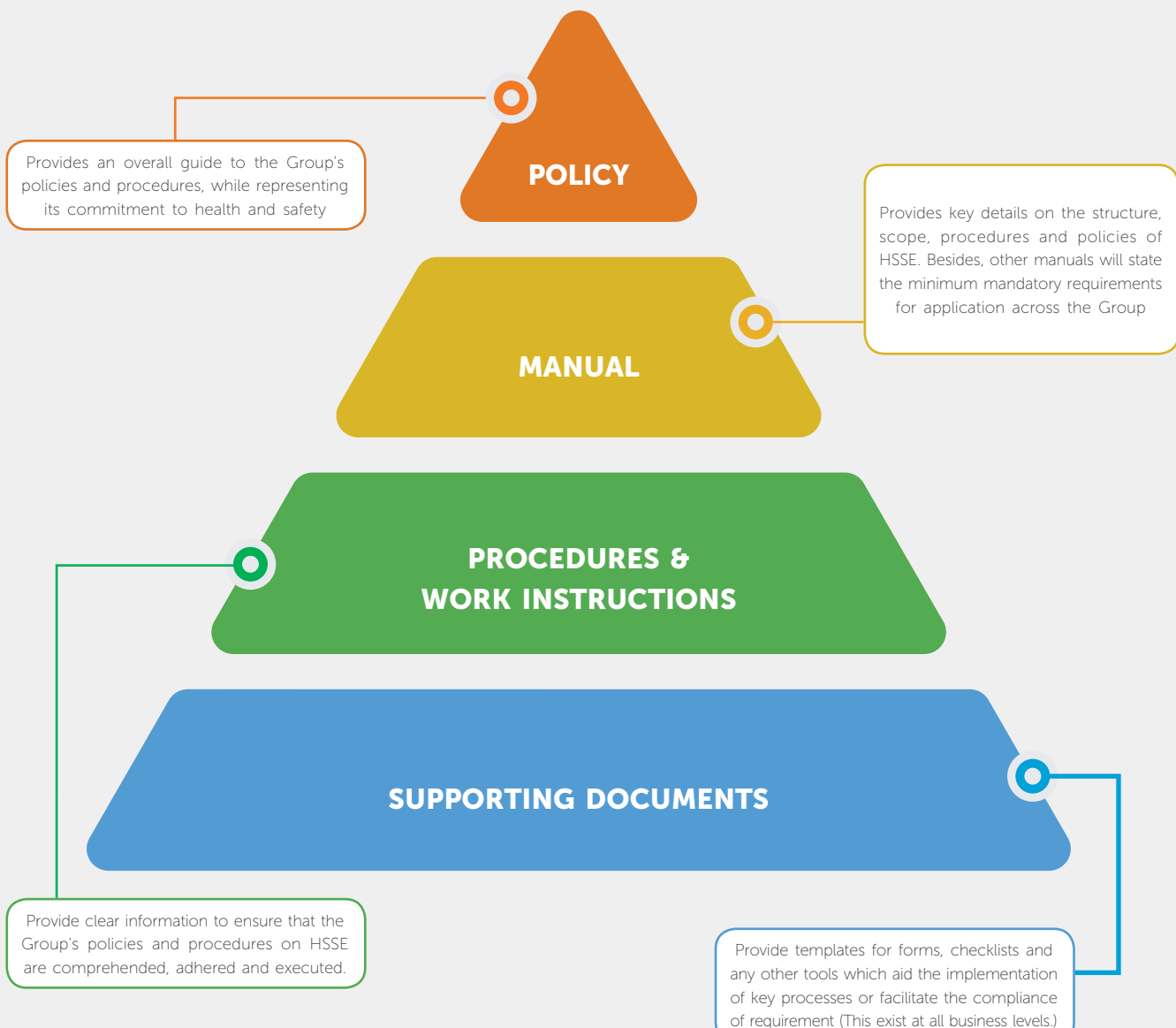
- ▶ Comply and exceed beyond all applicable statutory and regulatory requirements;
- ▶ Achieve the objective of causing no harm to people while protecting the environment;
- ▶ Lead a systematic approach at adopting health and safety practices that are developed to meet our stakeholders' expectations while continue to pursue further enhancement;
- ▶ Embed health and safety related targets as part of our employees' performance assessment;
- ▶ Require our contractors to meet health and safety standards in line with this policy;
- ▶ Pursue improvement over our adoption of health and safety policies and procedures by seeking to identify, reduce and eliminate risks or hazards through engagement with our stakeholders; and
- ▶ Seek potential cooperation with third parties via joint ventures in view of achieving key objectives of this policy as well as to promote the Group's stance on health and safety.

## SOCIAL VALUE CREATION

### HSSE Manual

- ▶ As part of our efforts to drive consistency and coherence in health and safety standards across the Group, we have developed and implemented eleven HSSE manuals to date, with three more manuals currently in the pipeline (covering Health, Security and Environment).
- ▶ The manuals (covering Health, Safety and Environment) will be disseminated across our operations in Malaysia and also introduced to our operations in UAE, Taiwan and Singapore to achieve cohesive adoption of health and safety measures.

### HSSE MANUAL STRUCTURE



## SOCIAL VALUE CREATION

## HSSE Governance Structure

- ▶ Our oversight on HSSE related matters is ultimately led and governed by the Board, whereby the Board oversees, assesses and deliberates on all relevant issues on a quarterly basis. Besides, our MD/CEO is elected as the designated person at the board level to provide leadership and focus in managing and integrating the element of health and safety within our strategies, decisions and actions.
- ▶ The governance structure is further supported at the working level by our HSSE Committees, which have been established at each operational site. The committee meets periodically through monthly meetings and weekly (ad-hoc) meetings when deemed necessary to deliberate and act upon any occupational health and safety issues.
- ▶ Quarterly Perintis Council meetings are also held for contractors to discuss and bring forth any health and safety related issues to the committee.
- ▶ Besides, in order to lead the day-to-day monitoring of our HSSE performance, our Head of QE & HSSE has been tasked to:
  - Develop an annual HSSE plan which is aligned with objectives and targets of the Group at addressing HSSE;
  - Provide key and consistent communication on our HSSE related objectives, targets and plans;
  - Identify and assess key HSSE Critical Positions for Technical Authorities;
  - Compile, review and submit HSSE related performance data to each business division;
  - Implement and maintain a HSSE assurance plan for each business division;
  - Establish and ascertain the competency of independent leads on HSSE audit; and
  - Identify and form the members of the HSSE audit team.

## Risk Assessment and Hazard Identification

- ▶ As part of our approach to hazard identification, we currently adopt several methodologies and procedures including the bowtie methodology, Hazard Identification Risk Assessment and Risk Control ("HIRARC") procedures, Job Hazard Analysis ("JHA"), Ergonomic Risk Assessment ("ERA"), Chemical Health Risk Assessment ("CHRA"), Noise Risk Assessment ("NRA"), document reviews, audits and incident reviews.
- ▶ For each approach mentioned, we assign competent and qualified personnel to perform the relevant tasks. This may include our Safety and Health Officer ("SHO"), Site Safety Supervisor ("SSS"), certified Environmental Professionals In Scheduled Waste Management ("CEPSWAM"), Ergonomic Trained Persons or Occupational Health Doctors ("OHD"), according to the type of reviews being conducted.
- ▶ The Group currently utilises a reporting platform (BenchmarkESG) to notify, report, monitor and review any incidences relating to unsafe acts or conditions, perform health and safety risk management, carry out audit reviews and other relevant activities.
- ▶ The results, analysis and recommendations from the reporting of such incidences are then presented through our HSSE structure on a bi-weekly basis as part of our HSSE reporting exercise.
- ▶ For on-the-job safety hazard avoidance and precautionary processes, we have implemented various procedures such as the Consequence Management, 12 Life Saving Rules and several "do's and don'ts" guidelines for specific operational activities.
- ▶ Our control measures are monitored closely by site HSE personnel through trainings and supervision as well as the use of tools such as the PPE Matrix. In addition, regular compliance audit and inspections are also carried out by HSE personnel to ensure the effectiveness of our control measures.
- ▶ In overall, our risk assessment on health and safety is performed to provide coverage on our defined focus areas as well as our existing operations or projects.

## SAFETY AUDIT

In 2022, we continued to perform safety audits as part of ensuring compliance to workplace safety.

In contrast to the previous year, the number of Gemba Walk participants from our Infrastructure, Healthcare, and Property & Facility Solutions division increased from 77 to 132.

## GEMBA WALK

77  
2021132  
2022

The amount of final audits for 6S increased from 39 (year 2021) to 66 (year 2022).

## 6S

39  
202166  
2022

The results and findings from the audits were recorded on the BenchmarkESG, which is an AI-driven Safety, Health and Environment incident reporting platform. It enables the Group to perform a root cause analysis which facilitate a faster implementation of any corrective and preventive actions ("CAPAs").

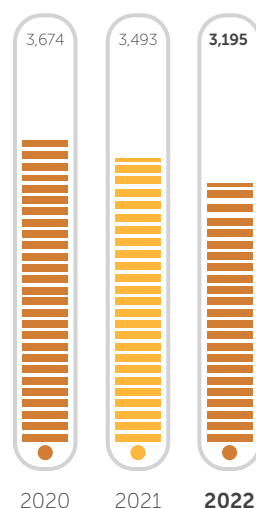
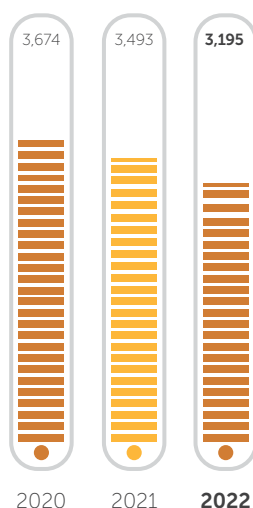
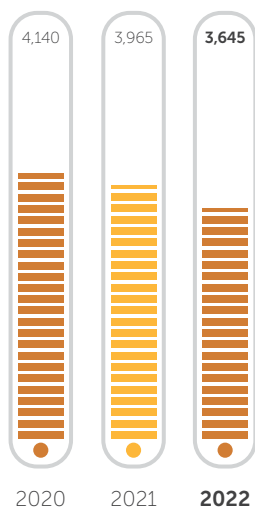


## SOCIAL VALUE CREATION



Our occupational health and safety management system also provides coverage to personnel who carry out work for the Group, including those who are not classified as employees:

- Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system
- Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been internally audited
- Number of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been audited or certified by an external party



## SOCIAL VALUE CREATION

### INCULCATING A CULTURE OF HEALTH AND SAFETY

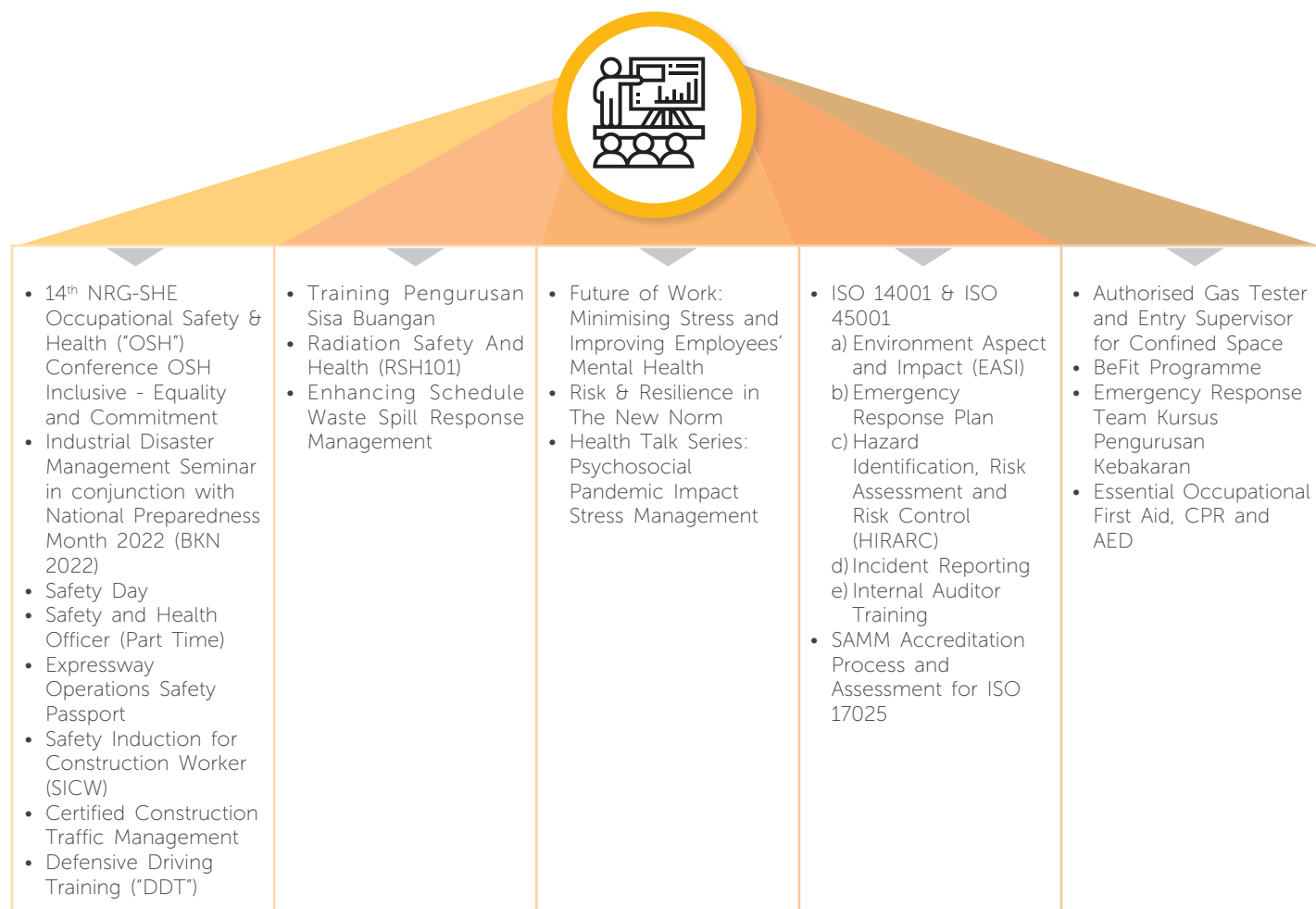
In supporting our overall health and safety agenda, we seek to embed a positive culture within our workforce through various communication platforms which are provided for employees to highlight issues pertaining to health and safety. Through this approach, our employees are encouraged to adopt a vigilant and cautious mindset on safety and staying away from hazards.

We also ensure that our employees are provided with up-to-date knowledge and skillsets through capacity building initiatives, disseminated via trainings and awareness briefings. To this end, we implement an HSSE training matrix for both our employees and our contractors or vendors. The matrix developed defines and assigns the type of trainings relevant for our employees and contractors, which may include mandatory trainings required by law as well as site-specific operational training and awareness sessions on issues such as COVID-19, emotional wellbeing, etc.

Moving forward from 2022, the Group will continue to take a proactive approach to sustainability reporting, implementing measures such as implementing an e-PTW system and revising HSSE management requirements. These actions will demonstrate our unwavering commitment to health and safety, compliance, and continuous improvement. Besides, we will also actively involve employees in health and safety initiatives and regularly monitor and revise our approaches as needed to ensure ongoing effectiveness.

In 2022, we continued our Leadership Exchange and Action Programme which was launched in 2021 as a platform for team leaders and workers to discuss on Operational Health and Safety related issues, in order to persist on strengthening the safety culture within the organisation.

With that, during the year we managed to achieve the following performance on the delivery and completion of HSSE trainings:



## SOCIAL VALUE CREATION

**98.8%** of employees completed the mandatory OHS e-learning modules

**3,026** of employees completed a total of 25,050 hours of HSSE training cumulatively

**27** vendors and contractors (Perintis Council) completed health and safety trainings

A total of **255** HSSE trainings for employees have been conducted

### HSSE Training & Initiatives



Moving forward, we will continue to implement improvements to our training approach in order to maintain the highest health and safety values among our employees and contractors.

## SOCIAL VALUE CREATION

### Promoting the health and wellbeing of employees

We recognise that our duty in ensuring healthy and safe employees extends beyond ensuring such conditions exist within their working environment and includes measures to enhance their quality of life in general. To this end, we have launched initiatives geared at improving their physical fitness, emotional wellbeing, lifestyle habits and other general health related issues.

As the foundation of our approach, we provide our employees with access to non-occupational medical and healthcare services, which are delivered by a third-party insurance provider, MiCare. Through this facility, our executive and non-executive employees are entitled to health screenings and medical services in panel clinics, private and government hospitals across Malaysia. During the year, we conducted health screening in collaboration with PERKESO at Hospital Sultanah Bahiyah, Hospital Bukit Mertajam and Hospital Taiping. A total of 300 employees participated in these health screening exercises, marking a key success in our efforts to enhance employee wellbeing.

During the year in review, we also continued our BeFit programmes which was implemented since 2021 to assess and monitor the physical fitness of our employees. As part of the project, a total of 216 employees participated to undergo seven battery test sessions which were developed based on the national physical test routines. Following these tests, employees then underwent a customised bootcamp module with the aim of sustaining or improving their level of fitness.

2021 saw us rolling out the Muscular Skeletal Disorder project to analyse and improve workplace ergonomics based on ergonomic risk factors identified in environmental risk assessment ("ERA"). Through ergonomics awareness and improvement of ergonomic risk factors identified in ERA, the MSD project has managed to reduce MSD-related medical expenses.

Our employees also have access to psychologist and psychiatrist consultations, with the cost borne by the Group. This is supported by the DASS surveys, which is designed to measure the three related negative emotional states of depression, anxiety and stress. Through DASS surveys, we are able to identify employees who are in need of such help and provide them with the necessary assistance.

Moreover, we also conduct awareness sessions and ultimately provide psychologist support. Such psychological support was further enhanced during the year with the appointment of an in-house psychologist to help employees deal with emotional or mental health issues.

Other health promotion programmes provided include webinars, communication via infographics as well as exercise sessions such as Taijiao and Zumba. These programmes are aimed at improving general health awareness and providing opportunities for employees to develop healthy habits. Some of the programmes offered include:

**Webinars on health-related topics such as nutrition and diet, choosing the right exercise, monkey pox and other relevant topics**



**Infographics entitled "Weight Warrior Diet Myths and Facts", "Hunger vs. Cravings", "Pick Your Calorie Intake Wisely" and "Weight Management Tips"**



**Morning exercise sessions including the Taijiao exercise routine and Zumba**





## SOCIAL VALUE CREATION

During the year in review, we also carried out a programme based on the concept of Life's Simple 7, which is targeted at defining the ideal cardiovascular health of an individual. The programme was initiated with a survey conducted among a selected pool of employees to collect three health data points for cardiovascular health improvement (blood pressure, cholesterol and blood sugar level). Employees deemed to be at risk of cardiovascular health problems due to being overweight or being a heavy smoker were then chosen to be part of our Smoking Cessation and Weight Reduction programme.

Ultimately, the Edgenta Spending Allowance ("ESA"), which is provided to all employees, may also be utilised to cover any other medical and health related costs.

### Performance during the year

#### Emotional Wellbeing

- 2,389 employees participated in Project DASS surveys
- 40 employees participated in the Mental Health Aider programme

#### Befit Programme

- 2022 KPI: 10%-20% participation
- 2022 Actual Performance: 51% participation

#### Health Promotion Programme

- 5,707 employees participated in daily morning Zumba and Taiiso exercise classes

#### Life's Simple 7 (Smoking Cessation Programme)

- 57 employees participated in the smoking cessation programme

#### Life's Simple 7 (Weight Warrior Programme)

- 330 employees participated in the programme

### Targets for the future

#### Emotional Wellbeing

- 100% success rate in identifying and managing cases of emotional illness

#### Befit Programme

- 100% success rate in helping overweight employees achieve physical fitness by 2030

#### Health Promotion Programme

- To be the healthiest workplace by 2025 in terms of reduction to non-communicable diseases

#### Life's Simple 7 (Smoking Cessation Programme)

- Help 30% of participants to quit smoking

#### Life's Simple 7 (Weight Warriors Programme)

- Reduce the weight of participants by an average of 10%

Towards our goal of establishing the healthiest workplace by 2025, we will continue to pursue the success of our existing health and wellbeing programme and explore the adoption of other potential efforts.

## SOCIAL VALUE CREATION

### Advocating health and safety within our value chain

Beyond the health and safety of our employees, we also recognise the need to promote good health and safety practices among our business partners and contractors/vendors. By adopting a cohesive approach towards this issue, we can achieve a more robust, safer ecosystem within our value chain.

In 2021, we launched the Perintis Council, a key component of our Contractor HSE Management Programme. The programme was initiated to provide support and guidance to our contractors in adopting better health and safety practices and was publicised and amplified via our contractor engagement roadshows.

During these roadshows, contractors are provided with an opportunity to communicate their feedback and expectations. From there, we assess and select contractors to be part of the HSE performance development programme. In December 2021, a pilot online HSSE Capability Assessment was completed for all 15 Perintis Contractors. This programme was then carried out on 17 other contractors in 2022. 59% (10 out of 17) of the contractors rated themselves with 1 Star. These contractors will be enrolled into HSSE Intervention Program to help them close the gap and improve their HCA result.

To further complement the objective of our Contractor HSE Management Programme, contractors under our Infrastructure Services division are currently subjected to our annual HSE Performance Ranking/Rating exercise. Through this assessment, contractors are assessed and rated based on how well they have managed and addressed health and safety issues.

For contractors that are not performing up to expectations, structured assistance to improve their performance is provided through enrolment in our HSSE Intervention Programme, which includes mentor-mentee sessions between both parties.

With this exercise, we aspire for all our contractors to achieve a 4-star rating and champion various aspects of class-leading health and safety measures. However, for those who do not comply with the relevant HSSE rules and regulations, we will take action to penalise their conduct as part of our HSSE Consequence Management procedures.

With regards to the HSSE Consequence Management process, we have establish a 3 tier system as illustrated below:



We will take decisive action to promote health and safety practices among business partners and vendors through the implementation of the Contractor HSE Management programme. This will involve providing support, ranking performance, intervening for improvement, and implementing consequence management for non-compliance. The Group aims to achieve industry-leading health and safety measures, expand best practices, and provide continued support to contractors in the future.

## SOCIAL VALUE CREATION

With the measures in place, we managed to achieve a 100% success rate in assessing health and safety impacts from the products and services we provide. In addition, we also managed to observe the following performance with regard to non-compliance with regulations and/or voluntary codes regarding health and safety issues within the reporting period.



Reflecting the priority we have placed on health and safety, a culture of continuous improvement is nurtured across the Group, enabling us to identify emerging risks and implement immediate mitigation actions. To this end, we embarked on the following actions during the year towards addressing work-related hazards as well as to assist us at achieving our goal of zero fatalities across our business divisions.

- a) Monitoring and managing our accident rates through incident review meetings which are held every two weeks with analysis and report on the three types of main injuries
- b) Adopting the Group's risk management manual, which includes High Bowtie risk management
- c) Ensuring that all our activities are covered by HIRARC or JHA
- d) Implementing a proactive hazard identification process through ERA, CHRA, NRA and etc.
- e) Assessing and identifying which hazards have caused or contributed to high-consequence injuries

Once hazards were identified, we implemented the following actions to eliminate or minimise their attendant risks:

- a) Assessing and implementing engineering control actions (e.g., Project Stevie, TMA)
- b) Monitoring control measures by the project site HSE personnel (e.g., PPE Matrix, training and supervision)
- c) Performing compliance audits and inspections (carried out by HSE personnel) to ensure the effectiveness of control measures
- d) Reviewing the HIRARC/JHA periodically or when any incidents occur
- e) Reviewing and approving fatality and high potential incident action items/control measures (carried out by Senior Management)

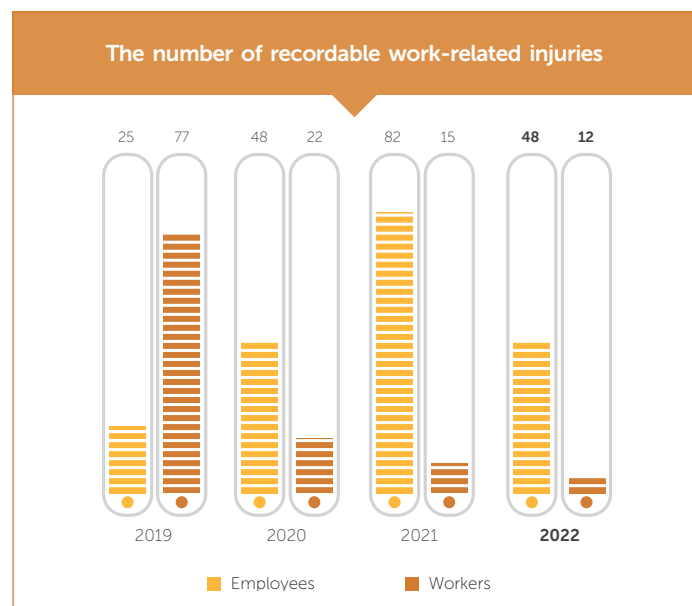
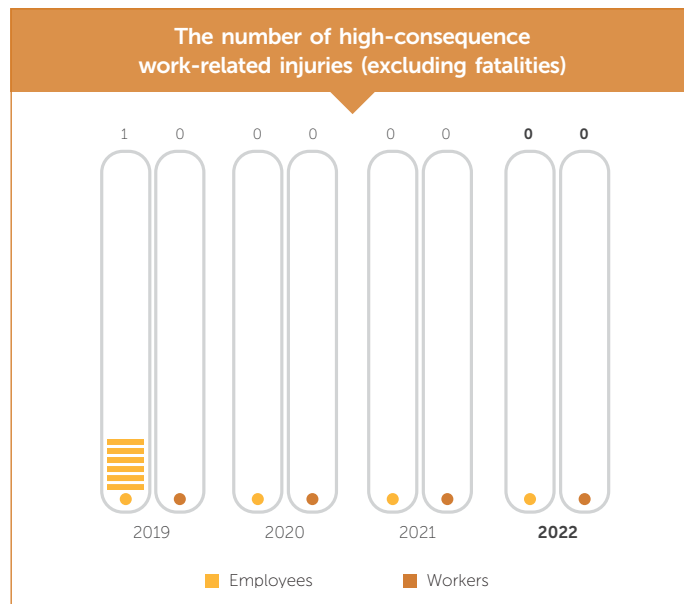
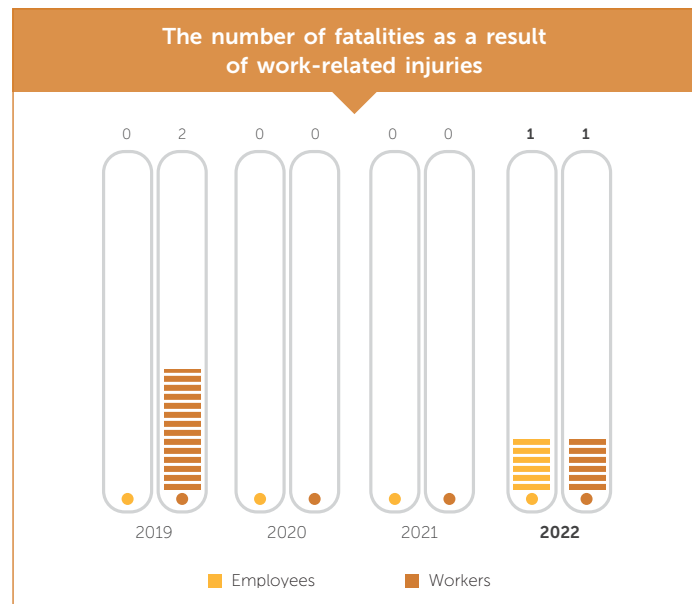
When an incident occur, our investigation team will perform a comprehensive investigation whereby each member will be allocated a specific task in the enquiry and its respective due date for completion. Once the investigation is completed, the following actions may be implemented as a result:



## SOCIAL VALUE CREATION

Our performance below reflects the value that we have achieved from this proactive approach.

a. Work-Related Injury for our employees and workers  
(Workers refers to contractors hired by UEM Edgenta)

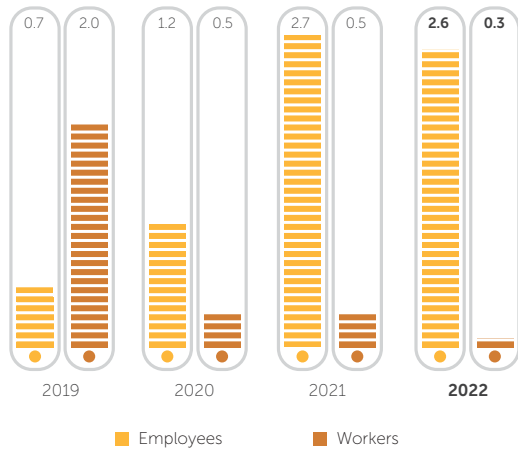


\*The main injuries among employees are slips, trips and falls and needle prick.

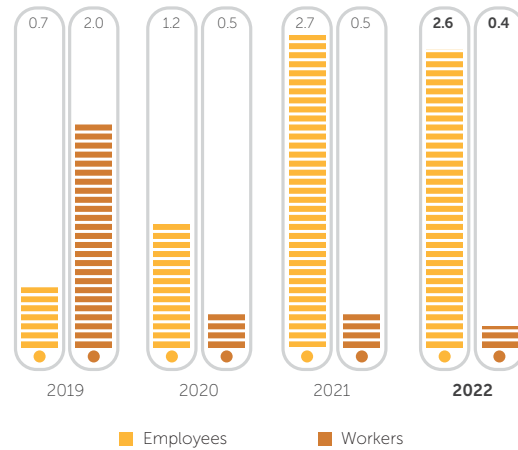


## SOCIAL VALUE CREATION

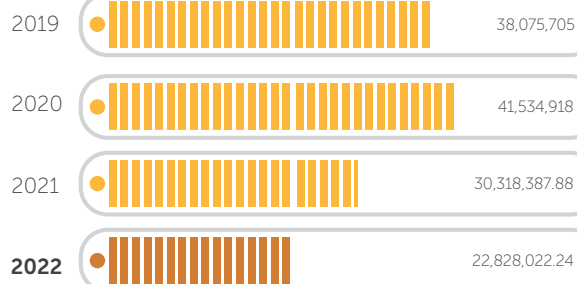
Rate of recordable work-related injuries



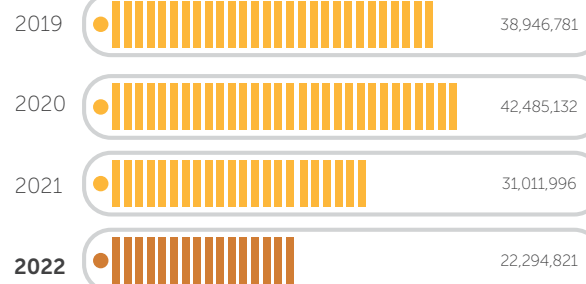
Lost Time Injury Frequency Rate (Number of Lost Time)



Total of hours worked by employees



Total of hours worked by workers who are not employees but whose work and/or workplace is controlled by the organisation



### 2022 Performance

Rate of fatalities as a result of work-related injury

**0.04**

Rate of recordable work-related injuries

**1.1**

### 2023 Target

Injury Rate

**1.4**

**Zero Fatality**

Reflecting on the priority we place on health and safety, we have assessed and identified three key performance targets for us to benchmark and further improve our performance. Our focus will be targeted on gradually reducing our injury rate, operationalising our HSSE manuals as well as improving our initiatives on ensuring access security and asset security. We believe that the targets will provide a sense of direction towards our overall objective of keeping everyone, everywhere safe and secure.

## SOCIAL VALUE CREATION

## Employment Culture



### CARING ABOUT OUR PEOPLE AND CULTURE

Our continued growth as an organisation and our ability to thrive amidst the challenges of the future rest largely on our people, the Edgenta Stars.

Recognising their role as the driving force of our business, it is crucial that we commit to creating an environment that supports diversity and inclusiveness while providing them with equal opportunities to develop skillsets and knowledge, as well as achieve their ambitions. After all, by nurturing our 16,000-plus strong workforce, we will be better equipped in sustaining our competitiveness within our markets of operation and achieve our growth objectives.

To this end, we are more committed than ever to our core values of FIRST (Future Focused, Imagine New Ways, Respect For All, Solutioning Mindset and True to Our Word) and to our Code of Conduct, which enforces that we advocate fairness, inclusivity and positive motivation within our working culture. Our approach in this respect is guided by our employee handbook, which provides a summary of terms and conditions of Edgenta Stars' employment alongside guidelines on various other human resources related matters. Furthermore, we are able to provide opportunities for a wide range of internal development throughout Edgenta Academy, which focuses on the development of leadership, soft skills and technical skills.

#### Skills and career development

At UEM Edgenta, we believe that an engaged workforce is more dedicated to contribute better performances and be accountable to deliver better services to our customers. To this end, we are committed to providing our employees personal development opportunities and have put in place a comprehensive and holistic training and development framework that has been customised to meet the specific needs of each of our business divisions.

At the core of our training and development agenda is the Career Development Programme. Through this programme, employees undergo upskilling courses which cover topics in various key categories such as:



In addition, we offer programmes that are geared towards upgrading employees' skills thereby empowering us to adapt and thrive amidst our evolving operating environment. Training initiatives provided to our employees from all divisions include Expert Talk, Leader Teach Leader series as well as workshops and seminars offering insightful knowledge sharing on topics such as occupational health and safety, environmental awareness, soft skills development, project management and among others.

Our focus in training and development is undertaken as a concerted effort across our different business units. Similarly, our Healthcare Support division has continued with its Facilities Manager Development Programme which is aimed at upskilling Facilities Managers and to initiate the necessary steps in preparing a competent and certified manpower.

## SOCIAL VALUE CREATION

As part of our initiative to enhance our approach to training and development, the Group has continued to leverage on digital learning solutions. Solution such as our LEARN-on-the-GO ("LOTG") approach which was implemented within our Healthcare Support and Infrastructure Services divisions in 2021 has continued to gain traction and achieve its intended objective of providing our employees with convenient access to learning. Aiding this, we continue to leverage on our learning management system, Learn on Edge, which uses a self-paced learning approach to deliver knowledge to Edgenta Stars.

Beyond employee specific training programmes, we also run programmes for succession planning to ensure a strong leadership bench strength for the future of UEM Edgenta as an organisation. Through our Succession Plan framework, we have delivered various development initiatives such as our Executive Leadership programme, certifications and seminars, as well as coaching and mentoring sessions to further develop our identified talent pool as future leaders. Ultimately, we will continue our emphasis on continuous and further development of these identified talent as we view them as a key component for the Group to grow and prosper in the long-term.

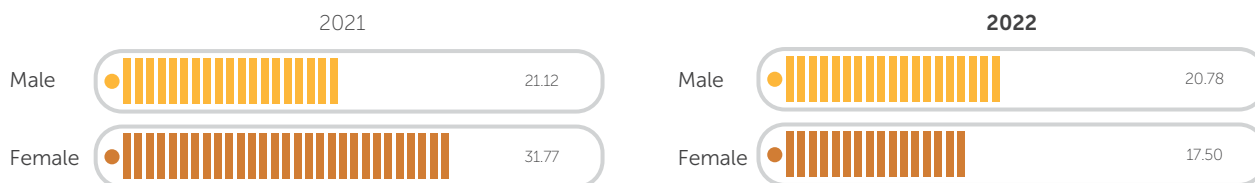
Besides, our transition assistance programme aims to assist employees with their pre-retirement planning, including by way of acquiring essential soft skills. By equipping them with additional skillsets and knowledge, their employability is enhanced, better enabling them to seek employment beyond their time with the Group.

Moreover, in supporting continuous learning amongst our employees, we also provide study leave, exam leave and long unpaid leave for any Edgenta Stars who are pursuing studies outside their employment. In 2022, we recorded a total of 313,898.5 hours of employee development training, with 99.1% of our employees fulfilling their training requirements, comparing well to our target of achieving between 85% to 89% completion.

Lastly, the Group also acknowledges that career development is a crucial component of an employee's growth and experience with us. Hence, our established Performance Management framework ensure that a performance appraisal exercise is carried out on an annual basis with its main component segregated between a formal development discussion held at the beginning of the year and performance follow-up session held at the mid-year and year-end point. All managers are trained and expected to follow up with employees under their supervision in order to give constructive opinions, provide coaching and support as well as to receive feedbacks from the employees. This approach allows for an effective two-way communication, beneficial for the development of the employee and the people manager.

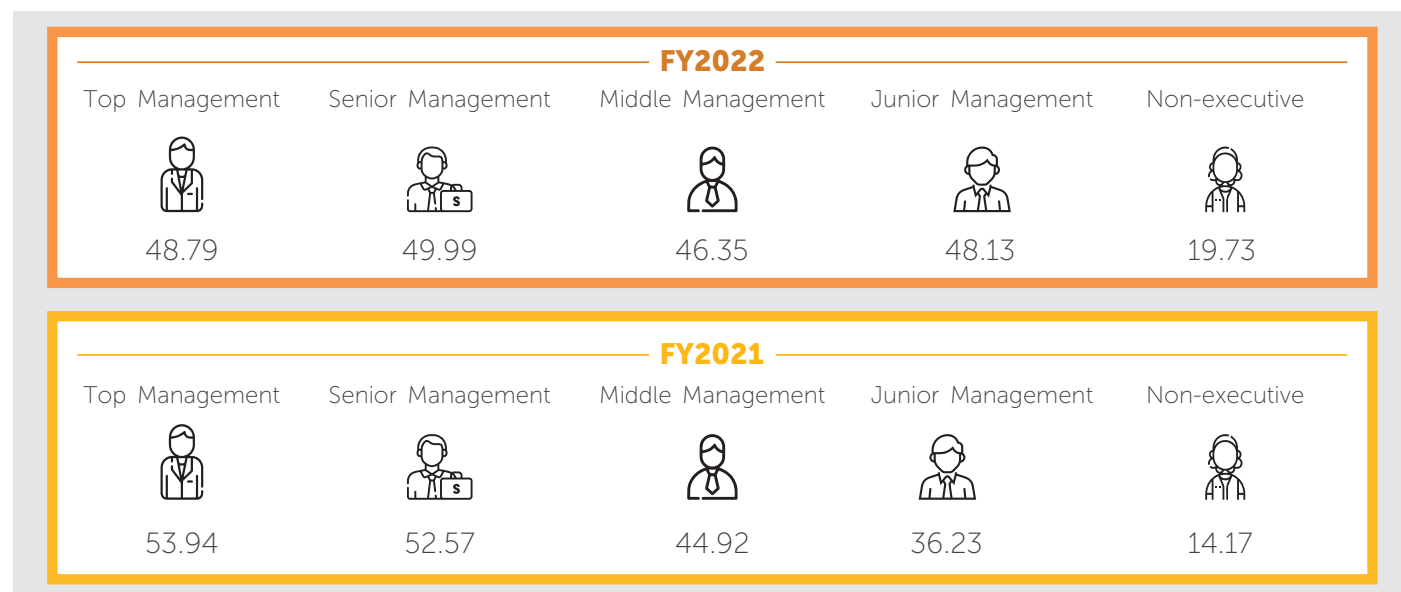
### a) Average hours of training that the organisation's employees have undergone during the reporting period, by:

#### i. Average Training Hours per Employee (by Gender)

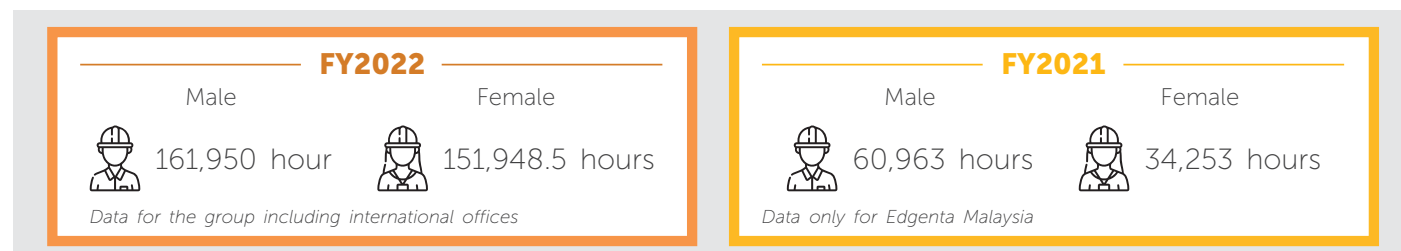


## SOCIAL VALUE CREATION

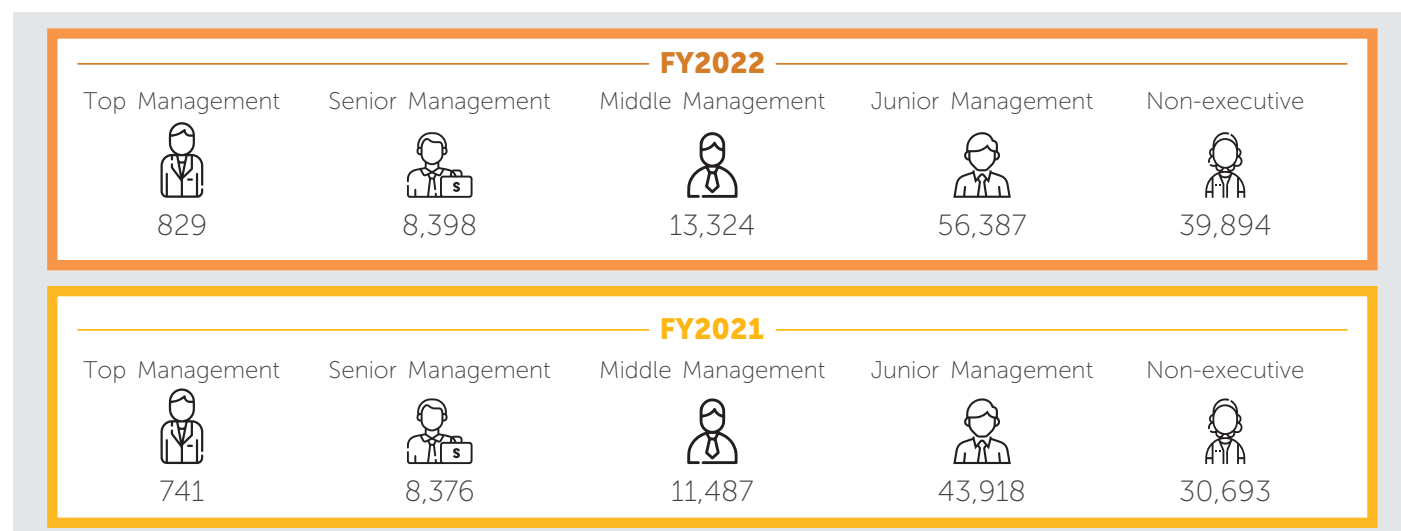
## ii. Average Training Hours per Employee (by Employee Category)



## iii. Total Training Hours of Employee (by Gender)



## iv. Total Training Hours by Employee Category

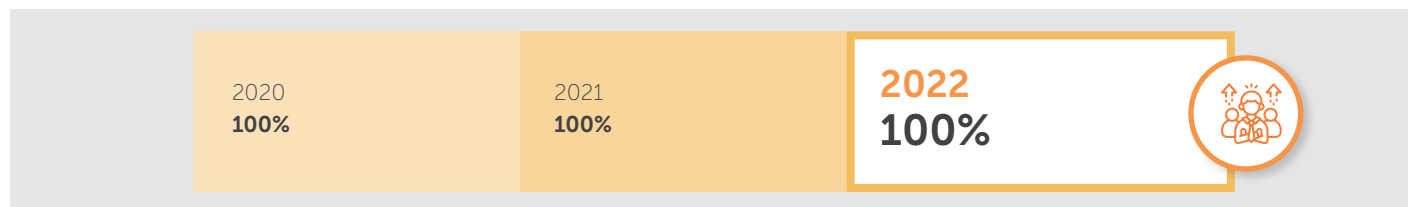


Figures disclosed last year for each of these categories were top management (34 hours), senior management (41 hours) and middle management (38 hours), junior management (31 hours) and non-executive (39 hours). The numbers have been restated this year to take into consideration the actual learning hours accumulated by employees in each category.



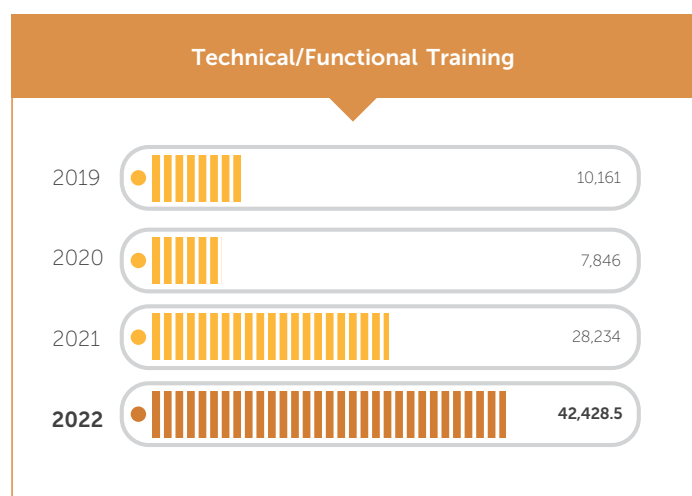
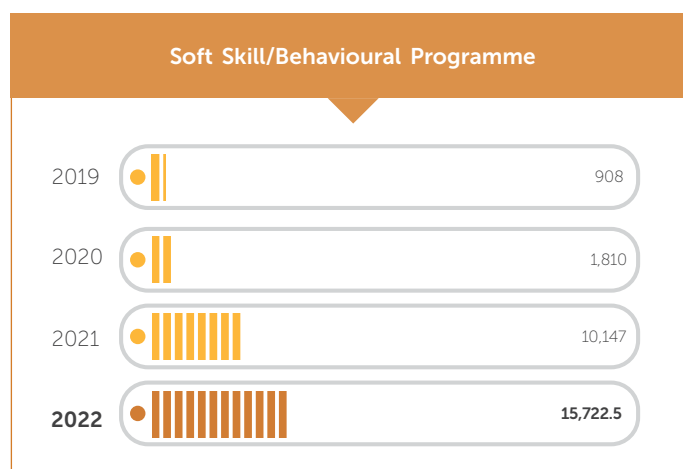
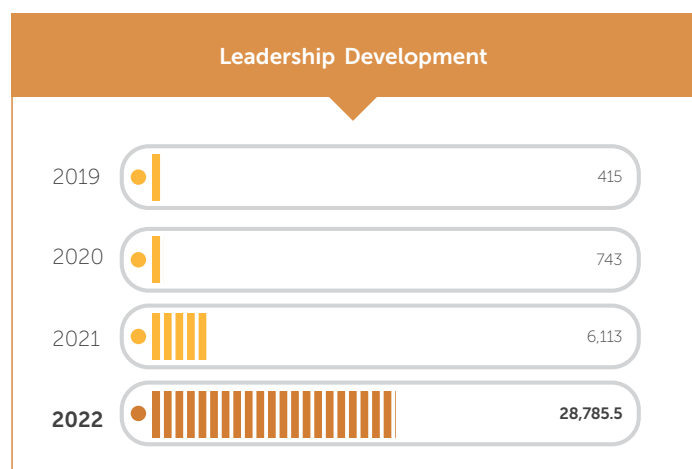
## SOCIAL VALUE CREATION

b) Percentage of total employees category who received regular performance and career development reviews during the reporting period



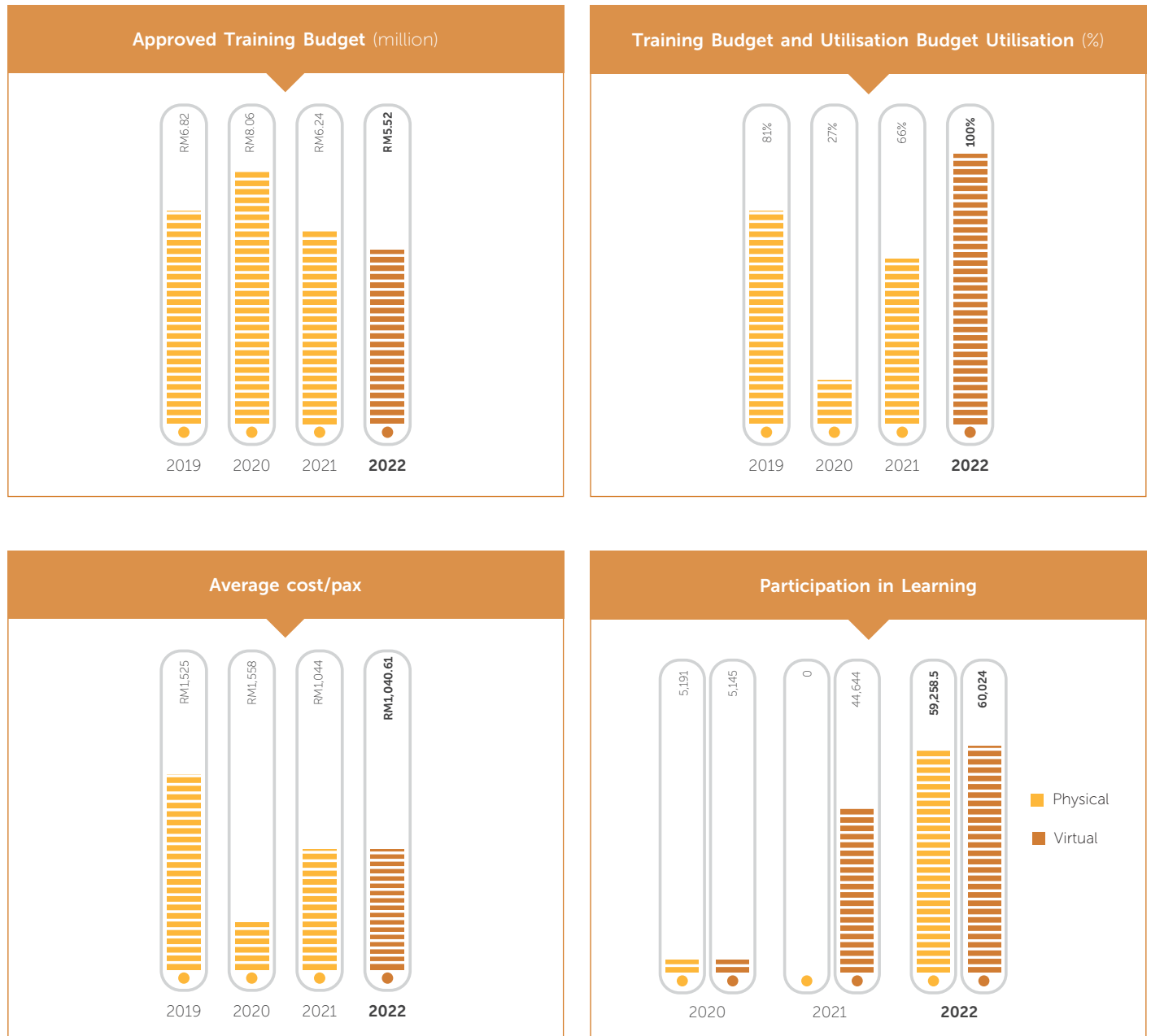
c) Skills and career development: (Detailed data only for Malaysia-UEM Edgenta)

- Employee training hours breakdown



## SOCIAL VALUE CREATION

## d) Training budget and utilisation: (Detailed data only for Malaysia-UEM Edgenta)



## SOCIAL VALUE CREATION

### Total Spent on Training and Education

2020  
RM2.1 million

2021  
RM4.1 million

**2022**  
**RM5.54 million**

*In 2022, Amount utilisation exceeded the approved budget due to amounts committed to in prior year being utilised in the current year (2022).*



### Percentage of Employees Who Received Training

2020  
3,878 (93%)

2021  
3,945 (98%)

**2022**  
**3,517 (95.7%)**

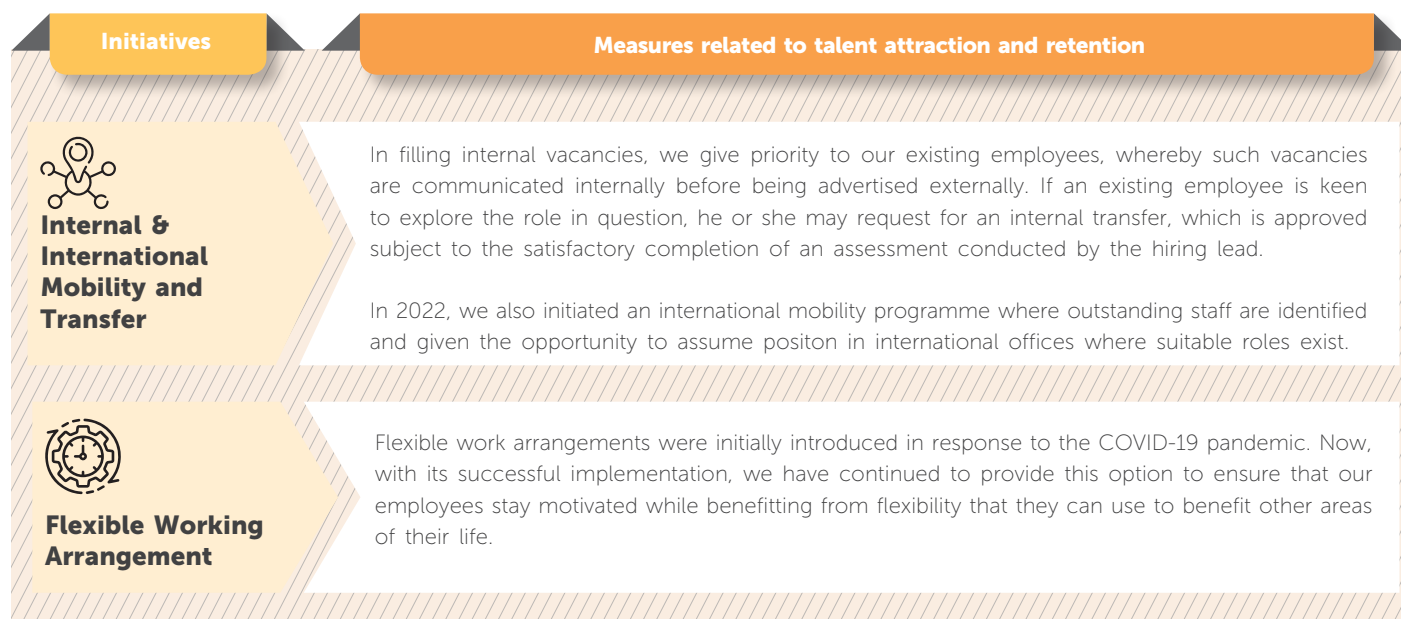
*Data for Edgenta (Malaysia Operations) only.*



Moving forward in 2023, UEM Edgenta will implement individual development plan which caters to all sections of our employees. Through this initiative, we hope that our employees will be more engaged and able to achieve their professional and personal aspirations during their employment at UEM Edgenta.

### Talent attraction and retention

Guided by our commitment to create an environment that motivates and values our employees, we have explored various initiatives that drive talent attraction and retention at the Group and divisional level. In addition, all our initiatives are also implemented in line with our effort to hire employees local to the area of our operations. The key initiatives carried out are illustrated in the diagram below:



## SOCIAL VALUE CREATION

## Initiatives

## Measures related to talent attraction and retention



### Rewards and Recognition

We also provide non-monetary recognition programmes for our employees with good performances. This is implemented through awarding of spot recognition tokens such as certificates, plaques, or monetary gift to well-deserving employees as a token of appreciation for their hard work and dedication.



### Programmes for Young Professional Employment

We currently conduct two distinct programmes which are aimed at providing working experience to students/fresh graduates:

- Graduate Trainee Programme (9 to 12 months): 48 participants in FY2022; and
- Internship Programme (3 to 6 months): 43 participants in FY2022.



### Employment Benefits

Our practice of allocating benefits to our employees is carried out in consideration of the different needs by employees from various groups. Employees are provided with a range of benefits and welfare such as parental leave, life insurance, healthcare and retirement benefits. During the year, a total of 190 employees (comprising of 43 male employees and 147 female employees) had utilised their parental leave. From that pool of employees, we managed to achieve a return to work after parental leave rate of 84%. Furthermore, we are continuing with our Edgenta Spending Account programme, which allocates employee with credits to spend on medical, wellbeing, and lifestyle benefits depending on their individual and flexible needs. To further enhance the programme, we are also planning on increasing the credit allocation based of the needs of different employee groups.

In addition, as a mark of our commitment to reduce organisational carbon footprint we will be introducing Electrical Vehicle Premium ("EV Premium") cards as the greener alternative to the current Petrol card benefit that is enjoyed by our employees. This is to further demonstrate our commitment to sustainability by encouraging eligible employees to transition to EV.

In addition, as our effort in embracing diversity and inclusivity, we will be extending the pilgrimage leave that we offer for hajj and umrah to all other pilgrimage journeys for staff of different faiths and beliefs.

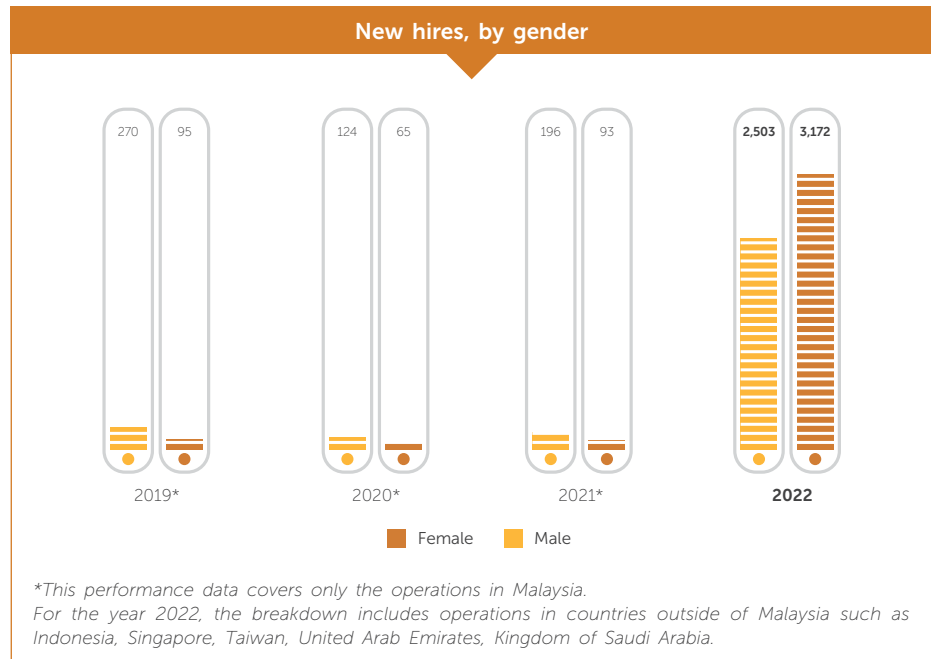
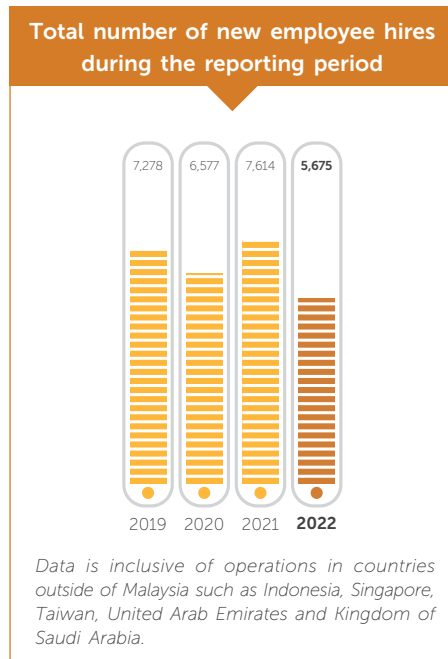


## SOCIAL VALUE CREATION

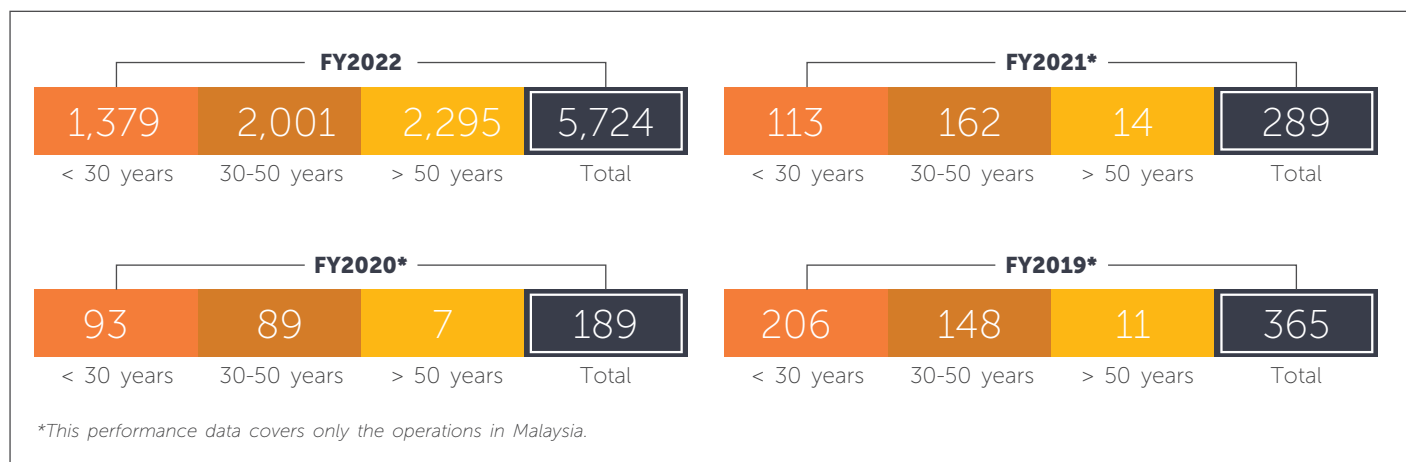
Key performance indicators on talent attraction and retention for the reporting period.

a) Our new hire rate and turnover rate by age group, gender and region for the year:

### Employment

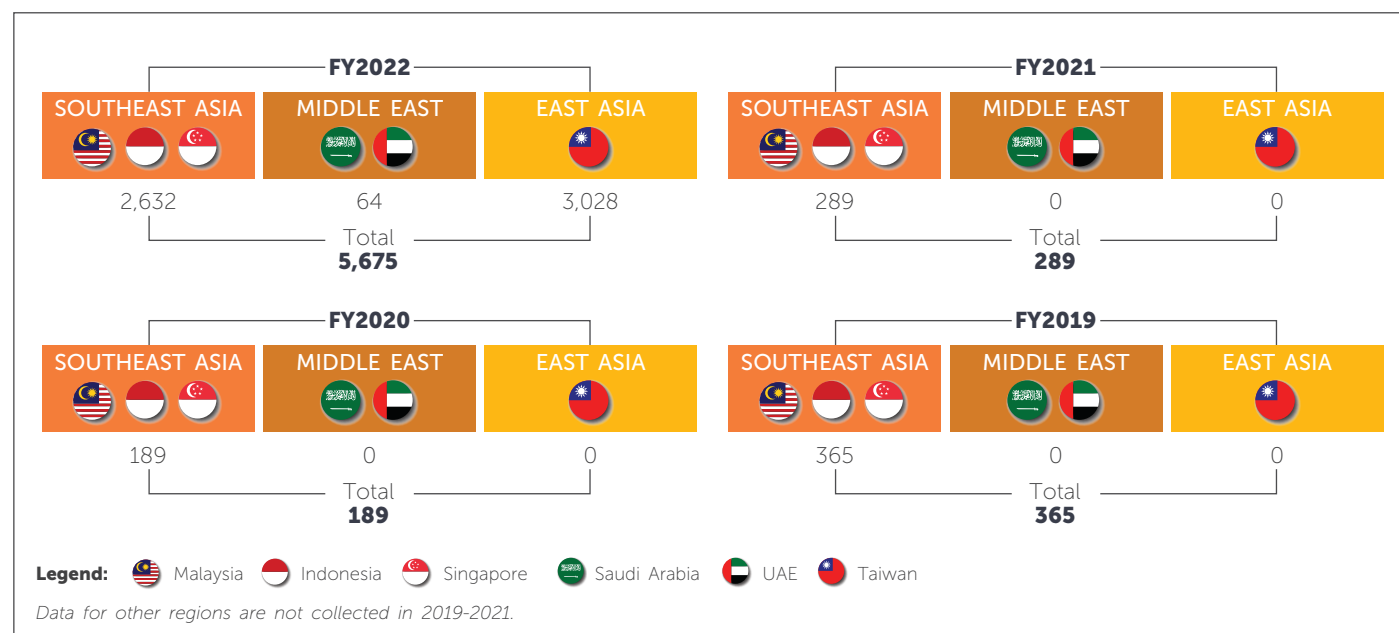


### New hires, by age group

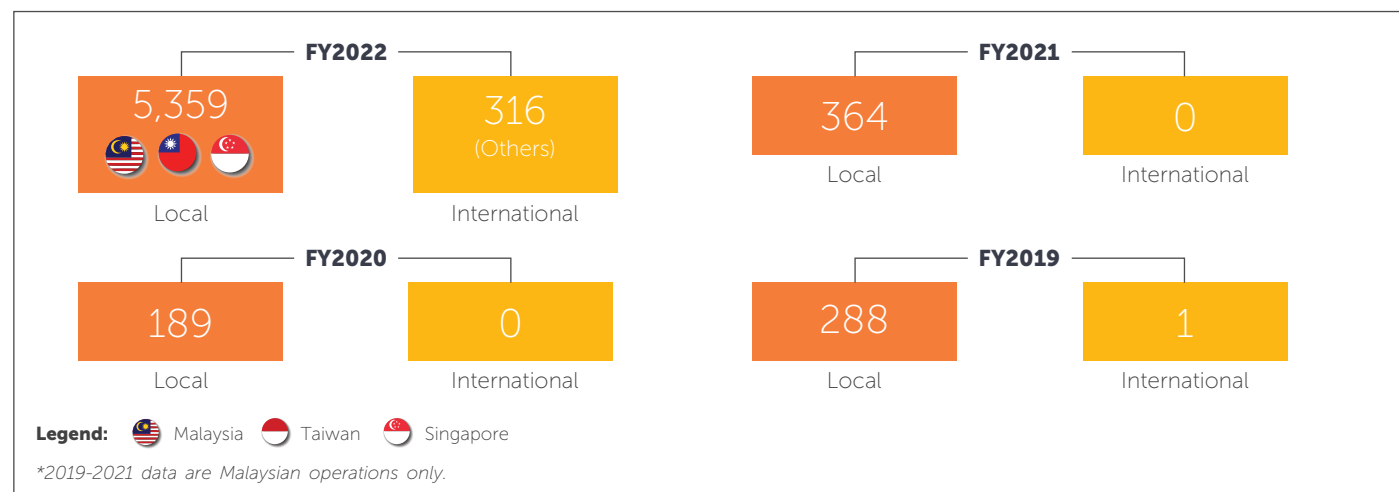


## SOCIAL VALUE CREATION

## New hires, by region (countries)

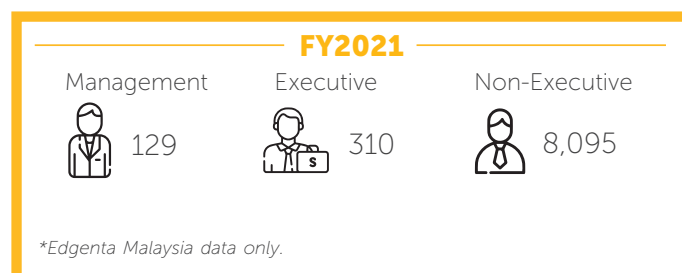
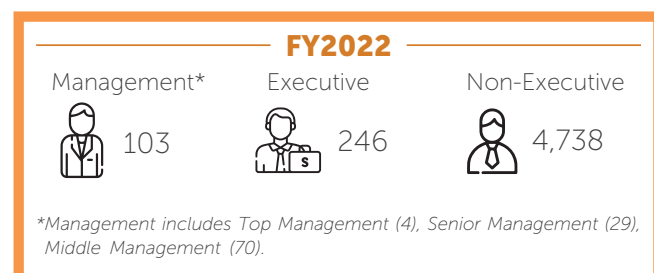


## New hires by nationality



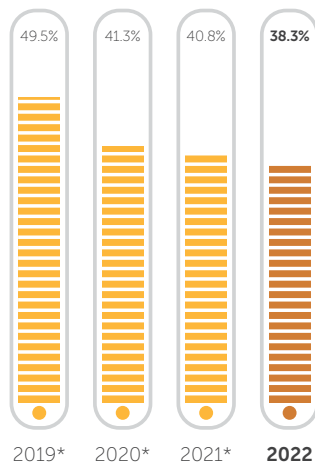
## b) Total number and percentage of employee turnover during the reporting period, by nationality, age group, gender and region:

## Total number of Group resignation



## SOCIAL VALUE CREATION

### Total Percentage of Employee Turnover



\*This performance data covers only the operations in Malaysia.

### Turnover by Nationality



### No. of Turnover by Gender

	FY2019*	FY2020*	FY2021*	FY2022	
Voluntary turnover	188	156	182	2,124	
	74	60	76	2,963	
	<b>262</b>	<b>216</b>	<b>258</b>	<b>5,087</b>	
Non-voluntary turnover	70	101	186	658	
	25	23	25	454	
	<b>95</b>	<b>124</b>	<b>211</b>	<b>1,112</b>	
Voluntary and non-voluntary turnover	258	257	368	2,782	
	99	83	101	3,417	
	<b>357</b>	<b>340</b>	<b>469</b>	<b>6,199</b>	

\*This performance data covers only the operations in Malaysia.

### No. of Turnover by Age Group

#### Voluntary turnover

	< 30 years	30-50 years	> 50 years	Total
<b>FY2022</b>	1,057	1,879	2,151	<b>5,087</b>
<b>FY2021*</b>	71	147	40	<b>258</b>
<b>FY2020*</b>	55	116	45	<b>216</b>
<b>FY2019*</b>	97	116	49	<b>262</b>

#### Non-voluntary turnover

	< 30 years	30-50 years	> 50 years	Total
<b>FY2022</b>	273	417	422	<b>1,112</b>
<b>FY2021*</b>	7	48	156	<b>211</b>
<b>FY2020*</b>	24	46	54	<b>124</b>
<b>FY2019*</b>	32	34	29	<b>95</b>

#### Voluntary and non-voluntary turnover

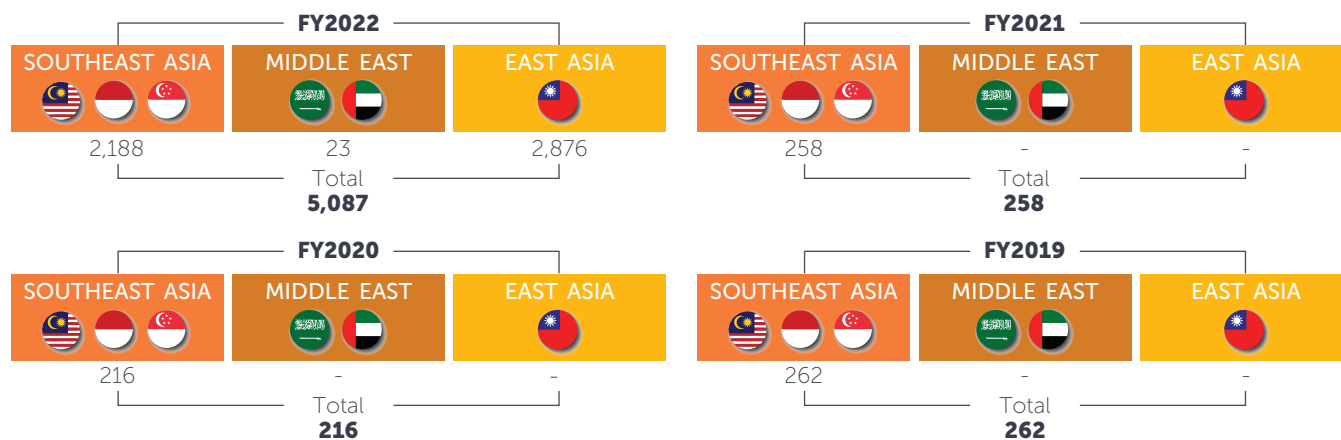
	< 30 years	30-50 years	> 50 years	Total
<b>FY2022</b>	1,330	2,269	2,573	<b>6,199</b>
<b>FY2021*</b>	78	195	196	<b>469</b>
<b>FY2020*</b>	79	162	99	<b>340</b>
<b>FY2019*</b>	129	150	78	<b>357</b>

\*This performance data covers only the operations in Malaysia.

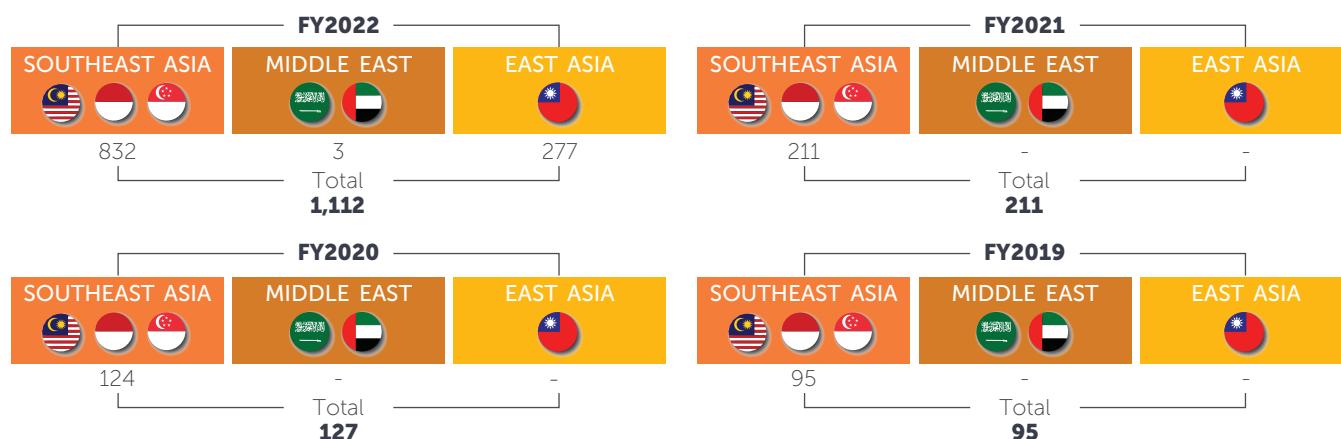
## SOCIAL VALUE CREATION

## No. of Turnover by Region (Countries)

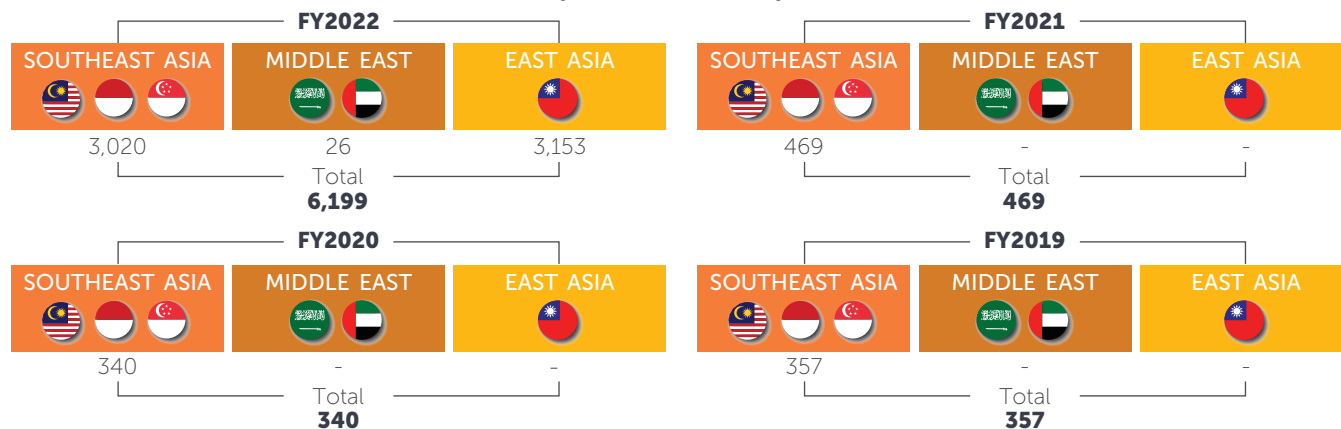
## Voluntary Turnover



## Non-Voluntary Turnover



## Voluntary and Non-Voluntary Turnover



**Legend:** Malaysia Indonesia Singapore Saudi Arabia UAE Taiwan

Data FY2019 - FY2021 in other regions are not collected.

[illegible]



## SOCIAL VALUE CREATION

## d) Utilisation of parental leave by our employees during the year

	2020		2021		2022	
	M	F	M	F	M	F
a. Total number of employees that are entitled to parental leave, by gender	2,448	737	2,423	763	2,286	747
b. Total number of employees that took parental leave, by gender	133	49	127	55	147	43
c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender	131	48	124	54	137	40
d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	N/A	N/A	123	45	104	45
e. Return to work and retention rates of employees that took parental leave, by gender	N/A	N/A	94%	94%	84%	84%

<sup>1</sup> This refers to the locations whereby the Group has established a presence through the setting up of an office.

The performance data in the table above covers only the operations in Malaysia.

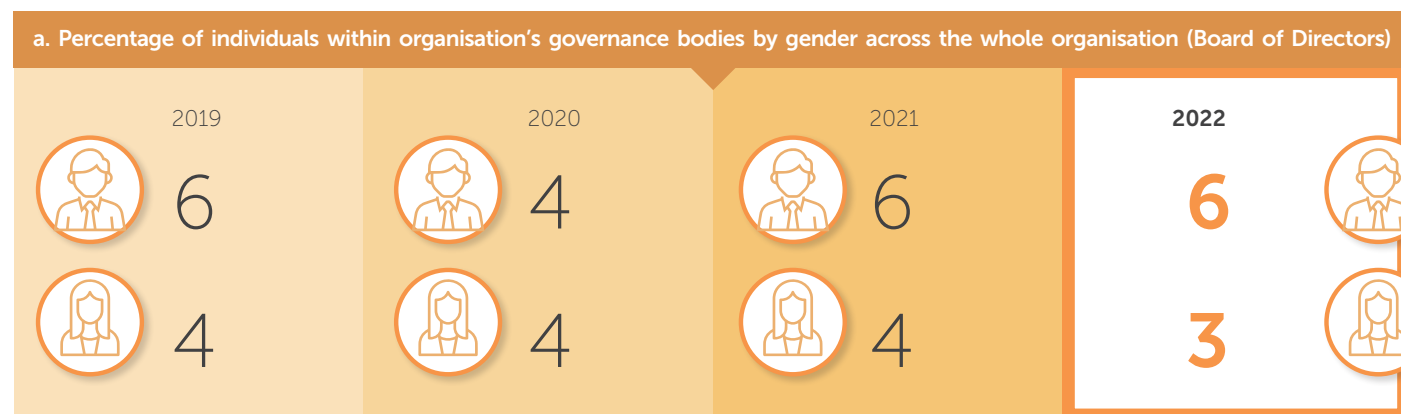
In this year's disclosure, we have defined employees entitled to parental leave to employees with married status only.

## Diversity and inclusion

As our business spans multiple countries, nurturing a diverse workforce from various backgrounds is central to achieving our objectives and driving the sustainability of our business. With this in mind, we have worked towards creating an environment where all employees are respected and accepted.

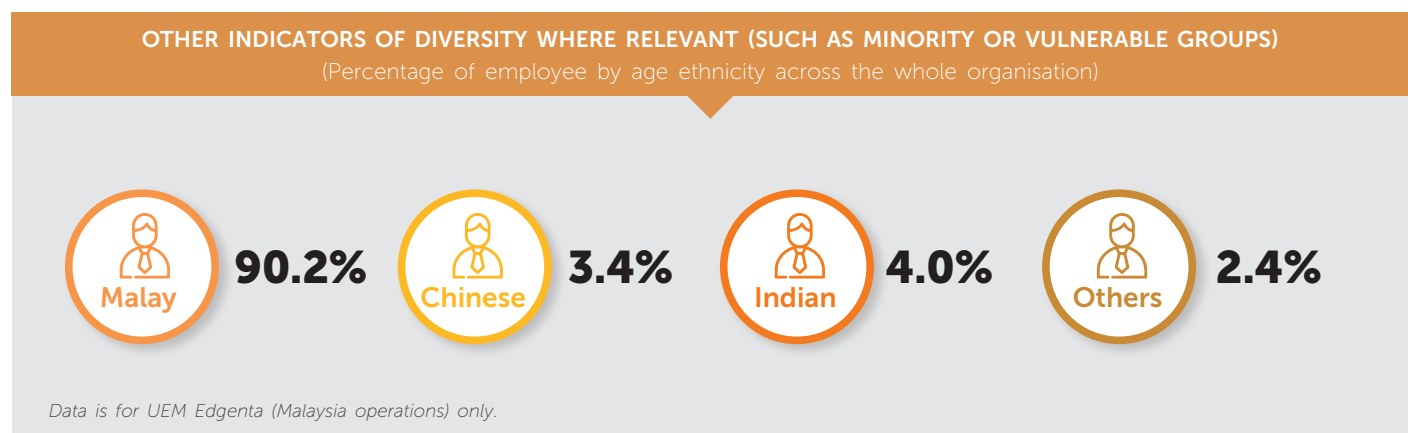
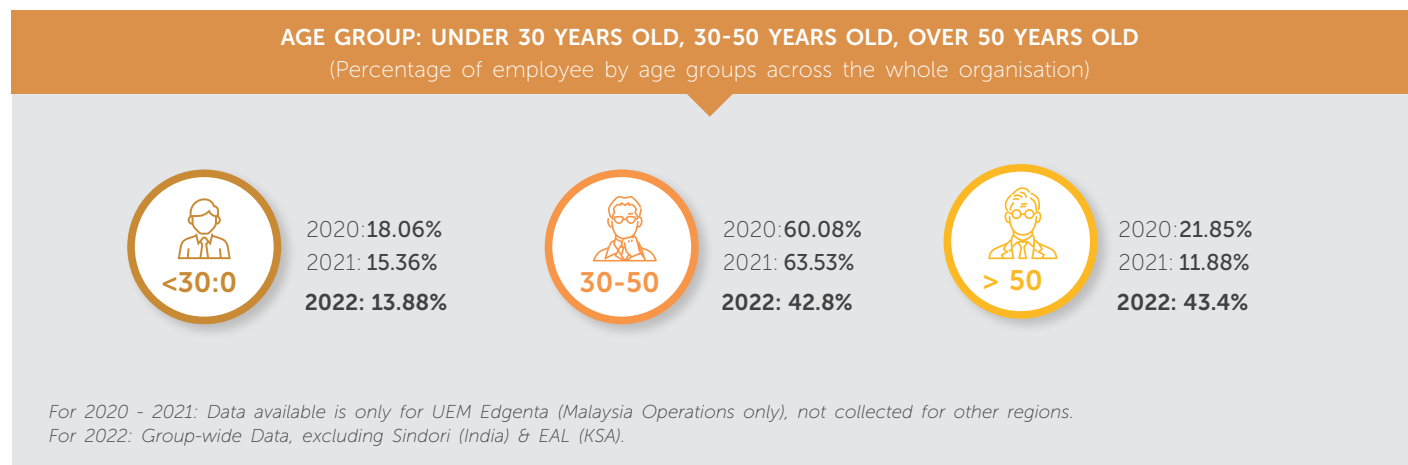
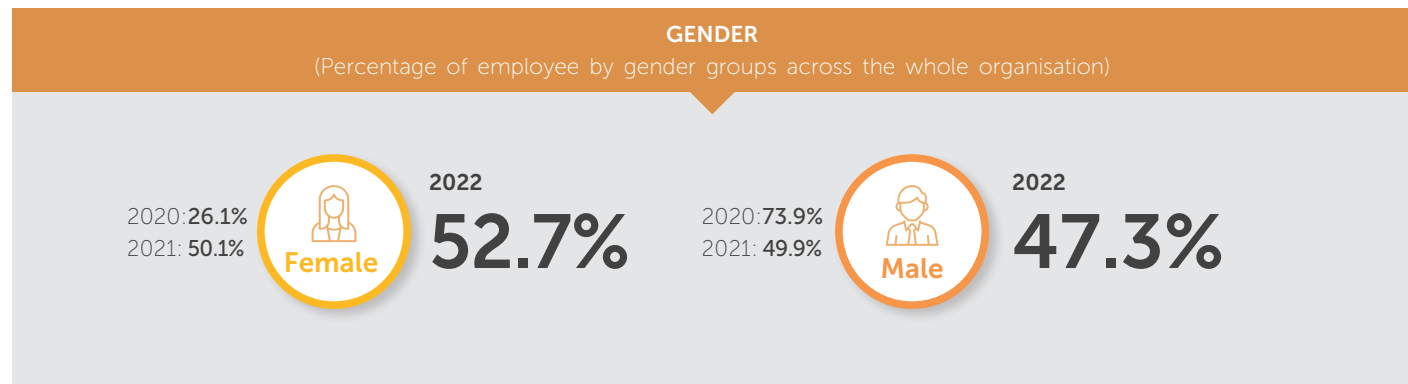
Our principles on diversity and inclusion are further embedded within our Code of Conduct, which expressly prohibits employees from engaging in any unwarranted verbal, visual, psychological, physical or other conduct that is intimidating, offensive, abusive or hostile to other employees. We do not tolerate discriminatory behaviour either when we hire new employees or in our daily interaction with each other. In addition, we have proactively communicated with our employees that any form of discrimination or harassment shall be reported via our grievance procedures or through our whistleblowing channel in order to ensure immediate and strong actions against the offender. Besides, in order to further expand on our commitment to support overall inclusiveness within our operations, the Group is currently in the midst of developing a Diversity, Equality and Inclusion Policy. For the reporting period, we are pleased to disclose that no incidents of discrimination or harassment have been reported and dealt with by our Risk Integrity & Compliance and Human Resource teams.

The diversity and inclusivity of our Company is reflected by:



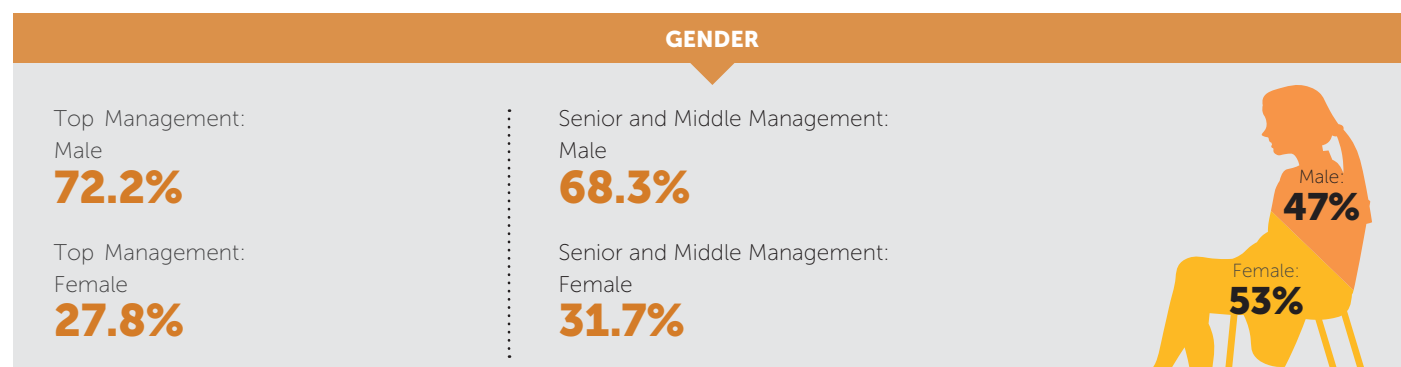
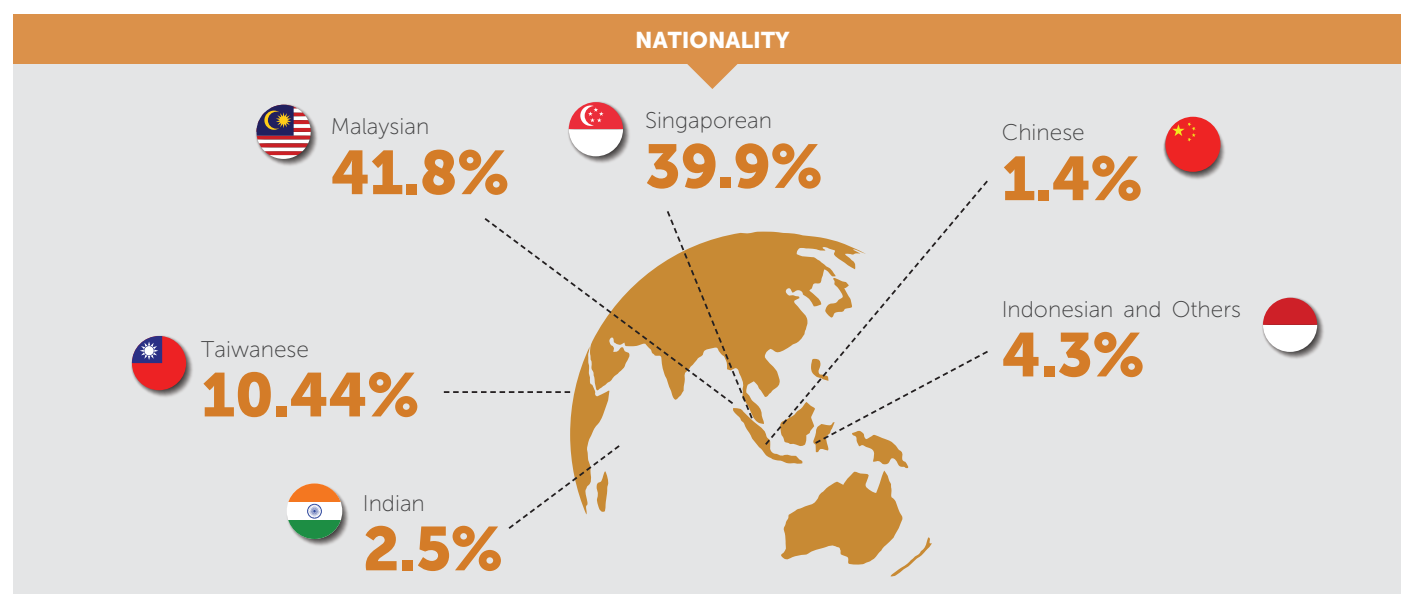
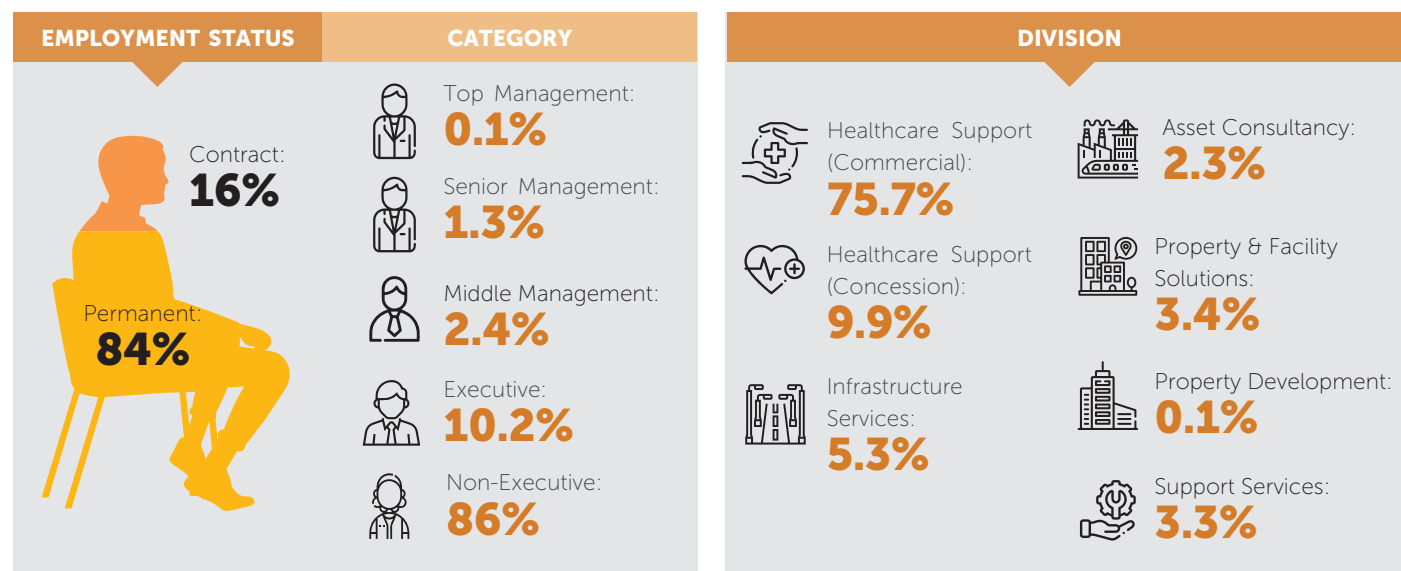
## SOCIAL VALUE CREATION

b. In Percentage of employees per employee category in each of the following diversity categories:



## SOCIAL VALUE CREATION

c. Breakdown of our workforce for FY2022 by:



## SOCIAL VALUE CREATION



### Engaging our employees

Our employee engagement activities are primarily anchored on achieving a holistic sense of wellness across physical, emotional, financial, workplace and environmental dimensions, through which we aim to motivate a pool of committed, competent and content individuals.

One of our key initiatives is the Edgenta Innovation Programme. The programme consists of three main components - the Idea Bank, the Innovation Passport Learning Series and the Innovation Month – with the primary intention of inspiring our employees to drive innovation in their work. In doing so, the programme encourages our employees to look beyond their daily work routines and explore innovation in areas that may have an impact personally and to the wider ecosystem of the Group. In addition, the programme is equipped with elements that are designed to trigger the development of ideas, stimulate organic self-motivation and encourage a sense of inclusivity. Therefore, it has the potential to not only have a constructive impact on our employees but also to positively influence our stakeholders.

## SOCIAL VALUE CREATION

During the year in review, a total of 1,700 employees participated in this programme, accumulating a total of 13,110 learning hours. In addition, we successfully generated 159 new business ideas through the programme, with 12 ideas being shortlisted for further evaluation on feasibility of implementation. With that, the programme has achieved its objective of fostering a culture of innovation among our employees, while also making an indirect impact by significantly increasing awareness on the benefits of learning and self-improvement. This is evidenced by all departments reporting that 95%-100% of their employees have fulfilled their dedicated learning hours through our training platforms and modules.

Overall, the Group has targeted an engagement score of 67% to 71% and achieved an actual score of 71%.

Further to this, we have also earmarked enhancements to our Employee Engagement Survey whereby our Engagement Score will be increased gradually over the next few years. This will enable us to better capture the real issues that our employees face and ensure we take the right actions in response.

Moving forward to 2023, UEM shall continue our emphasis on developing the capabilities of Edgenta Stars with programmes tailored to their essential workplace job competencies and to support and enable our human capital to perform at the optimum level. Additionally, there will be a greater focus in upholding our sustainability aspiration around human rights whereby more awareness and education programmes will be conducted across the organisation. Lastly, we are committed to provide a positive and meaningful working experience for Edgenta Stars across all employee levels and shall continue to enhance our engagement initiatives.

### LIST OF EMPLOYEES ENGAGEMENT PROGRAMMES 2022

- |   |  |
|---|--|
| ▶ HR Roadshow   | ▶ Edgenta Raya Open House  |
| ▶ Penghayatan Maulidur Rasul                            | ▶ UEM Edgenta Sports Recreational Club activities Swimming Class |
| ▶ Badminton Tournament                                  | ▶ Paintball Game   |
| ▶ Edgenta Chinese New Year Celebration                  | ▶ Running Clinic   |
| ▶ Launch of Edgenta WoW                                 | ▶ FIRST Recognition Programme                                    |
| ▶ Webinar: Green Homes Programme                        | ▶ FIRST Immersion Session with International Business            |
| ▶ Being A Good Listener To Those Around You Crisis Comm | ▶ Hari Hipertensi Sedunia  |
| ▶ Hari Tanpa Tembakau Sedunia                           | ▶ Heart to Heart Ensuring Our Heart Is Safe                      |
| ▶ Helping Children Build Their Emotions                 | ▶ How to Achieve Self- Empowerment                               |
| ▶ How to Stay Fashion Forward                           | ▶ Intermittent Fasting   |
| ▶ No Pain, No Gain and Get Leaner                       | ▶ Ramadhan Ready, Set, Go!                                       |
| ▶ The Month of Giving                                   | ▶ The Ways to Manage Your Pets                                   |



## SOCIAL VALUE CREATION

### Customer Satisfaction



#### UPHOLDING OUR COMMITMENT TO CUSTOMER SATISFACTION

Our customers are a fundamental stakeholder and their satisfaction heavily influences our success and growth. With this in mind, we impress on our people the imperative of ensuring the highest level of customer satisfaction and always ready to address any feedback or complaints that are received.

We currently practice two key approaches in gathering feedback from our customers. Firstly, through a passive approach, feedback and complaints from our customers are reported directly to our management team (i.e. sales and administrative personnel), upon which the matter reported is reviewed, deliberated and addressed while a reply is provided to the customer that has submitted the report. Secondly, we have also adopted a proactive approach whereby we disseminate a Customer Satisfaction Form to customers every six months. From this survey, all feedback received is compiled within a dashboard and presented during the next management review meeting. Where necessary, the respective Person in Charge for the business unit in question is tasked with addressing the gaps identified or developing an enhancement to the process that has caused the dissatisfaction.

In order to ascertain that the necessary safeguards are in place to maintain the safety and privacy of our customers' data, we have made continuous improvement over the development and monitoring of our practices that ensure the protection of data confidentiality. With that, the current Customer Satisfaction Survey ("CSS") exercise which generates a Group-wide CSS Score, has been incorporated as a crucial component of our corporate scorecard's KPIs. Based on the CSS Score, our business units are able to continually monitor the quality of their products and services and the quality of their customer relationships.

For the reporting period, we achieved an overall average CSS score of 88%.

## SOCIAL VALUE CREATION

## Human Rights Assessment



## ALIGNING OUR STANCE ON HUMAN RIGHTS

The issue of human rights is vital across our value chain and we commit to complying with all local and international laws on forced labour, child labour and labour rights. To this end, we comply with the following regulations that enforce a strict prohibition on the employment of children and young persons or the use of forced labour in a company's operation:

1

**Protocol of 2014 to the Forced Labour Convention, 1930**

2

**Children and Young Persons Act 1993 – Singapore**

3

**Children and Young Persons (Employment) Act 1966 (Act 350) – Malaysia**

4

**The Protection of Children and Youths Welfare and Rights Act – Taiwan**

5

**UAE'S Labour Law – The UAE**

Our commitment is showcased within our employment practices and incorporated into our Code of Conduct and we strongly expect the same level of commitment from parties within our supply chain, safeguarding this intention through the implementation of our Business Partner Code of Conduct. Partners in our supply chain are required to comply with all applicable labour, employment and human rights legislation encompassing but not limited to minimum wage, minimum age for employment and maximum hours of work. In addition, vendors are required to pledge their responsibility in safeguarding basic human rights practices via our Vendor Letter of Declaration.

The Group recorded zero confirmed cases of forced, indentured, bonded or involuntary labour at our project sites or in operation offices. Furthermore, there were zero incidences of child labour in our project sites and similarly, there were zero incidents of discriminations or breaches related to freedom of association and collective bargaining during the year.

## SOCIAL VALUE CREATION



Further to this, we have committed to other international guidelines such as the UNSDG Decent Work and Economic Growth guidelines, which strive to protect labour rights and promote safe and secure working environments for all workers. Meanwhile, we have also assessed and allocated resources to engage with union advisors, enabling us to better understand employee concerns and effectively address any issues or enhancement opportunities in our employment practices.

Similarly, the Group has put in place a Whistleblowing Policy to provide an avenue for any parties to raise or report legitimate concerns about any actual or suspected unwarranted treatment of employees at the earliest opportunity for investigation. This will allow the necessary transparency and objectivity in identifying and addressing any risk of human rights issues.

During the year in review, we also conducted HR roadshows (Talk on Human Rights), which covered issues that included human rights, human rights at the workplace, human rights wages, fair working hours, diversity, equity and inclusion (DEI) and non-discrimination. The roadshow was held in 4 regional sites, Menara UEM (HQ), Johor, Perak and Penang, with a total attendees of 278 pax. As an overall average, the attendees rated the session at 3.75/4.

At present, we do not maintain a standalone policy on human rights, slavery and human trafficking. However, we look forward to incorporating a formal testament on human rights into our Business Code of Conduct in the near future.

## SOCIAL VALUE CREATION

## Local Community

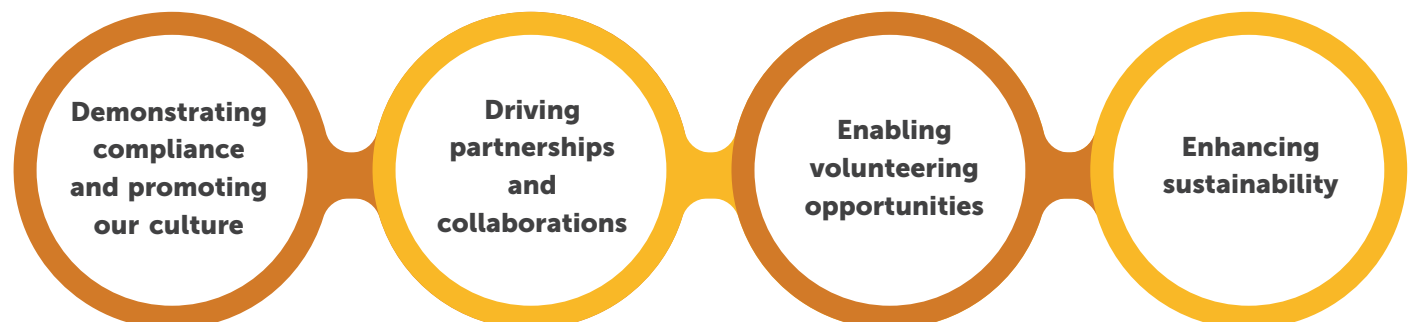


## CONTRIBUTING TO OUR LOCAL COMMUNITIES

At UEM Edgenta, we believe in the paramount importance of contributing to the communities within the areas where we operate. To this end, we have focused our driving initiatives under three focus areas:



With these key focus areas in mind, we have established the following guiding principles which guide the implementation of our CR programmes:





## SOCIAL VALUE CREATION

### EDUCATION

We embrace opportunities to enhance the accessibility, quality and effectiveness of education for local communities, cognisant that a good education is a strong foundation for personal success. With that, our efforts are focused on programmes that deliver key knowledge and skillset development across all tiers within the local communities.

During the year in review, we carried out the following initiatives:

#### i. Back to School "Riang Ria" Programme

- This programme provides assistance to our employees in the low-income group
- Essential school supplies are provided, helping these families equip their young one(s) for school
- Since its launch in 2020, we have contributed school supplies to 1,982 Edgenta Stars and 3,177 children
- In FY2022, our contribution to this programme amounted to more than RM154,000, amounting to a total contribution of more than RM450,000 since the programme's inception in 2020

#### ii. Refurbishment of Sekolah Kebangsaan Wan Sulaiman Siddiq, Kedah

- Contributions to support the school's refurbishment project fund which was initiated for the purpose of repainting the façade walls and gates as well as purchasing tables and chairs for the common areas of the school



### COMMUNITY ENRICHMENT AND WELL-BEING

This pillar is the most fundamental within our CR framework as it focuses on driving our ambition to contributing back to the surrounding communities, thus making a positive impact through our presence.



During the year in review, we contributed to the following initiatives:

#### a. Festive Celebrations

##### i. 'Jalanan Kasih Ramadan Edgenta'

- Edgenta Stars treated 20 children from Teratak Che Dah, Rawang Selangor to a shopping spree in conjunction with the Hari Raya celebrations, while also providing them with meals for the day and a cash contribution
- Contributed food, monetary assistance and COVID-19 RTK test kits to Masjid Ar-Rahah, Masjid Al-Ikhlasih and Masjid Jamek Al-Khadijah in Pantai Dalam, Bangsar, benefiting a total of 240 asnaf recipients
- Provided iftar meals to 1,200 frontliners within our operations network across 12 hospitals in Kedah, Perak and Penang
- Contributed basic provisions and monetary assistance to 20 children at Pusat Jagaan Anak Anak Yatim dan Miskin Nurul Iman in Ipoh, Perak and to 25 children at Pertubuhan Kebajikan Anak Anak Yatim/Miskin, Tahfiz Al Furqan in Baling, Kedah



## SOCIAL VALUE CREATION

### iii. Site clearance at Sekolah Kebangsaan Lutong in Miri, Sarawak

- Conducted site clearing, backfill and leveling of land at Sekolah Kebangsaan Lutong, enabling the school to better provide co-curricular activities to its students, which also benefited the surrounding community at large

### iv. Other Key Initiatives

- Supported the Eco-School Programme by Green Growth Asia Foundation, a project-based learning programme for primary and secondary schools on local environmental issues

Expanding our efforts within this pillar, we plan to expand our internal programme to external stakeholders while allocating additional resources to educational causes. We also aim to establish strong partnerships with governments, businesses, non-profit organisations and civil society to strengthen the outreach and impact of our programmes and its deliverables. All the while, we will continue to evaluate the effectiveness of our programmes and make necessary adjustments to ensure they continue to meet the needs of the local communities in question.



### ii. Deepavali Celebration

- Provided shopping vouchers and traditional cookies for 40 children from SJK (Tamil) Jalan Bangsar and SJK (Tamil) Ladang Seafield

### iii. Hari Merdeka

- Provided in-kind contributions (i.e. food offerings) to the Police Department and Fire Department in Lembah Pantai as a token of appreciation

### b. Disaster Relief Efforts

- Donated RM40,000 worth of supplies to the Putrajaya and Lembah Pantai Fire Departments in preparation for the year-end monsoon season. The assistance include safety jackets, raincoats, food and drinks and other necessities, benefiting approximately 7,000 beneficiaries whose livelihoods may have been affected by the floods
- Donated monetary contribution to the fire victims in Gombak, Selangor to assist with the rebuilding of a new house

## SOCIAL VALUE CREATION

### c. Other Key Initiatives

- i. Organised various programmes that benefited 10,822 asnaf recipients under the Al-Gharimin, Fisabilillah and Asnaf Miskin categories in accordance with Majlis Agama's requirements
- ii. Contributed 1,000 COVID-19 saliva test kits and video conferencing equipment to the Ministry of Health
- iii. Contributed five cows to the community of Hulu Langat to carry out the "ibadah korban" in conjunction with the Hari Raya Korban
- iv. Monetary contributions for Misi Keluarga Wawasan Everest 2022 in collaboration with Yayasan UEM to support people with disabilities and uniformed body forces on their planned Mount Everest expedition



## ENVIRONMENT

Empowered by a strong and deeply held environmental consciousness, we constantly strive to make a positive impact on the environment wherever possible, thereby protecting and safeguarding the natural ecosystem and its biodiversity.

During the year in review, the Group embarked on the following environmentally-themed community programmes:

### a. Zoo Negara Animal Adoption Programme

- We have adopted a pair of giraffes - Mas Boy and Mas Kira - since 2020, during which time we have contributed to the giraffes' annual welfare, provision of food supply and veterinary care
- In 2022, we deployed 60 of our employees to volunteer in the 'Glow the Zoo Negara' initiative, which aims to improve the landscape within Zoo Negara. Our volunteers participated in initiatives including the painting of the zoo's bridge area and road curbs and the cleaning of animal enclosure areas, benches, drains, fences and some light modification work
- Through this programme, we have invested more than RM74,000 towards the welfare of the giraffes and other contributions in related activities

### b. Beach Clean-Up Programme

- We collaborated with Dungun Municipal Council to organise a beach clean-up event with the local community at Pantai Teluk Bidarain in Dungun, Terengganu
- The programme, themed "Sayangi Pantai Kita", was participated in by over 70 volunteers including our employees, local authorities, non-government organisations and the local community
- Through the event, we managed to successfully collect a total of 370 kg of waste along the 600 m stretch of beach
- We also sponsored a public awareness signboard to encourage the community to better care for the environment when present at the beach
- With the objective of promoting a safe and clean beach as a recreational place, as well as raising public awareness on the conservation of our marine ecosystem, we contributed a total of RM6,500 to the programme

Looking forward, we plan to organise more events and initiatives while exploring new partnerships with NGOs and organisations that share a similar purpose and interest. This approach will allow us to leverage a larger pool of resources and target a wider audience. Likewise, with this approach, we hope to inspire our employees to commit to volunteering more of their time and efforts to such environmental causes.



## SOCIAL VALUE CREATION



Moving forward, we plan to expand our outreach in order to assist other vulnerable groups and deserving communities in East Malaysia and within other states across our network. In addition, in order to develop and tailor initiatives with better impact, we will continue to engage with communities via direct interaction, surveys and focus groups. As a result, we hope that we will be able to contribute to a wider variety of needs within local communities.

