



Boustead Holdings Berhad
(A member of LTAT Group)

REPLANTING THE SEEDS OF SUSTAINABILITY

SUSTAINABILITY REPORT 2020





REPLANTING THE SEEDS OF SUSTAINABILITY

The theme of this year's Sustainability Report, "Replanting the Seeds of Sustainability", goes hand-in-hand with the Group's Reinventing Boustead strategy. The green paddy field featured on the cover signifies the seeds of sustainability for Boustead Group, which are integrity and sincerity. We believe a firm root in integrity provides a solid foundation for our continued delivery of value in the long term.



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ABOUT OUR REPORT

THE REPORT

Boustead Holdings Berhad's (BHB) 2020 Sustainability Report is representative of the Group's dedication and commitment to communicate our efforts in managing the sustainability risks and opportunities that we face to our varied stakeholders in a transparent manner.

Our Sustainability Report incorporates a detailed account of our impact and progress in terms of our sustainability performance. This Report should be read together with BHB's 2020 Annual Report, which provides an extensive review of the Group's overall performance during the year.

REPORT SCOPE AND BOUNDARY

This year's Report encapsulates the most important sustainability information for the reporting period 1 January 2020 to 31 December 2020. Consistent with financial reporting standards, all monetary value is reported in Ringgit Malaysia (RM).

In order to produce an accurate representation of our sustainability efforts, the scope of this Report has been confined to entities the Group has management control over in terms of the implementation of the Group's Sustainability Policy. This Report includes the operations of Boustead Group, which reflects entities that the Group holds equity in and extends beyond Malaysian shores to involve overseas subsidiaries as well. Associate companies and non-controlling Joint-Venture (JV) companies are not included in this Report.



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REPORTING FRAMEWORK

The scope of reporting remains mostly unchanged from 2019. Two subsidiaries under the Heavy Industries Division, Pyrotechnical Ordnance (Malaysia) Sdn Bhd and Dominion Defence & Industries Sdn Bhd ceased operations in 2020 and hence, are not reported on.

This Report has been developed according to Bursa Malaysia Main Market Listing Requirements (Practice Note 9) and guided by the Bursa Malaysia Sustainability Reporting Guide.

We have referenced the Global Reporting Initiative (GRI) Standards in developing this Report. The GRI Content Index is reflected on pages 108 through 113. This Report aims to provide a balanced overview of the Group's material topics and related impact. It applies the GRI principles of Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness.

ASSURANCE

Boustead Holdings Berhad's Board Sustainability Committee is cognisant of the critical responsibility it is charged with in safeguarding the integrity of the Report. The Board employs good governance practices and adheres to internal reporting procedures in the review of this Report. Prior to the Board's review, this Report was carefully examined by Boustead Holdings Berhad's Sustainability Management Committee (SMC).

We have studied our reporting process internally and will be undertaking the required action to improve. We are looking to establish third-party assurance for selected sustainability indicators in the next cycle of reporting.



ABOUT OUR REPORT



ENHANCEMENT THIS YEAR

We expect our Sustainability Report to evolve over time as we continue to improve on our sustainability reporting. This year we are able to provide year-on-year comparison for more performance indicators, with our 2019 performance as the baseline. We have also set specific targets for several key indicators. This allows us to better showcase our periodic progress in contributing towards sustainable development.

Given the tremendous impact the COVID-19 pandemic has had globally and the challenges as well as opportunities triggered by the pandemic, all our case studies in this Report pertain to COVID-19.



ACCESSIBILITY

This Sustainability Report as well as earlier editions, are available at
<https://www.boustead.com.my/sustainability-reports/>



FEEDBACK CHANNEL

Maintaining continuous engagement with our stakeholders is a top priority. We greatly value feedback, comments and suggestions regarding Boustead Holdings Berhad's Sustainability Report 2020, which can be directed to:

Boustead Sustainability Unit
 5th floor, Menara Boustead
 69 Jalan Raja Chulan
 50200 Kuala Lumpur
sustainability.bhb@boustead.com.my
 03-21419044 ext 241
www.boustead.com.my

LEGEND



Plantation



Property &
Industrial



Pharmaceutical



Heavy
Industries



Trading, Finance &
Investment

CROSS REFERENCES



Tells you where you can find more information in BHB's 2020 Annual Report



Tells you where you can find more information within this Sustainability Report



Tells you that more information can be found on our Corporate Website

OVERVIEW



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MESSAGE FROM THE CHAIRMAN OF THE BOARD SUSTAINABILITY COMMITTEE



Datuk Zainun Aishah Ahmad
Chairman of the
Board Sustainability
Committee

The COVID-19 pandemic has had a devastating effect, impacting not just global health but also triggering economic and social emergencies. It has disrupted and potentially even reversed the progress that was made in achieving the 17 United Nations' Sustainable Development Goals (SDGs).

Faced with such trying circumstances, it is only fitting for Boustead Group to intensify efforts towards achieving these Goals. As a business, our key role lies in innovating and delivering products and services with positive economic, social and environmental impact.

With 26 years of experience in vaccine logistics and distribution, we are pleased that our Pharmaceutical Division has yet again earned the Government's trust. The Division was selected to carry out the fill and finish manufacturing of 14 million doses of the COVID-19 vaccine. In tandem, the Division, through its manufacturing and distribution activities ramped up efforts to improve access to effective, high quality and affordable medicines during the pandemic.

Fulfilling our goal of promoting sustainable agricultural practices, our Plantation Division obtained Roundtable on Sustainable Palm Oil (RSPO) certification for six palm oil mills and 21 estates totalling 39,453 hectares (ha) of our landbank. Certification of the remaining four mills and 23 estates is in progress. Meanwhile, all our estates and mills are already Malaysian Sustainable Palm Oil (MSPO) certified.

Our Heavy Industries Division contributed to maritime peace by aiding Royal Malaysian Navy's (RMN) efforts in enforcing maritime law, both locally and internationally, through 12 shipbuilding and maintenance, repair and overhaul (MRO) projects.

The COVID-19 pandemic has adversely impacted all segments of society. During this time, supporting our employees, the surrounding communities and local businesses, particularly small and medium establishments, became our priority.

Amongst our social priorities is safeguarding the well-being of our workforce. We have provided options for Work-From-Home arrangements, flexible working hours and rotational teams, enabled by the expansion of the Group's digital workplace resources. These choices placed health at the forefront, while offering flexibility to support the needs of our employees with families and children.

We initiated various support programmes for our local vendors. The Group collaborated with the Ministry of Entrepreneur Development and Cooperatives (MEDAC), to create a COVID-19 specific vendor assistance action plan for our Pharmaceutical Division vendors, while revising some of our payment terms to assist them in coping with the crisis.

The Group also extended a helping hand to surrounding communities by investing a total of RM33.4 million on education, health and welfare initiatives. RM6.1 million of COVID-19 relief was also distributed to the Ministry of Health (MOH), frontliners and vulnerable communities, via various means.

The global crisis has indeed brought upon us new priorities, capabilities and outlooks. In navigating the changes, Boustead Group is guided and fortified by a clear Group-wide strategy. Our Reinventing Boustead strategy has us focused on value creation and sustainable growth. This will not only benefit our shareholders, but also allow us to become a part of the broader solution for sustainability.

Datuk Zainun Aishah Ahmad
Chairman of the Board Sustainability
Committee

MESSAGE FROM THE GROUP MANAGING DIRECTOR



**Dato' Sri Mohammed
Shazalli Ramly**
Group Managing
Director

The theme for this year's Sustainability Report, 'Replanting the Seeds of Sustainability' reflects our belief that reinventing the organisation must be founded on integrity. Integrity and sincerity, as we see it, are the seeds of sustainability.

These are the fundamental virtues that need to be deeply ingrained in our DNA. These values set the foundation of doing things right. Corruption of all kinds, be it economic corruption or environmental corruption in the form of pollution and environmental destruction due to greedy exploitation and mismanagement, are rooted from corrupted hearts and values.

Reinforcing integrity in our DNA involves the establishment of a system, which combines setting norms and promoting accountability. This year, we introduced the Group's Anti-Bribery and Corruption Policy, which outlines our zero-tolerance stance in relation to the issue. Messaging on ethics and integrity were continuously communicated across the Group through training sessions, Integrity Pledge signing and various internal communication channels, in the effort to build a high-integrity work culture. We are pleased to

note that there were no confirmed incidents of bribery or corruption reported in 2020.

Becoming a sustainable organisation hinges on our resilience in withstanding disruptions. This year we began implementing our Business Continuity Management Framework, which includes the Pandemic Emergency Management Plan activated during the COVID-19 crisis. We also intensified our efforts in embracing digitalisation and Industry 4.0 by investing in various projects across the Group aimed at improving productivity, resource efficiency and customer satisfaction.

Our people, the Bousteadors, are the backbone of our success, and we remain committed to creating and maintaining a workplace that is conducive and safe, which is essential for a sustainable and high-performing workforce. In 2020, we invested a total of RM2.26 million and more than 140,000 hours in formal training and development, while continuing to strengthen our pipeline of future leaders through a more comprehensive talent development programme. We are also pleased to report that we have significantly improved our safety performance this year, recording a 36% reduction in Lost Time Injury Frequency Rate, exceeding our target of 10%.

On the environmental front, we have further enhanced our alignment with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations by establishing our GHG emission reduction target. This year saw us exceeding our yearly target, on track to achieve our 5-year target of reducing 15% of our absolute emissions. We remain committed to promoting sustainable consumption and production practices throughout our operations by implementing numerous improvement projects that enhance our resource efficiency.

We are cognisant of our responsibility as a business entity in stimulating economic and social progress in society. We have collaborated with more than 11,000 suppliers and vendors across the Group, primarily consisting of local businesses. Through our Vendor Development Programme, we continued to assist small and medium-sized enterprises (SMEs) in enhancing their business competency and capabilities, particularly in the pharmaceutical and shipbuilding sectors. On top of engaging local communities in various projects, our efforts were also centred around our Armed Forces members and former members, as well as their families. A total of RM2.6 million has been directed to support their educational needs and improve their well-being, through our contribution to Yayasan LTAT, PINTAR programmes and various in-kind donations throughout the year.

The pursuit of sustainability will only be intensified as we reaffirm our commitment to reinvent the Group. In our endeavour to deliver sustainable value to our stakeholders, we will be geared towards leveraging on Group-wide collaborations, creative changes to business models, technology and digitalisation, while driven and guided by the values of integrity and sincerity.

Dato' Sri Mohammed Shazalli Ramly
Group Managing Director



CORPORATE PROFILE

REINVENTING BOUSTEAD

ACCELERATING VALUE CREATION WITH PERFORMANCE
IMPROVEMENT PROGRAMMES, NEW & SUSTAINABLE INITIATIVES
TO MAXIMISE REVENUE GROWTH FOR SHAREHOLDERS

VISION

- To place the interest of all our shareholders as the highest priority by maximising shareholder value, especially Lembaga Tabung Angkatan Tentera as our majority shareholder and enhance the lives of the Malaysian Armed Forces service members, veterans and their family members.
- To realign and strengthen Boustead Holdings Berhad's fundamental priority under the Reinventing Boustead strategy which includes performance improvement programmes, and new value creation within the Groups existing core businesses, adapting business models to tap into new revenue sources, rationalising non-strategic assets as well as venturing into the technology sector and digital services.

MISSION

- To embrace a strong value of creativity and innovation in all our initiatives without compromising integrity.
- To implement the identified high-impact initiatives under the Reinventing Boustead strategy.
- To improve corporate discipline in adherence to the highest standard of governance.
- To optimise the utilisation of our capital and cash as well as embrace minimalist mentality by implementing Smart Spend and cost-saving initiatives.
- To eliminate old processes that are not aligned with the Reinventing Boustead strategy in order to expedite execution, maximise and drive value across the Group.
- To create and nurture a strong ecosystem of partnership and collaboration with identified partners to support our initiatives.
- To identify and nurture 300 leadership talents Group-wide in support of the Reinvention Strategy Execution and Succession Planning plans.

WHO WE ARE

- Boustead Holdings Berhad was established in 1828 and is today a diversified conglomerate with a portfolio spanning across five Divisions, namely Plantation, Property & Industrial, Pharmaceutical, Heavy Industries as well as Trading, Finance & Investment.
- The Group employs over 17,000 individuals across all listed and non-listed business units that join hands to propel the Group's progress and drive the Reinventing Boustead strategy.
- Boustead's total assets for the reporting period ended 31 December 2020 was RM16.0 billion while shareholders' funds stood at RM3.1 billion.

GROUP HIGHLIGHTS



TOTAL EMPLOYEES

17,347



TOTAL ASSETS

RM 16.0

BILLION



TOTAL REVENUE

RM 7.9

BILLION



Other key highlights of our financial performance can be found on pages 8 and 9 of AR2020



OUR KEY OPERATIONS AND LOCATIONS



PLANTATIONS

- Sungai Jernih Business Unit
- Nak Business Unit
- Trong Business Unit
- Segaria Business Unit
- Segamaha Business Unit
- Telok Sengat Business Unit
- Rimba Nilai Business Unit
- Loagan Bunut Business Unit
- Kanowit Business Unit
- Tawai Business Unit



PROPERTIES OWNED AND MANAGED

- The Curve
- eCurve
- Curve NX
- Nucleus Tower
- Menara & Wisma Boustead (Kuala Lumpur)
- Menara Boustead (Penang)
- Menara UAC



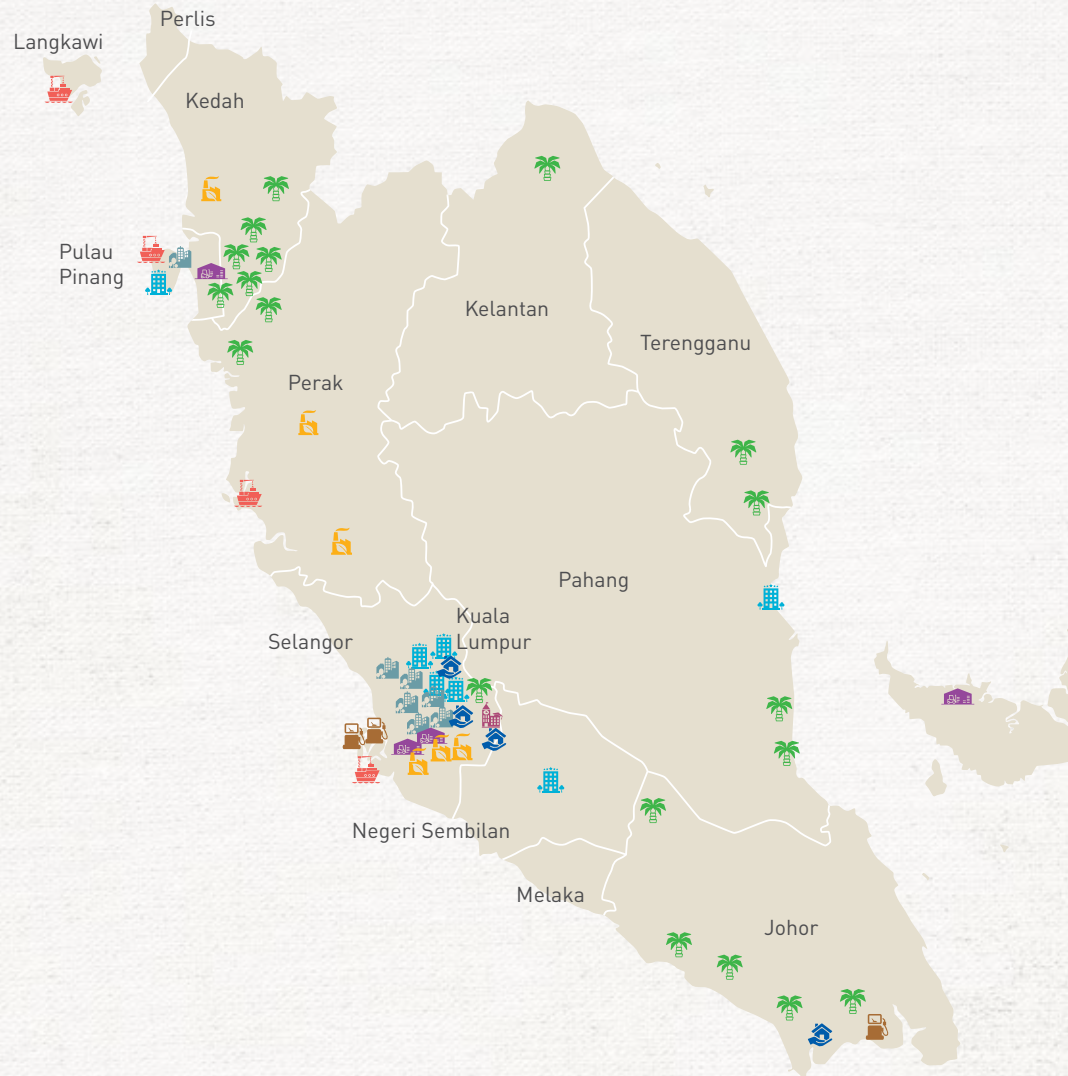
HOTELS AND RESORTS

- Royale Chulan Kuala Lumpur
- Royale Chulan Damansara
- Royale Chulan Bukit Bintang
- Royale Chulan The Curve
- Royale Chulan Cherating
- Royale Chulan Seremban
- Royale Chulan Penang



TOWNSHIPS AND DEVELOPMENT

- Taman Mutiara Rini township
- Mutiara Damansara township
- Mutiara Hills township
- One Cochrane Residences



MALAYSIA

OUR KEY OPERATIONS AND LOCATIONS



MANUFACTURING SITES

- UAC Berhad
- Pharmaniaga Manufacturing Berhad
- Pharmaniaga Lifescience Sdn Bhd
- Idaman Pharma Manufacturing Sdn Bhd (Sungai Petani)
- Idaman Pharma Manufacturing Sdn Bhd (Seri Iskandar)
- Bio-Collagen Technologies Sdn Bhd
- Paradigm Industry Sdn Bhd
- PT Errita Pharma



SHIPYARDS/PORT

- Boustead Naval Shipyard
- Boustead Langkawi Shipyard
- Boustead Penang Shipyard
- Boustead Cruise Centre
- Boustead DCNS Naval Corporation



LOGISTICS WAREHOUSES

- Pharmaniaga Logistics Sdn Bhd (Bukit Raja, Shah Alam)
- Pharmaniaga Logistics Sdn Bhd (Section 15 Branch)
- Pharmaniaga Logistics Sdn Bhd (Juru Branch)
- Pharmaniaga Logistics Sdn Bhd (Kuching Branch)
- Pharmaniaga Logistics Sdn Bhd (Kota Kinabalu Branch)
- PT Millennium Pharmacon International Tbk (Jakarta)



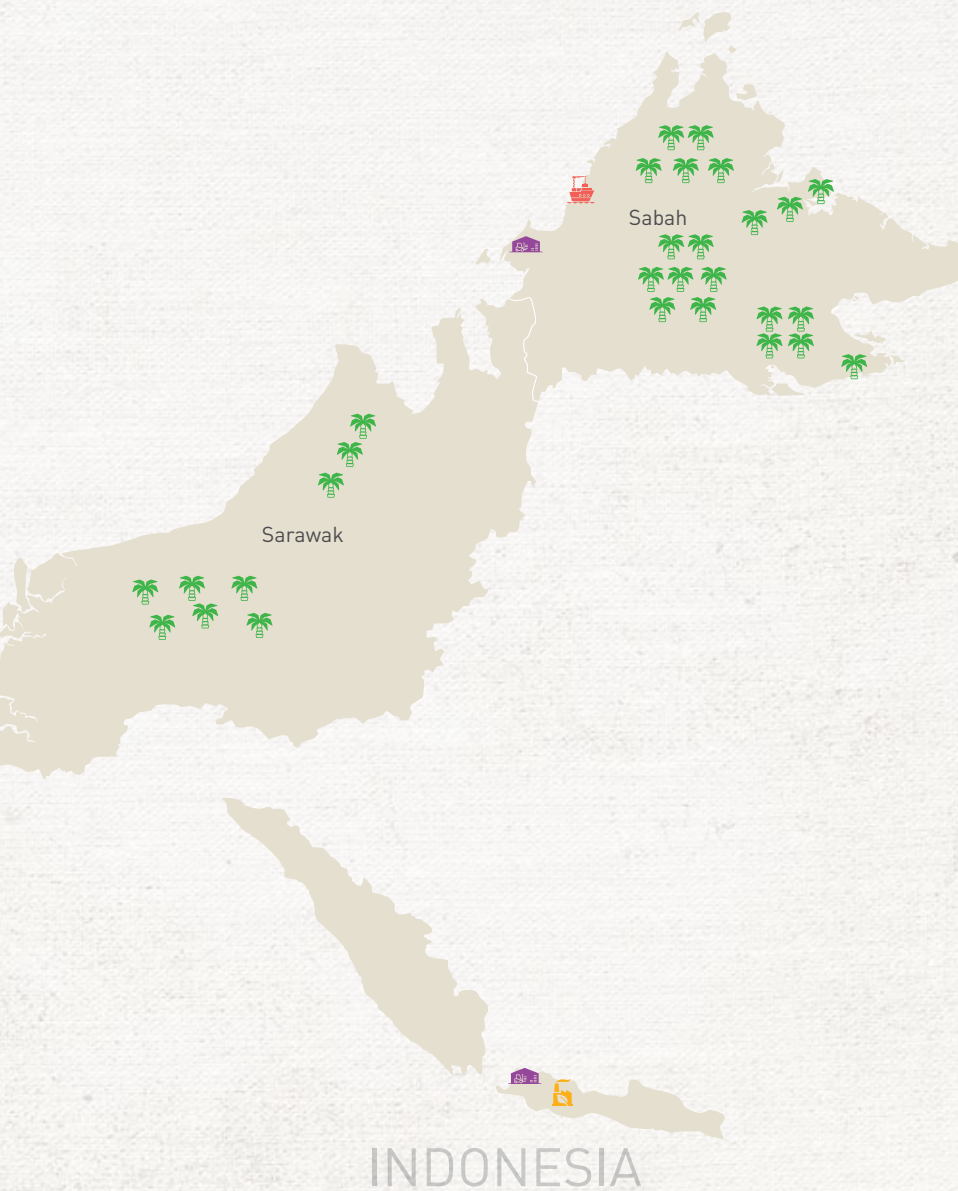
BHPETROL TERMINALS

- Northport Klang terminal
- Pasir Gudang terminal
- Westport Klang terminal



UNIVERSITY

- University of Nottingham Malaysia



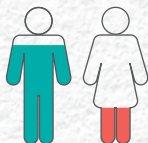


DIVISIONAL HIGHLIGHTS



PLANTATION

Employees
9,159



6,679
[73%]

2,480
[27%]



Lost Time Injury
cases per million
working hours
2020 : 7.40
2019 : 10.69



Energy Consumed
2020 : 1.12 mil GJ
2019 : 1.15 mil GJ



GHG Emitted
2020 : 0.97 mil tCO₂-e
2019 : 0.96 mil tCO₂-e



Water Withdrawn
2020 : 3.55 mil m³
2019 : 2.86 mil m³

The Group's Plantation Division owns and manages a substantial landbank of oil palm plantations in Malaysia. Amongst the Division's key activities are the cultivation of oil palm, harvesting of fresh fruit bunches as well as the production and sale of crude palm oil and palm kernel oil. Throughout its operations, the Division is committed to sustainable agriculture practices.

Main Companies

- Boustead Plantations Berhad
- Boustead Estates Agency Sdn Bhd
- Boustead Telok Sengat Sdn Bhd
- Boustead Eldred Sdn Bhd
- Boustead Solandra Sdn Bhd
- Boustead Agency and Consultancy Services Sdn Bhd
- Boustead Rimba Nilai Sdn Bhd
- Boustead Emastulin Sdn Bhd
- Boustead Gradient Sdn Bhd
- Boustead Trunkline Sdn Bhd
- Boustead Pelita Kanowit Sdn Bhd
- Boustead Pelita Tinjar Sdn Bhd
- Boustead Pelita Kanowit Oil Mill Sdn Bhd
- Boustead Life Sciences Research Sdn Bhd



PROPERTY & INDUSTRIAL

Employees
1,898



1,351
[71%]

547
[29%]



Lost Time Injury
cases per million
working hours
2020 : 2.69
2019 : 4.53



Energy Consumed
2020 : 0.48 mil GJ
2019 : 0.59 mil GJ



GHG Emitted
2020 : 0.08 mil tCO₂-e
2019 : 0.10 mil tCO₂-e



Water Withdrawn
2020 : 1.53 mil m³
2019 : 1.49 mil m³

Boustead's Property & Industrial Division is involved in property development, property investment, property management and hotel operations, with properties across Malaysia, including popular residential and commercial developments as well as hotels. The Division is also involved in the manufacturing and distribution of building materials and provision of project management services for both the property as well as construction sectors.

Main Companies

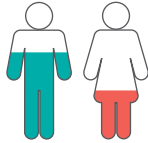
- Boustead Properties Berhad
- Mutiara Rini Sdn Bhd
- Boustead Curve Sdn Bhd
- Boustead DCP Sdn Bhd
- Damansara Entertainment Centre Sdn Bhd
- Boustead Realty Sdn Bhd
- Boustead Weld Court Sdn Bhd
- Nam Seng Bee Hoon Sdn Bhd
- Boustead Hotels & Resorts Sdn Bhd
- Boustead Weld Quay Sdn Bhd
- Midas Mayang Sdn Bhd
- UAC Berhad
- Boustead Building Materials Sdn Bhd





PHARMACEUTICAL

Employees
3,603



2,306
[64%]

1,297
[36%]



Lost Time Injury
cases per million
working hours
2020 : 1.26
2019 : 0.87



Energy Consumed
2020 : 0.22 mil GJ
2019 : 0.23 mil GJ



GHG Emitted
2020 : 0.04 mil tCO₂-e
2019 : 0.04 mil tCO₂-e



Water Withdrawn
2020 : 0.45 mil m³
2019 : 0.33 mil m³

Boustead's Pharmaceutical Division supplies a wide array of quality products and services to the pharmaceutical and healthcare sectors. Segments of the pharmaceutical value chain that the Division is involved in include research and development, manufacturing of generic pharmaceutical and biopharmaceutical products, and medical devices, logistics and distribution, sales and marketing as well as community pharmacy.

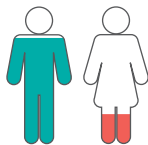
Main Companies

- Pharmaniaga Berhad
- Pharmaniaga Research Centre Sdn Bhd
- Pharmaniaga Logistics Sdn Bhd
- Pharmaniaga Marketing Sdn Bhd
- Pristine Pharma Sdn Bhd
- Pharmaniaga Biomedical Sdn Bhd
- Pharmaniaga International Corporation Sdn Bhd
- Idaman Pharma Manufacturing Sdn Bhd
- Pharmaniaga Logistics Sdn Bhd
- Paradigm Industry Sdn Bhd
- Pharmaniaga Lifescience Sdn Bhd
- Pharmaniaga Manufacturing Berhad
- Bio-Collagen Technologies Sdn Bhd
- PT Millennium Pharmacon International Tbk
- PT Errita Pharma



HEAVY INDUSTRIES

Employees
1,444



1,131
[78%]

313
[22%]



Lost Time Injury
cases per million
working hours
2020 : 1.80
2019 : 8.26



Energy Consumed
2020 : 0.04 mil GJ
2019 : 0.06 mil GJ



GHG Emitted
2020 : 0.01 mil tCO₂-e
2019 : 0.01 mil tCO₂-e



Water Withdrawn
2020 : 0.32 mil m³
2019 : 0.26 mil m³

The Heavy Industries Division is primarily involved in various segments of the defence, security and marine sectors including shipbuilding as well as maintenance, repair and overhaul services for naval and commercial vessels.

Main Companies

- Boustead Heavy Industries Corporation Berhad
- Boustead Naval Shipyard Sdn Bhd
- Boustead Penang Shipyard Sdn Bhd
- Boustead Langkawi Shipyard Sdn Bhd
- Boustead DCNS Naval Corporation Sdn Bhd
- BHIC Submarine Engineering Services Sdn Bhd
- BHIC AeroServices Sdn Bhd
- BHIC Navaltech Sdn Bhd
- BHIC Defence Techservices Sdn Bhd
- BHIC Marine Technology Academy Sdn Bhd
- BHIC MSM Sdn Bhd
- BHIC Allied Defence Technology Sdn Bhd





DIVISIONAL HIGHLIGHTS



OUR SUSTAINABILITY APPROACH



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SUSTAINABILITY GOVERNANCE



**Board of
Directors**



**Board Sustainability
Committee**



**Sustainability Management
Committee**



**Sustainability
Secretariat**



**Divisional Sustainability
Teams & Champions**

Roles & Responsibilities

Boustead Holdings Berhad Board of Directors

- As the apex body accountable for general oversight of all sustainability matters, the Board sets Boustead Holdings Berhad's sustainability strategy and is charged with ensuring its systematic implementation.

Board Sustainability Committee

- The Board Sustainability Committee supports the Board in executing its responsibilities in line with the Group's sustainability objectives, policies and practices. The Committee meets a minimum of once every six months.
- The Group's Board Sustainability Committee is made up of the following members:



Chairman:

- Datuk Zainun Aishah Ahmad



Members:

- Lt Gen Dato' Fadzil Mokhtar (R)
- Dato' Nonee Ashirin Dato' Mohd Radzi
- Datuk Seri Hajjah Zurainah Musa (Commencing 21 August 2020)

Core areas of discussion in 2020



Sustainability
reporting
direction



Sustainability
roadmap and
targets



Sustainability
performance
update



Revised
Materiality
Matrix



Results of
stakeholder
engagement
pertaining to
sustainability

Note: A similar governance structure can be observed in the Group's listed subsidiaries: Pharmaniaga Berhad, Boustead Plantations Berhad as well as Boustead Heavy Industries Corporation Berhad.

Sustainability Management Committee

- The Sustainability Management Committee consists of representatives from across the Group who are entrusted with the task of ensuring that the Group fulfils its sustainability objectives, policies and practices.
- The Committee is chaired by the Group Finance Director (GFD) of Boustead Holdings Berhad who is joined by representatives from:
 - Boustead Plantations Berhad
 - Boustead Heavy Industries Corporation Berhad
 - Boustead Properties Berhad
 - Pharmaniaga Berhad
 - UAC Berhad
 - Boustead Petroleum Marketing Sdn Bhd
 - Group Internal Audit and Risk Management
 - Group Human Capital Management
 - Group Transformation Office

Sustainability Secretariat

- The Sustainability Secretariat works in collaboration with divisional sustainability teams and champions across the Group to ensure that the Group's sustainability performance is reported and updated accurately.
- The Sustainability Secretariat also provides support in relation to corporate sustainability matters.

Divisional Sustainability Teams & Champions

- The divisional sustainability teams and champions are entrusted with the task of providing on-the-ground support in executing the Group's sustainability initiatives.
- The divisional sustainability teams and champions provide progress reports on the relevant initiatives as well as the associated sustainability performance.

Sustainability Policy

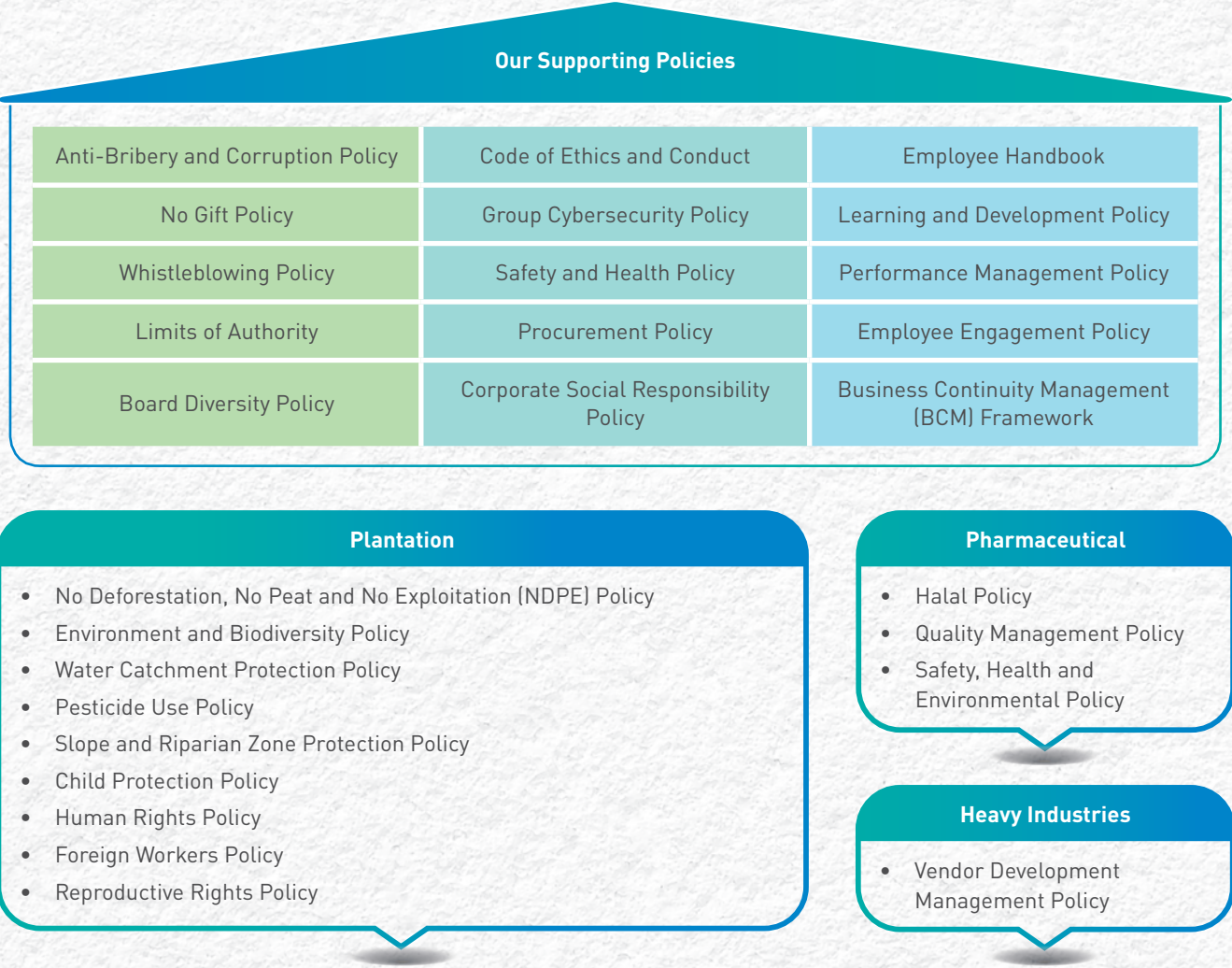
Boustead Group's Sustainability Policy acts as a guide to our sustainability practices and affirms our commitment and dedication to sustainable decision making.








SUSTAINABILITY GOVERNANCE

This overarching sustainability policy is further supported by various policies and internal guidelines developed within our Divisions to govern the day-to-day management of economic, social and environmental matters.







ENGAGING OUR STAKEHOLDERS

- We undertake stakeholder engagement sessions through various channels on a periodic basis with the objective of developing long-term relationships founded on trust.
- All stakeholder engagements are carried out in accordance with the principles of inclusivity and responsiveness.
- By ensuring that we interact with our stakeholders, we are then able to further strengthen decision-making and accountability while aligning our sustainability practises with the needs and expectations of our stakeholders.
- We maintained the quality of our interactions with stakeholders in 2020, despite the circumstances surrounding COVID-19 by utilising various virtual communication channels.

Stakeholder Groups	Engagement Channels	Issues of Interest and Concerns
 Shareholders & Investors	<ul style="list-style-type: none"> • Virtual Annual General Meetings • Quarterly reports • Annual reports • Sustainability reports • Announcements • Analyst briefings • Corporate websites – Group and subsidiaries 	<ul style="list-style-type: none"> • Return on investment • Market presence • Succession planning • Sustainable earnings • Reputation • Impact of COVID-19 pandemic
 Employees	<ul style="list-style-type: none"> • Employee engagement surveys • Internal communications including: <ul style="list-style-type: none"> ▶ Emails ▶ Posters ▶ Cloud-based content collaboration and management platforms • Employee engagement initiatives including: <ul style="list-style-type: none"> ▶ Virtual townhall sessions • Whistleblowing channels, including: <ul style="list-style-type: none"> ▶ Hotline ▶ Email • Corporate induction programmes • One-on-one consultations • Joint management-employee safety committees 	<ul style="list-style-type: none"> • Work-life balance • Workforce development • Rewards • Remunerations • Occupational safety and health • Strategic direction • Profitability • Impact of COVID-19 pandemic
 Workers Union	<ul style="list-style-type: none"> • Periodic meetings and consultations 	<ul style="list-style-type: none"> • Equal career development opportunities • Fair remuneration practices • Occupational safety and health



ENGAGING OUR STAKEHOLDERS

Stakeholder Groups	Engagement Channels	Issues of Interest and Concerns
 Regulatory Bodies	<ul style="list-style-type: none"> • Dialogue sessions • Meetings • Periodic reports • On-site inspections and audits 	<ul style="list-style-type: none"> • Legal and regulatory compliance • Environmental stewardship • Ethical business practices • Support for local businesses • Occupational safety and health
 Customers	<ul style="list-style-type: none"> • Dialogue sessions • Customer satisfaction surveys • Customer feedback channels, including: <ul style="list-style-type: none"> ▶ Hotline ▶ Email 	<ul style="list-style-type: none"> • Quality, safety and sustainability of products and services • Ethical business practices
 Suppliers & Business Partners	<ul style="list-style-type: none"> • Periodic meetings • Dialogue sessions • Workshops and training sessions 	<ul style="list-style-type: none"> • Licensing and certification • Ethical business practices • Supplier development initiatives • Access to opportunities • Occupational safety and health • Quality, safety and sustainability of products and services • Profitability • Impact of COVID-19 pandemic
 Local Communities	<ul style="list-style-type: none"> • Periodic meetings • Dialogue sessions • Corporate Social Responsibility (CSR) activities 	<ul style="list-style-type: none"> • Community support • Support for local businesses • Employment opportunities • Pollution prevention • Environmental stewardship • Public safety and security

DETERMINING OUR KEY ISSUES

As a follow through from the Group's 2019 Sustainability Report, we have completed our comprehensive materiality assessment exercise, which commenced in 2019. Resulting from this extensive review process, which was consistent with Bursa Malaysia's Sustainability Reporting Guide and Global Reporting Initiative (GRI) standards, we have developed an updated Materiality Matrix.

Through our new Matrix, we have been able to underline the pertinent issues that trigger the creation, preservation or erosion of economic, environmental and social values by the Group, be it directly or indirectly. Values are divided into three core categories of economic, environmental and social. The Group's short-, medium- and long-term impact is reviewed from the perspective of our key stakeholder groups, both internally and externally.

The results of our materiality assessment exercise have further informed our reporting as well as our sustainability strategy moving forward. The Matrix will be reviewed and reassessed from time to time to ensure its relevance.

1



Identification of Issues

- To identify issues relevant to the Group and our sustainability strategy, we first undertook an analysis, which saw us reviewing internal and external sources.
- Some of the sources examined during the year included risk registers, media reports, regulatory requirements, sustainability reporting standards (e.g. GRI, Sustainability Accounting Standards Board (SASB)), ratings and rankings (e.g. Dow Jones Sustainability Index (DJSI), FTSE Russell ESG Ratings), Sustainable Development Goals, sustainability practices of peers as well as current global megatrends.
- All issues identified were consolidated into several themes and referred to as key issues.

2



Prioritisation of Issues



Assessment of Priorities Assigned by Stakeholders

- The identification and prioritisation of issues is grounded on the findings from our engagement with stakeholders.
- We have engaged with 310 respondents in 2020 comprising internal and external stakeholders including customers, Government agencies, regulators, investors, shareholders, board of directors, senior management, employees as well as vendors.



Assessment of Impact of Issues to Businesses

- We undertook a comprehensive impact assessment exercise to evaluate and rate the impact and risk of each key issue to our businesses.

3



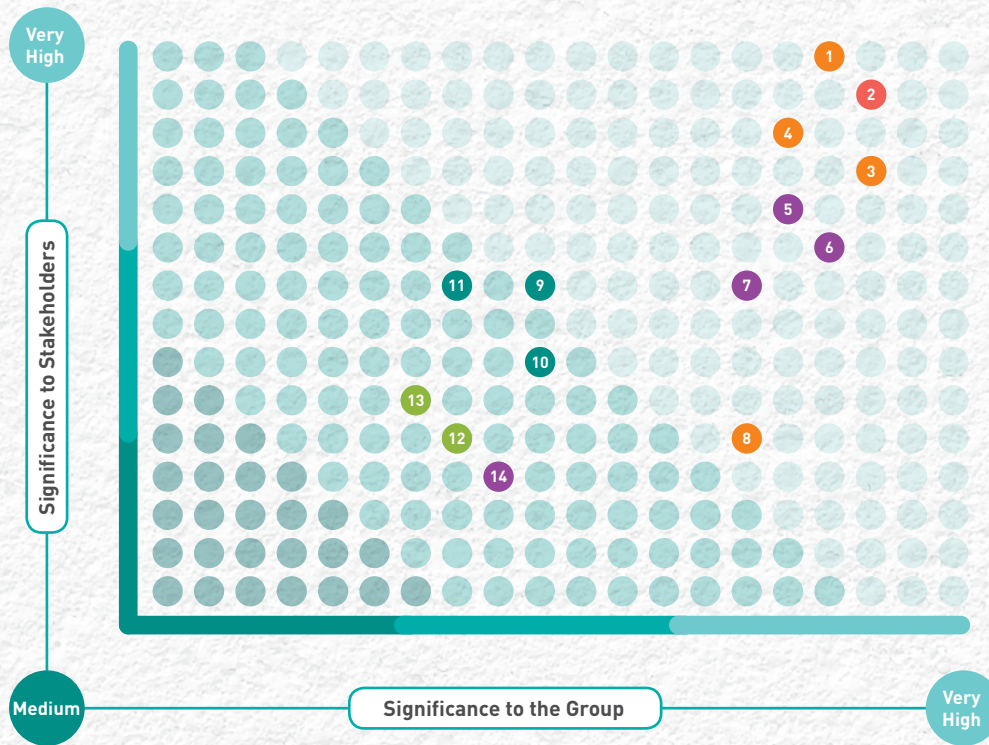
Validation of Materiality Matrix

- Our new Materiality Matrix resulted from a combination of our impact assessment as well as input from our stakeholder engagements.
- Our Materiality Matrix was reviewed by the Sustainability Management Committee, followed by validation by the Board Sustainability Committee.















DETERMINING OUR KEY ISSUES

MATERIALITY MATRIX































- | | |
|--|---|
| 1 Business Continuity | 8 Sustainable Products and Services |
| 2 Business Ethics and Corporate Governance | 9 Environmental Compliance |
| 3 Technology and Innovation | 10 Greenhouse Gas and Climate Change |
| 4 Quality and Customer Satisfaction | 11 Resource Efficiency |
| 5 Safety and Health | 12 Supporting Local Businesses |
| 6 Talent Management | 13 Community Investment and Contributions |
| 7 Labour Practices | 14 Diversity and Inclusion |

OUR KEY ISSUES

Key Issues	Description/Definition	Related SDGs
 <p>BUSINESS ETHICS AND CORPORATE GOVERNANCE</p>	<p>Implementation of a robust corporate governance mechanism and ethical business practices, based on the principles of agency, accountability and stewardship.</p> <p>Commitment towards ethical, responsible and compliant business conduct with zero-tolerance for all forms of bribery and corruption.</p>	
 <p>BUSINESS CONTINUITY</p>	<p>Undertaking of advanced planning and preparatory work to ensure that the Company is adequately prepared and has the capacity to operate critical business functions during emergency events. This includes putting in place documented procedures that guide in responding, recovering, resuming and restoring operations to a pre-defined level following any disruption.</p> <p>Business continuity planning covers, amongst others: IT disaster recovery, business recovery, crisis management, incident management, emergency management and contingency planning.</p>	
 <p>TECHNOLOGY AND INNOVATION</p>	<p>Implementation of activities aimed at developing new products or services or improving existing products, services or processes to increase competitive advantage. This includes leveraging digital innovations to deliver new product offerings and utilising Industry 4.0 applications to improve processes, services and business models.</p>	
 <p>QUALITY AND CUSTOMER SATISFACTION</p>	<p>Implementation of a customer-centric culture to enhance customer satisfaction, including ensuring the quality of products and services, establishing mechanisms to gauge customer satisfaction and building positive relationships with customers.</p>	
 <p>SUSTAINABLE PRODUCTS AND SERVICES</p>	<p>Offering of products and services with sustainability features, particularly those that contribute to the attainment of United Nations' Sustainable Development Goals (SDGs) as per the four pillars of 'Peace, Prosperity, Planet and People'.</p> <p>This includes products that promote sustainable agriculture, improve healthcare and well-being, contribute towards quality education, enable sustainable cities and communities, support the rule of law for peace and shared prosperity, encourage financial inclusion as well as ensure access to affordable energy for all.</p>	
 <p>DIVERSITY AND INCLUSION</p>	<p>Implementation of policies, strategies or practices to promote diversity in terms of gender, race, religion, age, nationality, sexual orientation, disabilities, education, skill sets, experiences and knowledge base, with the aim of achieving a competitive business advantage.</p>	



DETERMINING OUR KEY ISSUES

Key Issues	Description/Definition	Related SDGs
 TALENT MANAGEMENT	Implementation of a structured talent management framework to strengthen employee capabilities and capacity to drive and lead the business to the next level, as well as establishing an engaged and motivated workforce.	 
 LABOUR PRACTICES	Commitment towards compliance with local employment laws and labour principles outlined by the United Nations covering ethical recruitment, working hours, forced and child labour, freedom of association and collective bargaining, discrimination as well as harassment.	
 SAFETY AND HEALTH	Protection of employees' safety, health and well-being, through the inculcation of a Group-wide safety culture and the implementation of effective controls of hazards arising in or from the workplace.	 
 ENVIRONMENTAL COMPLIANCE	Implementation of controls to ensure full compliance with applicable environmental regulatory requirements, including those pertaining to air emissions, noise, wastewater discharge and hazardous (scheduled) waste.	  
 GREENHOUSE GAS AND CLIMATE CHANGE	Implementation of mitigatory and adaptive efforts in facing climate change, including monitoring and reducing Greenhouse Gas (GHG) emissions in support of global and national ambitions, as well as the implementation of initiatives to ensure that climate impact is addressed to promote resilience.	  
 RESOURCE EFFICIENCY	Implementation of initiatives that promote efficient and sustainable consumption of energy, material, water and other resources with the aim of 'creating more with less' thereby minimising environmental impact and reducing costs.	  
 SUPPORTING LOCAL BUSINESSES	Fostering the growth of the local economy through the provision of business opportunities to local entrepreneurs in ancillary and supporting industries, as well as pursuing active supplier development programmes to improve supplier performance.	  
 COMMUNITY INVESTMENT AND CONTRIBUTIONS	Implementation of strategic programmes or provision of corporate contributions that positively impact local communities in alignment with United Nations' SDGs. These programmes and contributions are focused on health, education and welfare.	  






SUSTAINABILITY GOALS AND KEY FOCUS AREAS






Driven by the outcome of our materiality exercise, we have reformulated our sustainability goals, focusing on five core goals. The key focus areas that are components of each of these five goals correspond with the issues that are most important to our stakeholders while allowing us to generate value.














SUSTAINABILITY GOALS AND KEY FOCUS AREAS

Goals	Key Focus Areas	Objectives & Targets	Progress/Achievement in 2020	Where this is discussed in detail
 Goal 1 - Acting with Integrity	Business Ethics and Integrity	<ul style="list-style-type: none"> • Zero ethics and integrity non-compliance cases • Enhanced application of best corporate governance practices as recommended by Malaysian Code of Corporate Governance (MCCG) 	<ul style="list-style-type: none"> • Maintained zero ethics and integrity non-compliance cases • Launched Anti-Bribery and Corruption Policy at Group level • Increasing number of business units began implementation of Anti-Bribery Management System (ABMS) • Embarked on several transformation initiatives focused on enhancing corporate governance practices 	 Business Ethics and Corporate Governance p. 35  Annual Report 2020 p. 84
	Business Continuity	<ul style="list-style-type: none"> • Implementation of Business Continuity Management (BCM) Framework across all business units 	<ul style="list-style-type: none"> • Undertook adoption of Comprehensive BCM Framework at Boustead Holdings level and Pharmaceutical Division level • Implementation of Crisis Management Plan during COVID-19 pandemic 	 Business Continuity p. 41
	Technology and Innovation	<ul style="list-style-type: none"> • Expansion of offerings for digital products and services • Heightened automation of critical processes within operations 	<ul style="list-style-type: none"> • Digitalisation and digitisation were identified as one of the key focus of the Reinventing Boustead strategy • Widened mechanisation and digitalisation efforts at the Plantation Division, including co-developing cutting-edge technologies to enhance process efficiency and and improve worker safety • The Property Division embarked on a Brand and Digital Transformation Programme aimed at accelerating digital adoption • Increased portion of automated administrative workload through Robotic Process Automation at the Pharmaceutical Division • Implemented internet-based, automated shipbuilding monitoring and analysis system at the Heavy Industries Division 	 Technology and Innovation p. 42

Goals	Key Focus Areas	Objectives & Targets	Progress/Achievement in 2020	Where this is discussed in detail
 Goal 3 - Creating a Sustainable and High-Performing Workforce	Quality and Customer Satisfaction	<ul style="list-style-type: none"> Improvement in customer satisfaction 	<ul style="list-style-type: none"> Implemented various continuous improvement projects across the Group, resulting in significant cost savings Recorded zero non-compliance incidents related to pharmaceutical product safety, marketing and labelling Acquired and maintained ISO certification pertaining to quality management for 27 key business units across the Group 	 Quality and Customer Satisfaction p. 45
	Sustainable Products and Services	<ul style="list-style-type: none"> Obtained sustainability certification for all estates and mills owned by the Plantation Division Meeting 2028 pharmaceutical Product Development Programme target Enhancement of sustainable product offerings across all Divisions 	<ul style="list-style-type: none"> All estates and mills in Plantation Division are Malaysia Sustainable Palm Oil (MSPO) certified, while six mills and 21 estates are Roundtable for Sustainable Palm Oil (RSPO) certified Obtained approval for six new pharmaceutical products, in progress to achieve the Pharmaceutical Division's 8-year Development Programme target of 161 products Improved quality and quantity of sustainability-oriented products and services offered in other Divisions, which enhanced their environmental, social and economic benefits 	 Sustainable Products and Services p. 48
	Diversity and Inclusion	<ul style="list-style-type: none"> 30% gender diversity at Board and Senior Management level 	<ul style="list-style-type: none"> 33% of Directors are female 20% of Senior Management members are female 	 Diversity and Inclusion p. 55
	Talent Management	<ul style="list-style-type: none"> 40 training hours for executives 20 training hours for non-executives Reduction in employee turnover 	<ul style="list-style-type: none"> Recorded an average of 17 training hours for executives and 11 hours for non-executives Achieved 28.5% decrease in overall employee turnover 	 Talent Management p. 58



SUSTAINABILITY GOALS AND KEY FOCUS AREAS

Goals	Key Focus Areas	Objectives & Targets	Progress/Achievement in 2020	Where this is discussed in detail
 Goal 4 - Achieving Operational Eco-Efficiency	Labour Practices	<ul style="list-style-type: none"> Zero non-compliance incidents pertaining to labour practices, including child and forced labour 	<ul style="list-style-type: none"> Maintained zero non-compliance incidents relating to labour practices, including child and forced labour 	 Labour Practices p. 65
	Safety and Health	<ul style="list-style-type: none"> Zero fatality 10% reduction in Lost Time Injury Frequency Rate (LTIFR) per annum 	<ul style="list-style-type: none"> Zero fatality recorded Achieved 36% LTIFR reduction, exceeding the 10% annual reduction target 	 Safety and Health p. 70
	Environmental compliance	<ul style="list-style-type: none"> Zero environmental non-compliance incidents 	<ul style="list-style-type: none"> Maintained zero environmental non-compliance incidents 	 Environmental compliance p. 78
	Greenhouse Gas and Climate Change	<ul style="list-style-type: none"> 15% reduction in GHG emissions by 2025 against 2019 baseline 	<ul style="list-style-type: none"> Reduced 3.7% of absolute GHG emissions, on track towards 2025 target of 15% decrease 	 Greenhouse Gas and Climate Change p. 81
 Goal 5 - Catalysing Growth in Society	Resource Efficiency	<ul style="list-style-type: none"> Progressive increase in the application of renewable energy sources Increase in resource efficiency across the Group 	<ul style="list-style-type: none"> Derived 38% of our energy from renewable sources Recorded 9% reduction in energy use 	 Resource Efficiency p. 87
	Supporting Local Business	<ul style="list-style-type: none"> Enhancing quality of vendor development initiatives 	<ul style="list-style-type: none"> 60 vendors participated in VDP by the Pharmaceutical and Heavy Industries Divisions Enhanced vendor development initiatives to provide assistance in managing impact of the COVID-19 pandemic 	 Supporting Local Business p. 93
	Community Investment and Contributions	<ul style="list-style-type: none"> Expanding the reach of CSR initiatives 	<ul style="list-style-type: none"> Spent RM33.4 million on CSR initiatives Shifted the focus of CSR initiatives to address the impact of the COVID-19 pandemic, contributing RM6.1 million to frontliners and local communities Contributed RM2.6 million to Armed Forces members and their families 	 Community Investment and Contributions p. 97

THE VALUE WE CREATED



- 28 How We Create Value
- 30 Our Contribution to Sustainable Development Goals



HOW WE CREATE VALUE

Our Resources and Assets



Value Creation Process



Financial Capital

Debt and equity financing, cash generated from operations and investments



Human Capital

Motivation, skills, continuous training, safety and diversity of our employees, contractors and suppliers



Manufactured Capital

Palm oil mills, shipyards, manufacturing facilities, warehouses, fleets, properties, hotels and resorts, IT infrastructure



Intellectual Capital

Culture, collective know-how, licensed technologies, processes and procedures



Natural Capital

Landbank, energy, water and natural raw materials



Social and Relationship Capital

Brands and reputation as well as trusted relationships with investors, customers, communities, governments, regulators, suppliers, unions and industry bodies



Guided by our
Corporate Vision, Mission and Core Values



Key Products & Services



The Value We Created

**Plantation**

- Fresh Fruit Bunches (FFB)
- Crude Palm Oil (CPO)

**Property & Industrial**

- Construction and sale of residential and commercial properties
- Rental of commercial properties
- Provision of hotel guest accommodation and related services
- Fabrication of cellulose fibre cement boards
- Distribution of building materials

**Pharmaceutical**

- Pharmaceutical research and development (R&D)
- Manufacturing of general pharmaceutical and medical devices
- Logistics and distribution
- Operation of Community Pharmacy
- Marketing and sales of medical equipment and pharmaceutical products

**Heavy Industries**

- Maintenance, repair and overhaul (MRO) of military and commercial vessels
- Shipbuilding and fabrication
- In-service support (ISS) for submarines

**Trading, Finance & Investment**

- Supply of liquefied petroleum gas (LPG) to households and commercial premises
- Distribution of lubricants
- Operation of BHPetrol service stations
- Provision of travel management and related services
- Operation of cruise terminal facilities for international cruise lines
- Provision of shipping, logistics, sea and air freight services
- Tertiary education
- Financial products and services

We strive to create shared value and contribute both directly and indirectly, to the progress of United Nations' Sustainable Development Goals through our operations.

Priority SDGs

More details on
*'Our Contribution
to SDGs'*

Supporting SDGs

More details on
GRI Content Index



OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

We are committed to supporting and contributing toward the United Nations' 17 Sustainable Development Goals (SDGs). The role that we have determined to play in the advancement of the SDGs was ascertained through the assessment of our impact on SDGs and our potential to contribute to the attainment of these goals.

We have prioritised the following five SDGs, which frame our sustainability initiatives:

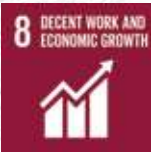
- Goal 8: Decent Work and Economic Growth
- Goal 2: Zero Hunger
- Goal 3: Good Health and Well-Being
- Goal 11: Sustainable Cities and Communities
- Goal 16: Peace, Justice and Strong Institutions

These five Priority SDGs are connected to our core business operations and our role as a member of Lembaga Tabung Angkatan Tentera (LTAT) Group.



The remaining 12 SDGs are classified as supporting goals given that our contribution to these goals is less direct.

Our input in the attainment of these goals is documented in our GRI Content Index on pages 107 through 112 as well as on pages 48 through 53.

Steadfast in our commitment to contribute to the five Priority SDGs, we charted a year-on-year progress comparison for these SDGs as follows:



How We Contribute to SDGs	Progress/Achievement		
	Indicator	2019	2020
 <p>We strive to deliver value to all our shareholders, while concurrently creating value for other stakeholders.</p> <p>With more than 17,000 individuals under our employ and given our extensive reach across diverse industries, we are conscious of our role in creating opportunities for decent work and secure livelihoods, through inclusive and sustainable business practices.</p> <p>We also contribute to enhanced economic productivity and resource efficiency through continued focus on research & development (R&D) and innovation across our operations.</p>	Economic Value Generated	RM10.3 billion	RM7.9 billion*
	Operating Costs	RM9.5 billion	RM6.9 billion*
	Economic Value Distributed to employees	RM757.7 million	RM749.4 million*
	Payment to Government	RM47.9 million	RM76.9 million
	Investment in Community	RM26.7 million	RM33.4 million
	Investment in R&D	RM70.4 million	RM55.2 million
	Child Labour and Forced Labour Incidents	0	0
	Lost Time Injury Frequency Rate (LTIFR)	7.48	4.73
	% Energy sourced from renewable fuel	40.26%	38.25%

*Note: The decrease recorded is attributed to some setbacks caused by the COVID-19 pandemic.

How We Contribute to SDGs	Progress/Achievement		
	Indicator	2019	2020
 <p>2 ZERO HUNGER</p> <p>Our greatest impact and contribution to SDG 2 comes from our Plantation Division.</p> <p>Through the Division, we adhere to sustainable agricultural practices in our daily operations to ensure sustainable food production, improved land and soil quality as well as increased productivity.</p> <p>Our commitment to agricultural research aids in improving agricultural production capacity.</p> <p>We also recognise our impact on the environment, be it direct or indirect and aim to minimise this.</p>	Certified Sustainable Palm Oil (CSPO) produced	108,317 MT	136,432 MT
	Areas certified with MSPO	53,431 ha	97,964.8 ha
	Areas certified with RSPO	34,278 ha	39,453 ha
	R&D spending by Plantation Division	RM14 million	RM14 million
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Our Pharmaceutical Division actively contributes towards achieving this Goal through its core activities, namely manufacturing as well as logistics and distribution of pharmaceutical products.</p> <p>Through our focus on the development and manufacturing of affordable generic and Halal-certified healthcare products for various therapeutic segments, we are able to do our part in improving access to healthcare for all.</p> <p>Our vast logistics network allows us to supply healthcare products to medical institutions across Malaysia and Indonesia, while our community pharmacies improve access to essential healthcare products.</p>	Compliance to Ministry of Health (MOH) Performance Standards rate	99.6%	99.6%
	Independent pharmacies participating in RoyalePharma Alliance Programme	310	415
	R&D spending by Pharmaceutical Division	RM23.52 million	RM39.95 million
	New products registered	23	44



OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

	How We Contribute to SDGs	Progress/Achievement		
		Indicator	2019	2020
	<p>Our Property & Industrial Division contributes to SDG 11.</p> <p>We manufacture sustainability-certified fibre cement boards, which are a highly versatile building material that can be utilised in various applications.</p> <p>Through the townships that we develop and the properties we manage and invest in, we are able to encourage inclusive, safe and sustainable lifestyles</p> <p>We have also heightened the inclusion of sustainable solutions in the development and construction of our new properties.</p>	<p>Sustainability-certified fibre cement boards produced</p>	<p>25.28 million standard metre</p>	<p>22.81 million standard metre*</p>
		<p>Nucleus Tower in Mutiara Damansara was awarded a Green Building Index (GBI) Gold Rating.</p> <p>We implement various measures at our malls and office buildings to promote inclusivity, including wheelchair access, dedicated parking for lone female visitors and baby care rooms.</p> <p>We promote the utilisation of public transportation by providing easy access to mass transits at our properties.</p> <p>We continued to actively encourage sustainability practices to our mall visitors by providing electric vehicle charging stations and hosting various events that promote sustainable lifestyles, amongst many other initiatives.</p>		
	<p>The Heavy Industries Division's shipbuilding, maintenance, repair and overhaul (MRO) activities primarily serve Royal Malaysian Navy's (RMN) fleet.</p> <p>We contribute to RMN's efforts in retaining the rule of law at national and international levels through the solutions that we provide.</p> <p>We have implemented a policy to actively combat corruption and bribery in all forms, while continuing to strengthen the effectiveness, accountability and transparency of our governance bodies.</p>	<p>MRO projects completed for RMN</p>	<p>16</p>	<p>12</p>
		<p>Confirmed incidents of corruption</p>	<p>0</p>	<p>0</p>

*Note: The decrease in production recorded is attributed to some setbacks caused by the COVID-19 pandemic in 2020.

PROGRESS TOWARDS SUSTAINABILITY GOALS



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PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL:

1

ACTING WITH INTEGRITY

BUSINESS ETHICS AND CORPORATE GOVERNANCE

PERFORMANCE HIGHLIGHTS



Bribery & Corruption

0

confirmed
cases



Introduced
**Anti-Bribery and
Corruption Policy**
in 2020



Ethics & Integrity Training Across the Group

67

sessions

799

participants



Understanding the importance of integrity as a bedrock of any sustainable business, we have identified this virtue as one of Boustead Group's four core values.

We are committed to cementing a culture of ethics and regulatory compliance as well as adherence to good corporate governance. This is to mitigate the risks resulting from misconduct and lapses in integrity that can have serious consequences for us as well as the lives that we impact, and to sustain the respect and trust of our varied stakeholders.

By embracing good corporate governance practices premised on ethical behaviour, accountability, transparency and sustainability, we are building a strong foundation that enables us to create long-term value for our stakeholders.



BUSINESS ETHICS AND CORPORATE GOVERNANCE

Business Ethics

We believe strong corporate governance promotes effective decision-making at the Board level and as a result, throughout Boustead. Keeping in mind the best interest of our shareholders, our Board of Directors as the Group’s highest governing body, lead the charge in upholding the highest standards of integrity and accountability.

Through the Board’s Audit Committee, the Board ensures complete observance of all applicable laws and regulations, while mitigating risks and safeguarding our stakeholders.

To ensure the permeation of a high standard of corporate governance throughout the Group, we have established an independent Integrity and Governance Department at the management level. Set up in 2019, the Department is helmed by a Head of Integrity and Governance, who reports to the Audit Committee of the Board.

The Department principally serves four core functions commencing with the detection, verification and reporting of corruption complaints by providing a safe and confidential medium for reporting. Any complaints on corruption, abuse of power, malpractice as well as violation of the code of ethics are managed by the Department, which ensures that the relevant action is taken for each complaint. The Integrity and Governance Department is also responsible for conducting checks and suggesting improvements to enhance the effectiveness of policies and procedures in meeting the Guidelines on Adequate Procedures. The Department is accountable for planning and implementing integrity strengthening programmes within the Group.

Our Policies

The Group is committed to ensuring compliance with relevant laws and regulations. We have established guidelines that clearly define the role that the Group and Bousteadors play in conducting our businesses ethically and in a transparent, appropriate and fair manner.



Boustead’s Code of Ethics and Conduct (CoEC)

All Bousteadors, from our Board to our employees, are committed to their fiduciary and ethical duty to the Group and its stakeholders. The Group’s CoEC outlines a framework of values, principles and guidelines that steers the Group towards ethical business practices.

The CoEC covers workplace bullying, sexual harassment and whistleblowing. The Code also includes themes that are essential to our operations such as conflict of interest, illegal gratification and business courtesies, confidential information, financial and accounting integrity as well as environment, health and safety.

Every employee reads and signs the CoEC upon employment. CoEC training is included in the induction process for new employees. Employees are required to review the CoEC documents and renew their obligations biennially.

The Board reviews the Code periodically or as and when the need arises, to ensure that it is kept contemporaneous.



CoEC can be viewed on our corporate website



PROGRESS TOWARDS SUSTAINABILITY GOALS



Anti-Bribery and Corruption Policy

The Group's Anti-Bribery and Corruption (ABAC) Policy was introduced in September 2020 in meeting the Guidelines on Adequate Procedures, to inculcate integrity, transparency and accountability. To promote an ethical work culture across the Group's five Divisions, Boustead is committed to adhering to the Policy and related procedures.



ABAC Policy can be viewed on our corporate website



No Gift Policy

Boustead is fully committed to conducting business with integrity, accountability and professionalism. We adopted a No Gift Policy in 2019, which serves as a guideline pertaining to the receipt and provision of gifts, entertainment and hospitality in any form, both directly and indirectly. This guideline is aimed at ensuring that our directors, employees, contractors, agents, representatives and all those who are undertaking work for or in the interest of Boustead Group conduct their work in a fair, objective manner.



No Gift Policy can be viewed on our corporate website



Whistleblowing Policy

In alignment with the Whistleblower Protection Act 2010 (WPA), the Group's Whistleblowing Policy aims to promote a safe and confidential platform for employees to address any acts of improper conduct within the Group, including bribery, abuse of power, fraud, sexual harassment as well as any other unethical acts. The implementation of this Policy is overseen by a Senior Independent Director. The Whistleblower will be protected against retaliation, harassment or discrimination.

Whistleblowing channels available:



Hotline:
1-800-88-2040



E-form:
www.boustead.com.my



alert@boustead.com.my



Write to Head of Group Integrity & Governance (GIG)
2nd Floor, Menara Boustead,
69 Jalan Raja Chulan,
50200 Kuala Lumpur.

Anti-Bribery Management System (ABMS)

Boustead Holdings Berhad is on track to obtain ISO 37001:2016 Anti-Bribery Management System (ABMS) certification. This Anti-Bribery framework is also being adopted by several subsidiaries within the Group. ABMS outlines the necessary measures that are considered as global anti-bribery good practice, including anti-bribery policy, risk assessment, personnel controls and training, amongst others. It functions as a framework for the Group to prevent, detect and respond to incidences of bribery.



Figure 1: Measures and Controls outlined by ABMS

MACC ACT SECTION 17A

"A **commercial organisation** commits an offence when a 'person associated with the commercial organisation' corruptly gives, agrees to give, promises or offers to any person gratification with the intent to secure business or an advantage for the commercial organisation."

TYPES OF ASSOCIATED PERSONS

- Directors
- Partner
- Management
- Employees
- Persons performing services for/on behalf (agents/consultants/sub-contractors)

Communicating Boustead's Ethics and Integrity Policies

Communications of the Group's ethics and integrity policies as well as CoEC are conducted through various means to ensure that these policies are effectively implemented across all levels of operations.

Training sessions are organised for all employees to help in the understanding of core aspects of our policies including ABAC Policy, Whistleblowing Policy, No Gift Policy and CoEC. These policies were reinforced through Integrity Pledge signing, as well as email blasts and other internal communication means.

In 2020, we conducted a total of 67 integrity-related training sessions, primarily focused on enhancing our capacity to effectively implement ABMS, involving 799 key personnel across the Group. We collaborated with Institut Integriti Malaysia (IIM) to organise a series of workshops on the development and review of an ABMS manual and relevant policies, corruption risk assessment, ABMS internal audit and gap analysis, in addition to general integrity awareness training sessions. We are looking to expand the reach of our integrity-related training to cover more employees across the Group.



PROGRESS TOWARDS SUSTAINABILITY GOALS

Corruption Risk Assessment (CRA)

Serving as the cornerstone of a holistic anti-bribery and corruption programme, CRA allows us to identify, analyse, assess and prioritise the Group's internal and external corruption risks.

CRA aids in the identification and management of a broad spectrum of corruption-related risks, particularly, bribery, embezzlement, fraud, theft and abuse of discretion, amongst others. It enables us to generate corruption risk profiles, risk registers and risk action plans. CRA also involves structuring and implementing a detailed risk action plan that identifies resource requirements, timelines and key performance indicators (KPIs) required, be it for low, medium or high-risk business processes or activities.

Ongoing Efforts

To cultivate an ethical and accountable organisational culture, we have established an Integrity Pact for Boustead Group employees, which will reaffirm our MACC Corruption-free Pledge taken in 2018. Several business units within the Group are in the process of obtaining ABMS certification.

The following summarises the related initiatives undertaken by each Division:



Plantation

- Introduced Boustead Plantations Berhad (BPB) Anti-Corruption Policy
- Conducted CRA at the department and business unit level
- Integrity Pledge signed by all new-joiners at the business unit level



Property & Industrial

- Anti-Bribery Pledge signed by all new-joiners



Pharmaceutical

- Established Anti-Bullying Policy
- Revised ABMS Policy and Objective
- Implemented Anti-Money Laundering Policy and Donation Policy, on top of other Group-wide policies
- Initiated Procurement (Non-Trade) Guideline & Procedures
- Established Anti-Corruption clauses in all Service Agreements with stakeholders and employees
- Performed Due Diligence in recruitment process through background checks
- Conducted periodical CRA
- Conducted policy refresher session to ensure that all employees comprehend all policies
- Pharmaniaga Logistics and Distribution Division maintained its ABMS 37001: 2016 certification, which was obtained in 2019



Heavy Industries

- Established ABMS policy at business unit level
- Established dedicated teams in business units within the Division, tasked to inject ABMS elements into existing documentations and ensure compliance with ABMS
- Conducted CRA at departments and business units
- Boustead DCNS Naval Corporation Sdn Bhd, a business unit under the Division is currently implementing an Integrated Management System, which combines ISO 9001, ISO 45001 and ISO 37001 standards



Trading, Finance & Investment

- Completed CRA for departments within the Division
- Introduced online Gift Register at Boustead Petroleum Marketing Sdn Bhd
- Introduced Anti-Fraud Policy at UNiM

Corporate Governance

We have embarked on several initiatives aimed at enhancing our corporate governance including:

- Strengthening policies and procedures to enhance accountability across the Group. To that effect, we have established a Policy Committee accordingly.
- Updating Limits of Authority (LoA), which involves a thorough evaluation of the existing limits of authority to better reflect the current structure of the Group.
- Enhancing board effectiveness, which comprises the formation of an Executive Committee (EXCO) to provide insights on strategic decisions made at Boustead and all subsidiaries.



More information on our corporate governance practices can be found in AR2020 pages 84 through 101



MOVING FORWARD

Moving forward, we intend to obtain ABMS certification for more business units within the Group, with Boustead Holdings Berhad, Boustead Plantations Berhad, and a few other business units under our Heavy Industries and Pharmaceutical Divisions progressing towards certification in 2021.

We are also looking to extend the implementation of our ABAC policy and anti-corruption due diligence procedures to our existing and new business associates.

We look to continuously enhance corporate governance practices throughout the Group to the highest standard.



PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL:

2

DELIVERING SUSTAINABLE GROWTH AND FUTURE-PROOFING THE BUSINESS

- BUSINESS CONTINUITY
- TECHNOLOGY AND INNOVATION
- QUALITY AND CUSTOMER SATISFACTION
- SUSTAINABLE PRODUCTS AND SERVICES

PERFORMANCE HIGHLIGHTS



Activation of **COVID-19 Pandemic Emergency Management Plan** to ensure business continuity



Only pharmaceutical company in Malaysia to attain **ISO 18295 - 1:2017 Customer Contact Centres Certification**



One of only five local companies chosen to **supply the COVID-19 vaccine to the Malaysian Government**



Spent **RM55.16 million** on R&D in 2020



INTRODUCTION

All aspects of business operations are constantly being tested by a continuous stream of global megatrends. Indeed, the importance of an organisation's resilience and agility has come to the forefront, fundamentally changing how companies operate and sustain in the long term.

In our journey to deliver sustainable growth and future-proof the Group and its diverse businesses, we recognise the importance of having a solid business continuity plan in place to ensure minimal disruption to our operations in the face of major disasters.

We also look at how we can harness technology and focus on innovation in our products and services, to continuously meet the evolving demands and expectations of customers, in order to remain relevant. At the same time, it allows us to develop sustainable products and services that deliver environmental, social and economic benefits.



BUSINESS CONTINUITY

With the prevailing global environment, from the current pandemic to extreme weather events, cyberattacks as well as data breaches, we are faced with everchanging business imperatives, so much so that risk management has become an integral component of most organisations.

Boustead Group recognises the need for Business Continuity Management (BCM) as a framework that enables essential business functions to be restored in the event of any unplanned disaster.

We have begun adopting a comprehensive **Business Continuity Management Framework**, commencing with selected business units. Eventually, we look to complete the implementation of this Framework across the Group.

Our business continuity initiatives also extend to managing risks in our supply chain. Several of our business units have implemented **supply chain continuity guidelines**, working together with their suppliers and business partners. We have also initiated efforts to improve Group-wide sourcing practices, focused on mitigating future disruptions while enhancing effectiveness and efficiency. These efforts will leverage on Artificial Intelligence (AI) and other emerging technologies, allowing us to have better visibility of the supply network and cultivate an agile supply chain.

Addressing IT risks

An increasing digital footprint brings with it the need to be prepared for the risk of cyber-attacks. To safeguard the Group, we have put into practice a **Group-wide IT Policy** that regulates permitted use of IT assets and infrastructure, IT procurement as well as incident management, amongst other relevant areas.

We are also working towards implementing a **Group-wide Cybersecurity Management Policy**, which is tailored to our specific risk landscape as well as security structure.

The Policy serves as a defence against cybercrime, personal data breaches, vandalism, terrorism, fire, damage, misuse, theft and viral attacks, by defining sanctioned behaviour for employees and other end-users that are accessing online resources.

As a testament to our commitment to enhanced cybersecurity, our pharmaceutical arm, Pharmaniaga has maintained its **ISO 27001:2013 certification**, a widely recognised international standard mandating uninterrupted control of operations, oversight, maintenance and continuous improvement to the information security management system.

Business Continuity during COVID-19



In light of the COVID-19 pandemic, the Group's crisis management teams were tasked with activating our Pandemic Emergency Management Plan as well as our COVID-19 Safety Procedures, Group-wide.

As a responsible corporate citizen, we continued to focus on what has always been most important to us, the health and safety of our people. For this reason, we established measures to minimise COVID-19 transmissions at work, while also ensuring productive work flow by accelerating technology-enabled capabilities.

Initiatives conducted included:

- Implementation of a Work-From-Home Policy across all our Divisions.
- Implementation of stringent guidelines and SOPs for employees and visitors who are required to be on-site.
- Split working team arrangements at some of our operations to ensure physical distancing at the workplace, while ensuring minimal disruptions to our operations, particularly those categorised as essential services for the nation.
- Emphasis on the utilisation of digital means of communications including video conferencing as well as cloud-based content collaboration and management platforms to ensure regular engagements with internal and external stakeholders.
- Provision of latest generation notebooks to employees to enable effective and secure remote working.

We are pleased to note the capacity of Bousteadors to adapt and respond to the rapidly changing working environment.

PROGRESS TOWARDS SUSTAINABILITY GOALS



TECHNOLOGY AND INNOVATION

We are mindful of the importance of not only having strong fundamentals in place but also to leverage on technology and innovation to strengthen our existing offerings and optimise our operations as well as formulate new products and services. To this end, we have invested in digital innovations, research and development (R&D) as well as Industry 4.0 applications.

The following table highlights the multiple technology and innovation related initiatives that we have implemented across our businesses in order to enhance Boustead Group's competitive resilience:



Plantation

Focus Area

- Enhancing yield through planting materials of higher quality
- Improving operational efficiency through resourceful fertiliser management, enhanced field mechanisation as well as the implementation of our integrated geographical information system (GIS)

Activities in FY2020

Research and Development

- In 2020, Plantation Division spent RM13.58 million on its R&D initiatives.
- The Division leveraged on associate R&D company, Applied Agricultural Resources Sdn Bhd to **develop high output tenera clones** that not only produce oils with two times the carotenoid levels of standard varieties but are also not susceptible to mantling.
- The first set of the new ramet is projected to be planted in 2021.

Mechanisation

- In line with our commitment to the implementation of Agriculture 4.0 across our operations, we reengineered our work processes to better harness the benefits of mechanisation in terms of integration and improving efficiency. This included the following:
 - ▶ Implemented a strategic D-9 harvesting system to assist our operating units as a centralised harvesting process to accommodate mechanisation.
 - ▶ Deployed mini tractor grabbers across 33,243 ha and mini tractors for in-field FFB collection for over 7,984 ha, to ensure FFB quality and crop freshness. The bin system was utilised at eight of our estates, spanning 15,785 ha.
 - ▶ Utilised the Zenoah Air Blower to keep palm circles free of debris, as part of our palm circle cleaning programme to prevent in-field loose fruit losses. This initiative is undertaken on a quarterly basis at 36 of our estates.
 - ▶ Equipped Sungai Jernih Business Unit with four new units of semi-mechanised FM3 machinery, which is capable of traversing various terrains to undertake fertiliser application.
 - ▶ Jointly developed the Verion Smart Fertiliser Spreader (VSFS) with a partner, which allows for a more precise fertiliser application with a self-generating "as-applied" map.

Digitalisation

- **Aerial drones** assist in the mapping, planning and designing of infrastructure, drainage and terraces for replanting, while keeping track of our palms. **Orthomosaic generation and Geographic Information System (GIS)** analysis is utilised to process the images obtained.
- We are looking to implement **cloud computing services** to minimise the use of on-site hardware and software.



Property & Industrial

Focus Area

- Enhancing customer experience in our malls and commercial developments
- Improving efficiency in property development activities
- Developing new cost-efficient and environmentally friendly products and formulations

Activities in FY2020

Property

- We embarked on a Brand & Digital Transformation through rebranding efforts including **digital adoption** to continuously evolve with market demands.
- Amongst areas identified for digital adoption are as follows:
 - ▶ Loyalty programme for property investment & development, with potential collaboration with other Divisions within Boustead Group
 - ▶ Point of Sale system installation for mall tenants
 - ▶ Implementation of a Building Information Modelling system
 - ▶ Site monitoring and product delivery using drone technology

Industrial

- We developed an enhanced **environmentally sustainable third-generation wall system**.
- We created a **convenient to install wood-like decking** with installation accessories and a coating system.
- We formulated fibre cement boards and pre-cast wall panels that were more **cost-effective**.
- We are exploring a **lightweight fibre cement board** for drywall and ceiling application as well as a type of cellulose to enhance the mechanical properties of fibre cement products.
- We are currently **identifying alternative raw materials and ways to recycle and reuse industrial waste** in pre-cast wall panels.



PROGRESS TOWARDS SUSTAINABILITY GOALS



Pharmaceutical

Focus Area

- Implementing Robotic Process Automation to drive efficiency
- Undertaking a Pharmaceutical Product Development Programme

Activities in FY2020

- In 2020, the Division spent a total of RM39.95 million for the purposes of R&D.
- We utilised **business intelligence (BI) tools** to enhance our inventory optimisation. It provides us with the opportunity to study customer demands and identify new revenue streams.
- Further to this, we also equipped our cold chain at our warehouses with **Internet of Things (IoT) technology** to improve real-time temperature monitoring. This IoT technology has also been extended to our transportation fleet to enable GPS tracking during distribution.
- Our logistics and distribution arm looked into the Oracle Transport Management (OTM) System to better facilitate transport planning routing and cloud computing, which will further enhance our level of efficiency.
- Our **Robotics Process Automation (RPA) system** is utilised for supplier payment processing, order processing and invoicing. It has reduced the administrative workload of our employee by over 70%.



Heavy Industries

Focus Area

- Enhancing design and engineering competencies
- Strengthening processes to boost productivity, improve cost efficiency and mitigate safety and environmental risks

Activities in FY2020

- Several **partnership arrangements** were inked with local **universities** including Universiti Malaysia Terengganu (UMT), International Islamic University Malaysia (IIUM) and Universiti Teknologi Malaysia (UTM) to develop **design and engineering capabilities** for future naval shipbuilding projects.
- We also initiated a collaboration with National Defence University of Malaysia on maritime technology.
- We implemented a **Management Automated Reporting System (MARS)** to manage processes involving customers and vendors. MARS is an internet-based, highly automated shipbuilding monitoring and analysis system that facilitates material and production control.





QUALITY AND CUSTOMER SATISFACTION

We are committed to identifying and realising customer needs, both current and future. Through our provision of high-quality products and services, we look to provide convenience and comfort, while improving customer satisfaction levels.

The Group has embarked on various initiatives to improve the quality of our products and services in order to heighten customer satisfaction levels, as per the following:



Plantation

All of our palm oil mills adhere to two ISO requirements, **ISO 9001 and ISO 22000**. This is reflective of the Plantation Division's dedication to ensuring quality standards are met across our operations.

The ISO 9001 standard specifies the ability to consistently deliver products that meet customer demands and relevant regulatory requirements. It involves enhancing customer satisfaction through processes for continual improvement. All 10 of our mills have ISO 9001:2008 certification. Of these, nine mills undertook a re-certification and upgrading audit and received ISO 9001:2015 certification in 2020. We expect the remaining mill, Tawai, to obtain its ISO 9001:2015 certification in 2021.

ISO 22000:2005 involves requirements for a food safety management system that is able to identify hazards and ensure food safety levels. One of our mills has been accredited with ISO 22000:2005 certification.



9 out of 10
palm oil mills
certified with
ISO 9001:2015

Division



Property & Industrial

To raise quality standards, our hotels and resorts segment of the Property & Industrial Division has implemented **mid- and long-term refurbishment plans** for our portfolio of hotels. We have also implemented an energy efficiency programme to upgrade our air conditioning chillers.

The centralisation of purchasing allows us to attain better conformity to brand standards and improve cost savings.

Testament to our efforts, Royale Chulan Cherating Villas won the Loved by Guest Award 2020 through Hotels.com. Royale Chulan Penang also received the Certificate of Excellence 2020 by TripAdvisor as well as Guest Review Award 2020 by Booking.com.

Our property segment continues to record **improvements to service levels** at our malls in the interest of visitor convenience. Upgrades during the year included an enhanced parking system, better connectivity, facilities as well as customer experience improvements.

Our industrial business unit, UAC Berhad, is **ISO9001:2015 certified**.



Royale Chulan Cherating Villas won
'Loved by Guest' Award 2020

by Hotels.com

Royal Chulan Penang received

Certificate of Excellence 2020

by TripAdvisor

Royale Chulan Penang won
Guest Review Award 2020

by Booking.com



PROGRESS TOWARDS SUSTAINABILITY GOALS



Pharmaceutical

Recognising that our products directly impact the quality of life of patients, the Division adheres to exacting quality standards. To date, seven of the Division's business units are certified with ISO 9001:2015.

This is reflected in the **99.6% compliance score** that we attained for all performance standards under the concession agreement with the Government of Malaysia.

In 2020, we achieved an **order fulfilment rate of 97%**. We managed to sustain our performance due to valuable client feedback derived from Customer Satisfaction Surveys with the Ministry of Health (MOH), teaching hospitals under the Ministry of Education (MOE) in addition to private sector clients.

Client Satisfaction Survey Results

MOH 97%	MOE 96%
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Awards Received for Product Excellence

Global Halal Excellence Award 2020

The Halal Pharmaceutical Excellence Awards 2020

Our commitment to customer service is reflected in our stringent observance of **ISO 18298-1:2017 Customer Contact Centre requirements**. We were the sole pharmaceutical company in Malaysia to successfully complete a Surveillance Audit by SIRIM QAS International Sdn Bhd.

Given the importance of product responsibility, the Group has also assembled a **pharmacovigilance unit** to oversee and manage all relevant areas including product safety assurance.

Understanding the significance of accurate product labelling, our **labelling practices follow the Drug Registration Guidance Documentation**.

As for medical equipment and devices, we adhere to the **labelling of medical devices requirements set out by the Medical Device Authority**.

We believe in conducting marketing and advertising activities in a responsible and ethical manner, underpinned by our commitment to consumer safety.

We have established **procedures to ensure that our product advertisements comply with relevant standards and guideline**. These procedures include review of marketing materials by our internal compliance department prior to publication and circulation.

In 2020, we are pleased to report **zero non-compliance incidents** pertaining to pharmaceutical product safety, marketing and labelling.



99.6%

compliance score as per the concession agreement in 2020



Heavy Industries

Our Heavy Industries Division prioritises customer satisfaction and strives to create value for customers through high-quality and competitively priced products and services.

During the year, we completed **143 Continuous Improvement (CI) projects** that allowed us to improve our service levels as well as **saved RM2.1 million**.

To gauge satisfaction levels, we conducted **regular customer engagements** through meetings and satisfaction surveys. We implemented a Quality Management System and held regular internal quality checks and supplier quality audits.

We have also acquired and **maintained ISO 9001:2015 certifications** for the following companies within the Division:

- BHIC AeroServices Sdn Bhd
- BHIC Bofors Asia Sdn Bhd
- BHIC Defence Techservices Sdn Bhd
- BHIC Marine Technology Academy Sdn Bhd
- BHIC Navaltch Sdn Bhd
- BHIC Submarine Engineering Sdn Bhd
- Boustead DCNS Naval Corporation Sdn Bhd
- Boustead Langkawi Shipyard Sdn Bhd
- Boustead Penang Shipyard Sdn Bhd
- Boustead Naval Shipyard Sdn Bhd



Completed

**143 Continuous
Improvement Projects**

saving

RM2.1 million

in 2020



Trading, Finance & Investment

The Division's retail petroleum segment forged new **alliances in food and beverage as well as services** to expand offerings to draw in more customers.

Boustead Petroleum Marketing has also introduced **BHPetrol eCard Mobile app** to enhance customer experience. **Ten new service stations** were also opened in 2020, further widening our reach.



Introduced

BHPetrol eCard

mobile app in 2020



PROGRESS TOWARDS SUSTAINABILITY GOALS



SUSTAINABLE PRODUCTS AND SERVICES

Boustead Group is mindful that amongst a business' primary role in supporting United Nations' Sustainable Development Agenda is the provision of products and services that deliver environmental, social and economic benefits, which contribute towards the attainment of SDGs.

The following are some of our initiatives to deliver sustainable products and services:



Plantation

Sustainable Products and Services



- Sustainability-certified palm oil products

Activities in FY2020

- A total of **six palm oil mills and 21 estates** that run across 39,453 ha of our landbank are **Roundtable on Sustainable Palm Oil (RSPO) certified**. Certification is currently in progress for the remaining mills and estates.
- In terms of Malaysian Sustainable Palm Oil (MSPO) certification, which is a national sustainability certification scheme that accredits oil palm plantations, smallholdings and palm oil processing facilities in Malaysia, we are pleased to note that **all our mills and estates are MSPO certified**. This covers over 97,964.8 ha of our landbank.
- During the year, we produced a total of 136,432 MT of certified sustainable crude palm oil (CSPO) and 24,026 MT of certified sustainable palm kernel (CSPK).
- As further testament to our commitment to ensuring that the Group's entire supply chain only comprises of palm oil that has been produced or sourced responsibly, we have established a **Traceability Monitoring Programme** to track the flow of our Fresh Fruit Bunches (FFB). Through this programme, we are able to retain customer confidence in the source of our raw palm oil materials. To date, **six mills have attained RSPO Supply Chain Certification Standard (SCCS)**, while **ten are MSPO SCCS-certified**.

What does it mean to be RSPO certified?

Sustainable palm oil production is reliant on compliance with stringent RSPO principles and criteria that take into account various considerations. It is imperative for RSPO certified producers to be particularly mindful of their social and environmental obligations.

The welfare of those that depend on the palm oil sector for their livelihoods must be taken care of. Palm oil producers are required to put in place measures for improvement in pay and working conditions, freedom of association as well as upholding human rights, which includes ensuring no child labour, forced or trafficked labour across all operations.

Placing human rights at the forefront, we recognise our duty to provide a work environment that promotes dignity and equality as well as creating a safe space for any complaints and grievances.

Furthermore, we are obliged to conserve, protect and enhance the ecosystem through sustainable production, management and consumption of natural resources, for the benefit of future generations.

To achieve this, we implement effective integrated pest management (IPM), waste management and promote soil conservation and fertility. We also address climate change through continuous greenhouse gas emission reduction initiatives. The Group rigorously manages air and water pollution.



Property & Industrial

Sustainable Products and Services



- Inclusive and sustainable residential and commercial developments

Activities in FY2020

- Our property segment embeds sustainability into new launches to reduce our impact on the natural environment. Sustainability features incorporated include **transit-oriented developments, energy efficient infrastructure, safe and accessible open spaces** as well as easily **accessible social and cultural amenities**.
- In line with our commitment to sustainable and resource-efficient manufacturing, our industrial segment sourced managed resources to produce 22.8 million metres of sustainability-certified fibre cement boards. Furthermore, the segment's products are subjected to Life Cycle Assessment (LCA) by Institut Bauen und Umwelt e. V. of Germany, which is a construction and environment institute dedicated to the concept of sustainable construction. The business segment also maintained its Environmental Product Declaration certification, which was obtained in 2018, in accordance with **ISO 14025 and EN 15804**. All products meet the **Singapore Green Label criteria and SIRIM Eco-label status**.



More information on the LCA study can be found on our corporate website



COVID-19 and Construction: Providing the Building Blocks



In contributing to the fight against the COVID-19 pandemic, our Flexaboard material was utilised for the fabrication of modular structures that were utilised in the construction of temporary COVID-19 hospitals in Hong Kong. We are also in the midst of securing a COVID-19 related project for a glove manufacturer that is looking to undertake an accelerated yet safe factory and employee quarters expansion project. With the enforcement of Act 446, or the Workers' Minimum Standards of Housing and Amenities Act 1990, which pertains to Centralised Labour Quarters (CLQ), we expect higher demand for our sustainable Solid Panel products in relation to COVID-19 connected construction work.

PROGRESS TOWARDS SUSTAINABILITY GOALS



Pharmaceutical

Sustainable Products and Services



- Affordable healthcare products
- Halal healthcare products
- Vaccine
- Logistics and distribution of healthcare products to Government medical facilities across Malaysia and Indonesia

Activities in FY2020

- Our Pharmaceutical arm promotes **access to high quality healthcare products**. 44 new products were successfully registered in 2020 alone.
- Investing more than RM100 million to establish **Halal vaccine manufacturing facility** at Puchong. To date, we have successfully obtained approval for the Pneumococcal Conjugate Vaccine (PVC) and are currently working on registering five other vaccines.
- The logistics and distribution arm of the Pharmaceutical Division services **2,000 locations**. Distribution to these locations are undertaken through four warehouses strategically situated in Selangor, Penang, Sabah and Sarawak.



Halal certified products

163 products certified

23 products approved

7 products undergoing review process by JAKIM

On the Frontlines of Malaysia's Battle Against COVID-19



We are pleased to note that our Pharmaceutical Division was selected to supply the COVID-19 vaccine to the Malaysian Government, one of only five local companies to be appointed. To this end, our Pharmaceutical Division is involved in the fill and finish manufacturing as well as distribution of the COVID-19 vaccine.

We have in place a meticulous system at our manufacturing facility to ensure sterile fill and finish manufacturing. With 26 years of experience in vaccine logistics and distribution, covering a wide range of temperature requirements, particularly refrigerator temperatures, we are confident in our ability to ensure the quality, safety and efficacy of the COVID-19 vaccine.

Every step of the process has been planned out strategically, including outfitting our delivery vehicles with Internet of Things (IoT) devices that allow us to monitor vehicle movement, arrival time as well as temperature, at all times. Each vaccine case will be sealed together with a temperature monitoring device, allowing customers to securely verify temperature compliance.

The arrival of the Sinovac vaccine from China for the purpose of process validation (PV) batch manufacturing in February 2021, signified an important milestone for the Group in terms of the growth of our vaccine manufacturing capabilities. This marks the first-ever vaccine to be filled and finished locally.



Heavy Industries

Sustainable Products and Services



- Provision of shipbuilding and maintenance, repair and overhaul (MRO) services to the Royal Malaysian Navy (RMN)

Activities in FY2020

- We are pleased to do our part to aid in RMN's efforts in enforcing the law, both nationally and internationally, through our **12 MRO projects** with RMN during the year.





PROGRESS TOWARDS SUSTAINABILITY GOALS



Trading, Finance & Investment

Sustainable Products and Services



- Educational and research services by The University of Nottingham in Malaysia Sdn Bhd (UNiM)

Activities in FY2020

- In line with our commitment to ensure equal access to education for all, our institution of higher learning, UNiM, is involved in the provision of **quality tertiary education, including courses pertaining to sustainability, to 4,659 students from 75 countries in 2020** alone. At the same time, the University collaborates with various entities on **sustainability-oriented research**.

Research and Knowledge Exchange



With a 5-star Malaysia Research Assessment Instrument (MyRA) rating, UNiM's expertise lies in the topics of environment, food and health. It is through these three key areas that we look to transform lives and shape the future.

We have an active research portfolio of 86 projects, valued at RM22.21 million. Our ongoing research collaborations include our study on the Management and Ecology of

the Malaysian Elephant (MEME). This project represents a significant RM2.86 million investment by our partner Yayasan Sime Darby, clearly a tangible symbol of their confidence in our capabilities.

In cooperation with the Malaysian Communication and Multimedia Commission (MCMC), we are also measuring Malaysia's performance in coping with the COVID-19 pandemic, utilising survival data analysis. This includes a study, which explores a very timely issue of the psychological well-being of women in the workforce and how remote work could provide a sustainable alternative.

Given our standing as one of the nation's highest-rated international universities, our researchers are constantly formulating research proposals including 22 COVID-19 related projects.

Moreover, the UNiM Knowledge Exchange, which provides contract research, consultancy and continuing professional development (CPD) courses has an impressive portfolio valued at RM2.07 million in collaboration with many local and multinational companies.



Trading, Finance & Investment

Sustainable Products and Services



- Affordable, cleaner and more efficient fuel

Activities in FY2020

- Our trading segment is committed to improving accessibility to cleaner energy sources. We undertake this through the distribution of BHPetrol Liquefied Petroleum Gas (LPG) or BHPetrogas, which does not contain any harmful substances.
- 390 BHPetrol service stations across the nation offer increasingly cleaner and more efficient fuel.



MOVING FORWARD

Moving into 2021, we will spare no effort in ensuring that our businesses continue to perform and remain resilient in any business environment. We will widen the adoption of a comprehensive BCM Framework across the Group.

We are also delving deeper into the digitisation and digitalisation of Boustead, focused on the development of digital solutions that will enhance our business performance.



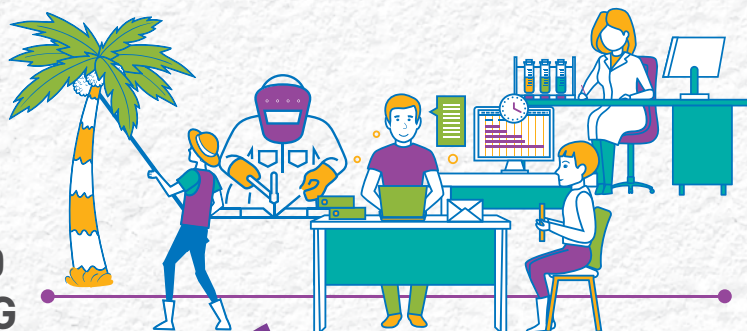
PROGRESS TOWARDS SUSTAINABILITY GOALS

GOAL:

3

CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

- DIVERSITY AND INCLUSION
- TALENT MANAGEMENT
- LABOUR PRACTICES
- SAFETY AND HEALTH



PERFORMANCE HIGHLIGHTS



Work-From-Home Policy
and guidelines in place



148,195 hours
spent on formal training



Zero non-compliance cases related
to employment and labour practices



Zero
fatalities



Year-on-year
LTIFR reduction of
36%
in 2020

INTRODUCTION

We believe in nurturing a healthy working environment for all employees, premised on policies, strategies and practices that promote human rights, good labour practices, equality, diversity, merit-based rewards, talent development as well as occupational safety and health.

The Group is firmly committed to diversity and inclusion in the workplace, be it in our Board or within our operations. We recognise the overwhelmingly positive impact it brings to our performance as a whole.

We continuously look for ways to improve employee experience by implementing employee engagement initiatives that allow us to interact with our people. Talent management and training is another focus area for the Group in our quest to attract and retain talent as well as fill competency gaps.

In ensuring that the welfare of our employees is prioritised, we are committed to safeguarding the safety and health of our employees.

The benefits are clear. By creating a conducive workplace, we can inspire greater productivity and performance from Bousteadors in line with our goal of promoting a sustainable and high-performance workforce.



DIVERSITY AND INCLUSION

We recognise the importance of diversity and inclusion as core components in building a sustainable business. A diverse and inclusive workforce presents the Group with a competitive business advantage as a result of our broadened knowledge base as well as diverse perspectives and ideas.

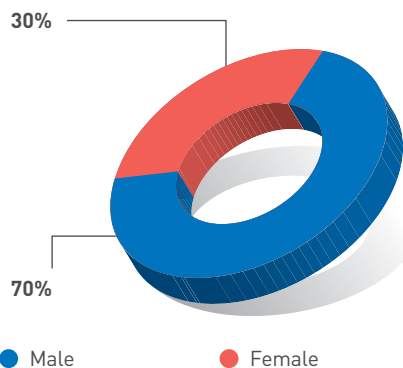
We strive to provide equal employment opportunities and dispel any form of discrimination, by promoting diversity of gender, race, religion, age, nationality, sexual orientation and disabilities.

We resolve to champion the welfare of Bousteadors from the very beginning of their employment journey to their final day of service at the Group. Our Recruitment and Selection Policy & Procedure which is aligned with our Code of Ethics & Conduct (CoEC), ensures that no discrimination takes place throughout the recruitment process.

Our zero-tolerance approach to sexual harassment in the workplace is firmly outlined in the CoEC to ensure our female employees are safe and protected at all times.

Workforce Profile in 2020

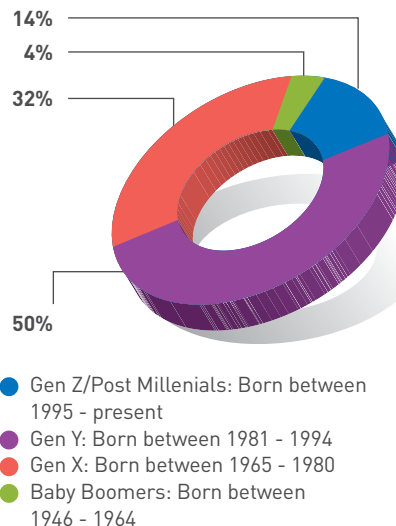
Gender



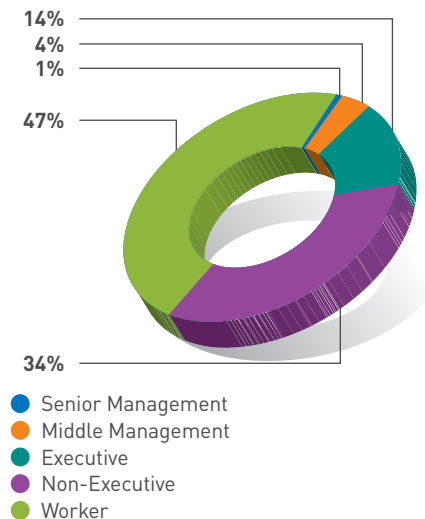
Total No. of Employees:

17,347

Age



Employee Level



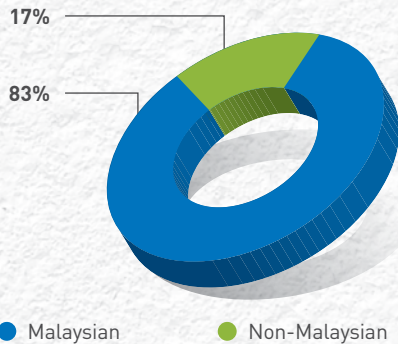
Note: Workers are primarily employed by the Plantation Division



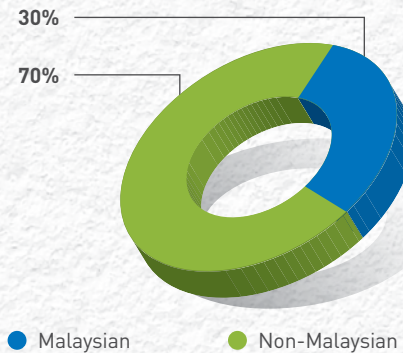
PROGRESS TOWARDS SUSTAINABILITY GOALS

Nationality

Executive and Non-Executive Level



Worker Level



Note: Workers are primarily employed by the Plantation Division

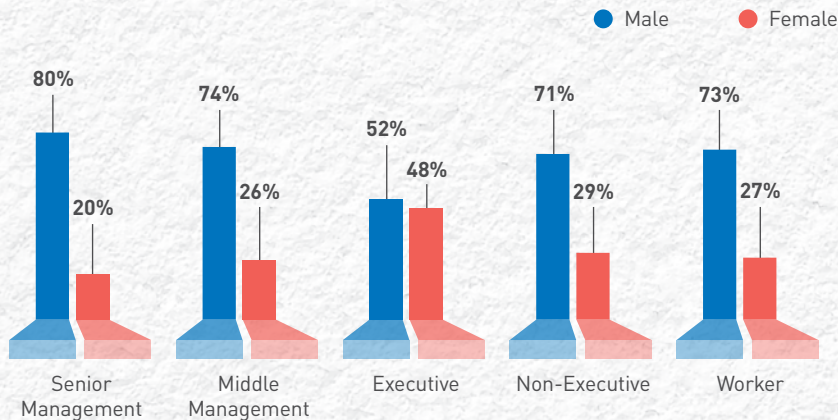
The Women of Boustead



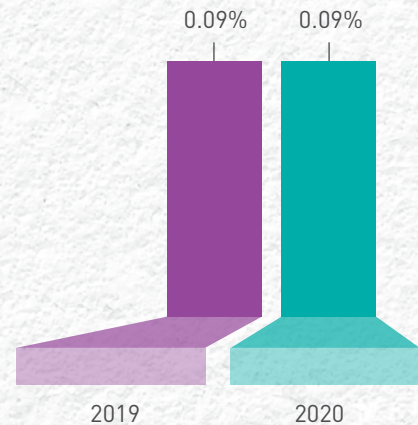
33%
Women Directors

30%
Women in our Workforce

Gender Diversity by Employee Level in 2020



Employee with Disabilities within Total Workforce



Note: The figures above exclude general workers in Plantation Division and employees in Indonesia



Initiatives in Promoting Diversity and Inclusion

We believe in equitable gender representation on the Board, and have adopted a Board Gender Policy that seals the Group's commitment to support our national target of attaining 30% women representation on the boards of public-listed companies by 2020.

A gender diverse Board structure allows for better problem-solving as well as quality decision-making, which only strengthens the Group further.

We work to maintain gender equality across every level of our operations. All employees are offered a competitive entry-level wage without gender discrimination.

Our Plantation Division supports gender equality by providing ample growth and empowerment opportunities for women in the workforce throughout the Division's operating units.

In 2020, we advocated for the participation of women in the plantation sector through our new cadet planter and cadet engineer recruitment programme. As a result of the programme, we are pleased to welcome aboard two female cadet planters and one female cadet engineer.

We are also committed to providing a platform for individuals of diverse educational backgrounds to secure gainful employment with the Group, without prejudice.



PROGRESS TOWARDS SUSTAINABILITY GOALS



TALENT MANAGEMENT

As the Group's most important intangible asset, our human capital is critical to our operations and is at the forefront of our quest to develop a talent-driven organisation.

Our approach to talent management is premised on nurturing a team of determined and empowered individuals that come together to deliver sustainable growth for the Boustead Group, guided by our Talent Management Framework.

Empowering our workforce involves supporting them in developing the skills that are required for Bousteadors to have sustained career growth with the Group, beyond what is required for their current roles.

We also recognise the importance of gaining employee feedback, improving camaraderie and enhancing employee satisfaction through our various employee engagement sessions.

With employee needs taken care of holistically, we are able to retain and attract top talents to propel Boustead to the next level of growth.

Talent Management Framework

Our robust Talent Management Framework that comprises of the Group's Learning and Development Policy, Employee Engagement Policy, Recruitment Policy and Performance Management Policy, drives the Group's recruitment and retention process.

The policies also guide the Group in crafting training programmes that develop the capabilities of our talent pool in order to encourage our employees to look at performance improvement on a continual basis.



We have introduced a Talent Management Council to address human capital issues within the Group as well as to ensure that accountability and transparency in talent management is further inculcated.

Amongst the functions of the Council is overseeing matters pertaining to succession planning, leadership, talent development, talent mobility, promotions and performance improvement.

To align people-related strategy and execution throughout the Group, we have also set up a Group Human Resources Council, which is driven by Human Resources representatives from all five of the Group's Divisions.

We saw the urgent need to define a new work structure for our employees, given the dramatic changes we faced due to the COVID-19 pandemic and resulting movement control orders. Our Work-From-Home Policy that was activated across all our business units, lays out a guideline for our employees including responsibilities and flexibilities.

Employee Learning and Development

Empowering individuals allows us to strengthen our position as a workplace of choice, which in turn enables us to attract and retain high-quality talent.

A vital component of Boustead's Talent Management Framework is our annual performance and career development appraisal where we review the individual performance of employees, premised on agreed upon quantifiable targets as determined by line managers.

The appraisal process functions as an important two-way communication channel between management and employees. It helps build a more open employee-management relationship, while providing an avenue to exchange feedback and ideas as well as identify individual requirements in terms of training and development.

We acknowledge and celebrate the value that our people bring to the Group by providing merit-based bonuses and promotions, grounded on the results of individual performance reviews.

Performance in Training and Development

Acknowledging the importance of providing opportunities for training along with career and personal development in effective employee attraction and retention, a total of 148,195 hours were spent on formal training in 2020 alone.

Our training and development investment for both internal and external trainings amounted to RM2.26 million. We ultimately spent less on training and development this year compared to 2019 as a result of the COVID-19 pandemic. Many training sessions were cancelled in 2020 while the training sessions that took place were primarily conducted online and without additional cost.



Hours spent on formal training and development

2020:

148,195 hours

2019: 172,959 hours



Allocation for formal training and development

2020:

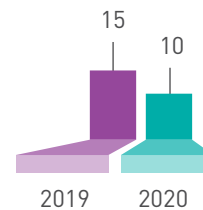
RM2.26 million

2019: RM5.2 million

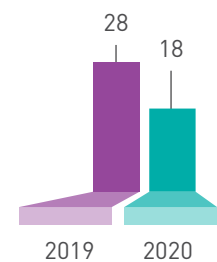


Average hours spent on formal training and development (per employee)

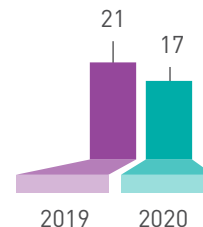
Senior Management



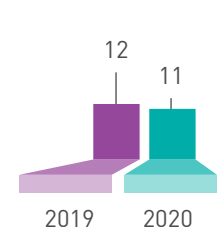
Middle Management



Executive



Non-Executive





PROGRESS TOWARDS SUSTAINABILITY GOALS

Talent Development Initiatives



The potential for the Group's growth lies in the hands of our greatest asset, our Bousteadors. In order to address skill gaps and identify career and development goals, we conduct regular training needs assessments. We also review all training initiatives to identify continued relevance to job requirements as well as competency development.




In our efforts to build suitable training initiatives, we utilise a myriad of learning methodologies and channels that include online courses, classroom sessions and overseas training, amongst many others.

Every year, we set aside 40 training hours for executive-level employees and 20 hours of training for non-executive employees.

The Talent Transformation Programme within our Talent Development Framework was established to enhance employee capabilities while at the same time cultivate potential leaders within the Group for the purposes of succession planning.

With the COVID-19 pandemic limiting our external trainings, we explored opportunities for additional internal training and development programmes in 2020, as per the following:

		Description
Programmes	 Corporate induction for Executives and Non-Executives	<ul style="list-style-type: none"> • Induction sessions were conducted to help familiarise new employees with the workings of the Group and the specific Divisions. • It also provided an avenue for new hires to better understand their roles and responsibilities as well as the Group's expectations for ethical conduct. • Internal networking opportunities were also made available, particularly during the presentation sessions by the various heads of departments from the Group. • In 2020, Boustead Holdings Berhad conducted three virtual induction sessions for executive-level employees and one session for non-executive hires.
	 Leadership Development Programme	<ul style="list-style-type: none"> • Over the past year, we strengthened leadership development training offerings for our executives, particularly those at middle and senior management levels. • Programmes conducted during the year touched on strategic thinking and decision-making for senior management, development of winning KPIs, leading the team through people, as well as the role of leaders in securing the synergy required for collaborative work within the Group, amongst others.

		Description
Programmes		Upskilling Programme <ul style="list-style-type: none"> • We strive to provide opportunities for our employees to upskill in order to keep up to date with current trends, emerging industry innovations and the newest technologies, through relevant and comprehensive technical courses. • In 2020, IT-centred upskilling programmes were conducted primarily to enhance the efficiency of remote-working during the COVID-19 pandemic. • Specific upskilling programmes related to finance, audit, and human resource were also conducted. Employees that participated in these programmes were awarded with the relevant qualifications by external supervisory bodies.
		Modular Development Programme <ul style="list-style-type: none"> • Our tailor-made Modular Development Programme provides flexibility for all levels of employees to complete career development training modules in stages over a span of five years. • The Programme revolves around three factors, namely: Leading Yourself, Leading High-Performing Teams and Leading the Business.
		Continuous Learning Programme <ul style="list-style-type: none"> • We take a lifelong learning approach with our Continuous Learning Programme, which is dedicated to helping our workforce inculcate sustainable habits that increase productivity, as well as enhance professionalism and holistic wellness. • During the year, we conducted training sessions that were focused on physical, psychological, spiritual and financial well-being. • In 2020, Boustead Holdings Berhad organised a total of five sessions of Work Culture Alignment Programme for its executive and non-executive employees.

PROGRESS TOWARDS SUSTAINABILITY GOALS

Talent Attraction and Retention

Recognising the inherent value of our employees and their role in accomplishing the Group's operational and business goals, we strive to create an environment where our staff feel motivated and valued.

Bousteadors are provided with the following attractive benefits:

Leave Benefits

- Annual Leave
- Study Leave
- Marriage Leave
- Paternity Leave
- Maternity Leave
- Compassionate Leave
- Calamities Leave
- Hajj Leave

Medical Benefits

- Medical Coverage
- Insurance Coverage
- Dental Coverage
- Health Screening

Other Benefits

- Education Subsidy for Children
- Private Retirement Scheme (PRS)
- Housing Loan Interest Subsidy Scheme

We are committed to offering fair and competitive compensation in order to attract and retain high-quality employees. We are also reviewing our compensation and benefits practices to create a more competitive rewards strategy.

At the same time, our Culture Transformation Programme specifies the components of a high-performance as well as safe and respectful work culture to inspire Bousteadors to deliver results against the backdrop of our core values.

New Norm in Compensation and Benefits



In light of the COVID-19 pandemic, we have revised our compensation and benefits policies to ensure that we continue to protect the welfare and rights of our employees. Consequently, we have resolved to cover the cost of COVID-19 swab tests for relevant employees that are required to be on-site.

Bearing in mind the fact that flexibility is a critical tenet to employee well-being during these uncertain times, we have implemented various options for our employees including working from home, flexible and staggered working hours as well as rotational teams.

We have also allowed our employees to carry forward unutilised annual leave due to Work-From-Home arrangements.



Employee Retention for Executive and Non-Executive Levels



New Hires

Male

Female

547 307

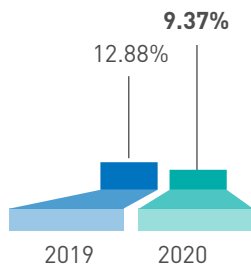

Resignations

Male

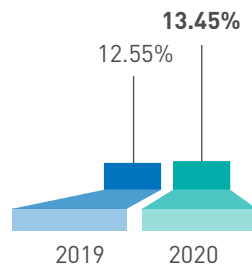
Female

820 405

New Hires Rate



Turnover Rate



Employee Retention for Worker Level



New Hires

Male

Female

1,838 532

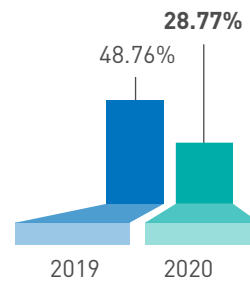

Resignations

Male

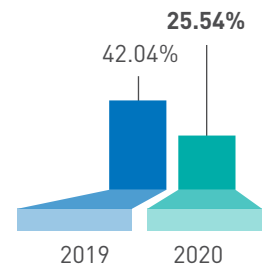
Female

1,507 597

New Hires Rate



Turnover Rate



Note: Worker level is applicable for Plantation Division only.

Comparative Entry Level Salary for Non-Executive with National Minimum Wage

1.2 : 1



PROGRESS TOWARDS SUSTAINABILITY GOALS

Employee Engagement Initiatives

Communication is essential to building a strong work culture.



We value employee feedback and make it a point to conduct quarterly Employee Satisfaction Surveys to gain insights on their experience and expectations for the Group as well as to close the gap between management and employees. We strive to establish a workplace that is in everyone's best interests.



In order to reduce turnover and enhance the retention of skilled workers and experienced harvesters, our Plantation Division has formed a centralised Careline Unit where employees can voice their concerns and suggestions.

Further to this, we also undertake employee engagement initiatives to improve camaraderie within the workforce, while providing solutions to address employee concerns.

The COVID-19 pandemic and Movement Control Order (MCO) has presented various challenges in undertaking employee engagement, particularly in-person engagements. To overcome this challenge, we have broadened our reach through the employment of online-based communication platforms.

The following are some of the many employee engagement programmes and activities that were conducted in 2020:

		Description
Programmes		Virtual Townhall and Engagement Session with CEO <ul style="list-style-type: none"> A series of mini townhall meetings were organised, led by the Managing Directors for each of our five Divisions. The meetings offered an open space for employees to participate in discussions with top management. At the same time, management was able to relay updates on the Company's performance and other relevant topics.
		Employee Appreciation/Recognition Programmes <ul style="list-style-type: none"> We believe in showing our appreciation for the loyalty, commitment and dedication of our employees. During the year, we celebrated Bousteadors through the presentation of our long service award and best attendance record award. Special recognition was also accorded to members of our hotels and resorts workforce who were involved in serving guests at quarantine hotels during the pandemic.
		Virtual Talks <ul style="list-style-type: none"> We encouraged a culture of learning with virtual talks on the following topics: <ul style="list-style-type: none"> Financial literacy programme termed "Financial Planning Tips Amidst COVID-19" by a financial advisor. Mental Health talk titled "It's Okay Not to Be Okay" by a psychiatrist consultant of Sunway Medical Centre.

		Description
Programmes	 Festive Celebrations	<ul style="list-style-type: none"> Throughout the year, Bousteadors celebrated festivities via both physical and virtual means. Festivities conducted across the Group included: <ul style="list-style-type: none"> Cake decoration activity for Hari Merdeka and Hari Malaysia Virtual Murruku Cooking Class for Deepavali celebration Distribution of food vouchers and food packs to employees for Hari Raya Aidilfitri.
	 Staying Connected Remotely	<ul style="list-style-type: none"> Given the fact that many Bousteadors were practising remote-working during the year, we encouraged the sharing of experiences related to working from home on our BousteadLEAD Facebook Page. We also organised multiple employee contests through internal virtual platforms. These initiatives were undertaken to retain a sense of connectedness with each other despite the physical distance.



LABOUR PRACTICES

At Boustead, our employees are the bedrock of our continued growth. Hence, the adoption of responsible labour practices is not only the right thing to do, it is essential for the creation of a safe and conducive working environment that will nurture a positive, healthy and highly productive organisational culture.

The ongoing COVID-19 pandemic has shed light on unethical labour practices, placing businesses under scrutiny for the abuse and exploitation of employee rights, particularly, unsafe working and living conditions.

We recognise the significance of these issues and are determined to ensure that the Group’s labour practices are in compliance with the local employment laws as well as the labour principles specified by the United Nations’ Universal Declaration of Human Rights, covering several areas related to labour management. This includes ethical recruitment, working hours, freedom of association and collective bargaining, as well as discrimination and harassment.



PROGRESS TOWARDS SUSTAINABILITY GOALS

Labour Policies

We advocate fair treatment for all and uphold fundamental human rights principles in our interactions with Bousteadors, regardless of their background.

All employees, including contract, temporary and migrant workers, are entitled to their rights and benefits as outlined in the Universal Declaration of Human Rights, the International Labour Organisation's core conventions, and any applicable local employment laws, including Malaysia's Employment Act 1955.

Our responsibility towards implementing fair labour practices is reflected in the Group's Code of Ethics and Conduct (CoEC) through which we demonstrate our commitment towards addressing workplace bullying and sexual harassment, amongst other key issues.

Our whistleblowing channels offer employees a safe and confidential way to report any violation of labour practices.



An elaboration on our Whistleblowing Policy can be found under Goal 1: Acting with Integrity on page 36.

Labour Practices in Place

Demonstrating our commitment to upholding good labour practices, we are pleased to note that in 2020, the Group recorded zero non-compliance cases in relation to employment and labour practices.

The following are some of the initiatives that we have implemented to ensure compliance with fair labour practices:



Collective Bargaining and Freedom of Association

- In adherence with Malaysia's Trade Unions Act 1959 and Industrial Relations Act 1967, we support the right of all employees to exercise freedom of association and collective bargaining.
- We strive to ensure consistent engagement with our unions who are our key stakeholders in order to better understand and provide solutions to the grievances and concerns of our employees.
- The following are examples of the unions present within the Group's operations:
 - ▶ Non-Metallic Mineral Products Manufacturing Employees' Union (NMMPMEU)
 - ▶ National Union of Petroleum and Chemical Industry Workers (NUPCIW)
 - ▶ National Union of Plantation Workers (NUPW)
 - ▶ All Malayan Estates Staffs Union (AMESU)
 - ▶ National Union of Commercial Workers (NUCW)
- A Collective Agreement review is held every three years for each union, in which representatives from both management and employees will come together to address matters related to labour practices such as wages and fair treatment.
- Regular meetings are held on a weekly as well as quarterly basis, between the management and all union representatives across all our operations.



Foreign Workers Rights and Forced Labour

- Given the fact that palm oil production is labour-intensive, our Plantation Division requires a high number of field workers who are physically fit to perform manual labour.
- Against this backdrop, we are conscious of the need to devote particular attention to resolving labour rights issues.
- For this reason, the Division has put in place our Human Rights Policy and Foreign Workers Policy as a guideline in managing and interacting with our field workers.
- As part of the Plantation Division's Transformation Programme, we have established a centralised specialist team committed to resolving matters pertaining to foreign workers.
- We have ensured that living quarters are equipped with free electricity, clean water supply as well as proper waste and sewerage management systems.
- Auxiliary police are in place to ensure the safety of our employees.
- It is vital to ensure that the housing quarters remain in good condition to prevent any safety red flags. As such, we carry out weekly housing inspections to address any complaints reported by workers as well as look out for any unreported issues.
- Routine maintenance and upgrading works are conducted at the housing quarters and facilities as and when required.
- We conduct fogging to prevent mosquito-borne diseases such as dengue in order to safeguard the health of our employees.
- Employee engagements are imperative to improve well-being as well as camaraderie amongst co-workers. The Group also organised gotong royong activities and an Annual Sports Carnival.

Standard Housing and Amenities:

- In accordance with the Worker's Minimum Standards of Housing and Amenities (Amendment) Act 2019, the Group ensures that the welfare of its workers is protected by providing suitable living quarters with substantial amenities.
- All housing quarters are fully equipped with basic facilities such as clinics, recreational amenities, places of worship, and stores that retail essential supplies at a subsidised rate for our workers.
- We are conscious of the importance of living in a safe, conducive and connected environment.





PROGRESS TOWARDS SUSTAINABILITY GOALS



Foreign Workers Rights and Forced Labour

Forced Labour & Modern Slavery:

- We remain fully committed to driving change in the palm oil sector by doing our part to abolish the unacceptable practices of human trafficking, forced labour and modern slavery. The policy is extended to our supply chain, where our suppliers in the Plantation Division are required to comply with local regulations pertaining to the issues of forced labour, excessive working hours, and health and safety standards.
- The Group promotes ethical recruitment to ensure no abuse of foreign workers' rights takes place at any level of the employment process.
- Our centralised recruitment system allows us to better facilitate the worker recruitment process.
- Foreign workers are recruited directly to minimise dependence on recruitment agents and to shorten hiring turnaround time.
- However, in cases where we require the assistance of recruitment agents, we make certain that our foreign workers are not subjected to recruitment fees or contract substitutions.
- We believe in complete transparency in all aspects of our business. To ensure this is also followed through in our recruitment process, we require our recruitment agents to relay detailed information to foreign workers including the contents of the employment contract, job description, minimum wage offered, living costs, transportation costs and accommodation.
- The Group also ensures that all foreign workers receive a copy of their signed employment contract.
- In the case of mill management, foreign workers' passports are kept by the management with the workers' written consent. No conditions are imposed should the workers wish to retrieve said passports.
- In keeping with our focus on eradicating forced labour, we ensure that all employees undertake work willingly and that there is no involuntary overtime.
- Our workers are provided guaranteed freedom to resign and are not subjected to any penalties for termination of contract.
- We are also firmly against debt bondage or withholding of wages.
- Every foreign worker is also provided with a detailed pay slip and offered at least one day of rest every week.
- Furthermore, all our foreign workers are covered by a general insurance policy known as the Foreign Workmen Compensation Scheme, which covers injuries and fatalities.



Child Labour

- Given our participation in the plantation sector, we understand the importance of our role and responsibility in combating child labour through strict implementation of labour practices in compliance with Malaysia's Children and Young Person (Employment) Act 1996.
- Our commitment is demonstrated by our Plantation Division's Child Protection Policy to deter child labour activities in our estates and mills. The policy is also communicated to and included in agreements with our suppliers.
- We also ensure that children of schooling age attend schools in the estates and mills, namely through the setting up of Humana schools and Community Learning Centres (CLC) at our estates. Free transportation is also provided.
- We also provide day-care facilities for children below the age of seven, where their education and safety are concurrently cared for.
- We believe that by protecting and ensuring the safety of our workers' children at our estates, we can thereby lessen the burden of our workers and provide them with peace of mind while they are at work.



Fair Wages

- We make certain that all employees are adequately and equitably compensated for their work, regardless of their gender, ethnicity, nationality or background in line with our 'equal work, equal pay' policy.
- Employee compensation is determined in accordance with the minimum wage policy set by the Malaysian Government, whereby all Boustead employees receive a wage that is equal to or above the minimum wage.
- We also offer our employees a wide range of allowances, incentives, bonuses, overtime rates as well as other additional benefits.
- Our Plantation Division regularly reviews wage rates including piece-rate pay to ensure that our wage scale is in full compliance with industry standards, while requiring our suppliers to abide by local requirements on minimum wage.



PROGRESS TOWARDS SUSTAINABILITY GOALS



SAFETY AND HEALTH

Premised on our commitment to creating a safe and healthy workplace, we are continually working to ensure that our businesses are conducted in a manner that prioritises the well-being of our people as well as those involved in our operations, be it directly or indirectly.

We are steadfast in imprinting a culture of safety and health throughout the Group, through the implementation of functional measures that alleviate workplace hazard related risks.

Safety and Health Management

We acknowledge the various risks our employees are exposed to on a daily basis and are conscious of our moral and legal duty to manage our operations in a way that protects the safety and health of our people.



Additional information on activities and risks associated with our diverse businesses can be found on our corporate website

As the highest governance body for the Group and as per its Terms of Reference (TOR), the Board Sustainability Committee oversees our performance in safety and health.

We fully integrate safety and health precautions into our businesses through the Group-wide Safety and Health Policy, which is replicated in all the safety and health policies of our five Divisions. The Policy outlines in detail, our foremost priority of harm prevention in terms of safeguarding the safety of our people as well as our commitment to fostering good health. We firmly believe that creating a safe workplace is a shared responsibility, which is why the Policy also defines the role that our employees play in terms of safety and health.



To further aid us in ensuring compliance with the Group's Safety and Health Policy on a day-to-day basis, we are supported by a total of 19 certified safety officers who oversee safety and health management across all operations.

Our Safety and Health Policy is consistent with the principles of the International Labour Organisation (ILO) and respective local authorities, including Malaysia's Department of Occupational Safety and Health (DOSH). We also comply with the Occupational Safety and Health (OSH) Act 1994.

We are committed to meeting international standards for OSH management to manage workplace risks. Five of our business units are OSH management system certified. Our key business units of Pharmaniaga Logistics Sdn. Bhd., Boustead Naval Shipyard Sdn Bhd and UAC Berhad have migrated to the ISO 45001:2018 OSH management system, while some of our business units are OSHAS 18001:2007 certified.

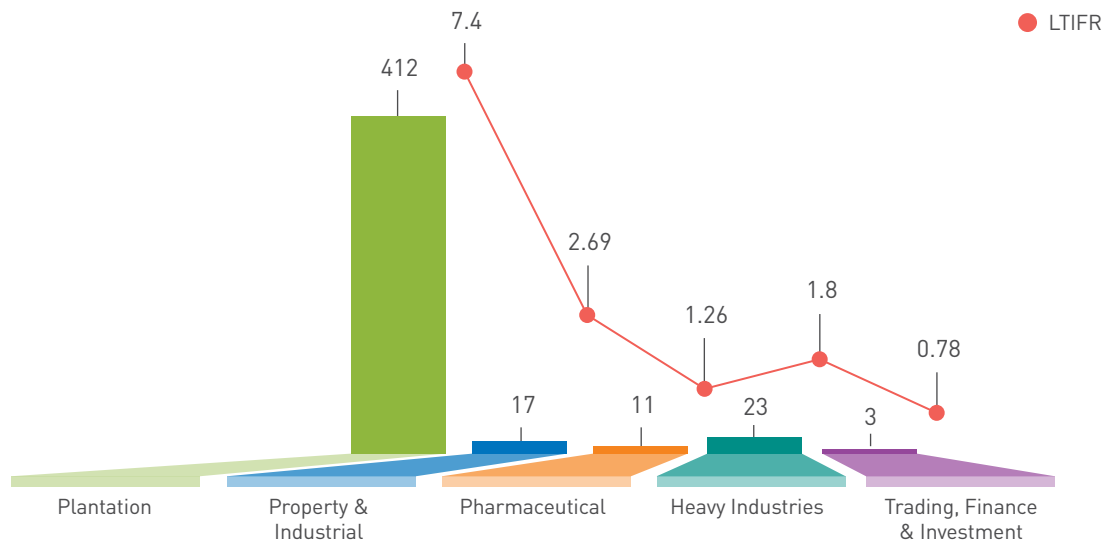
We initiated a Group-wide target to reduce Lost Time Injury Frequency Rate (LTIFR) by 10% in 2020. Each business unit prescribes to Safety and Health performance indicators, including LTIFR, which are part of their divisional key performance indicators (KPIs). These KPIs directly impact executive remuneration and is reflective of our continuous drive to improve accountability, while strengthening safety practices.

Safety and Health Performance

We are pleased to note that we recorded zero fatality cases across all operations in 2020, while registering 36% LTIFR reduction compared with 2019.

We also recorded zero safety and health non-compliance cases.

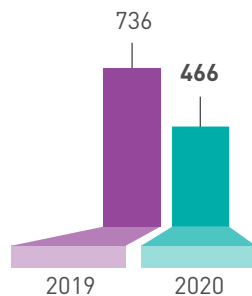
Total Number of Accidents and Lost Time Frequency Rate (LTIFR) by Division in 2020



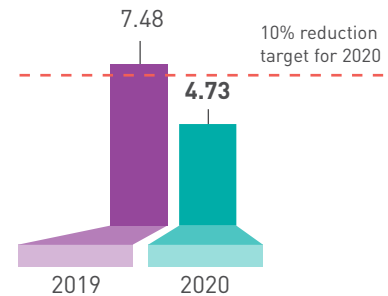
Note:

$LTIFR = \frac{\text{Lost time injury accident}}{\text{Total man hours worked}} \times 1,000,000$

Total Number of Accidents for Boustead Group



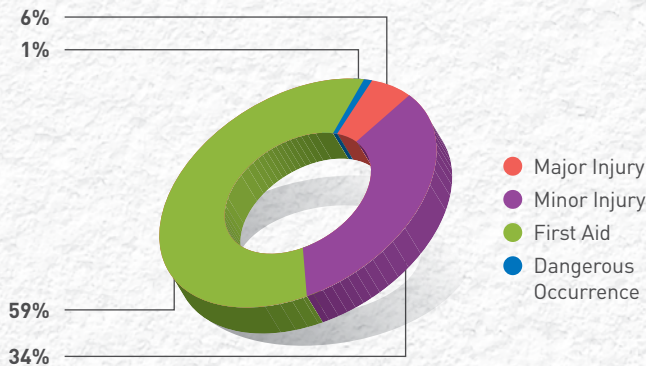
Total LTIFR for Boustead Group





PROGRESS TOWARDS SUSTAINABILITY GOALS

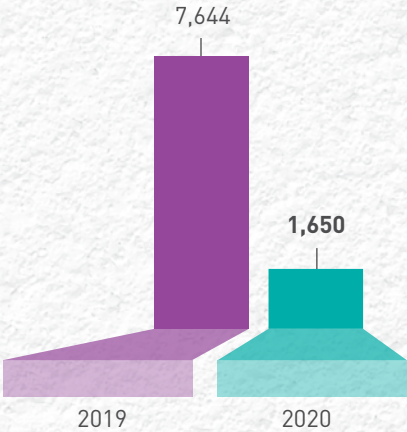
Categories of Injuries in 2020



Note:

- 1. Major Injury: Injury that resulted in five or more days of lost time
- 2. Minor injury: Injury that resulted in less than five days of lost time
- 3. First aid: Any injury requiring one time treatment and subsequent observation of minor scratches, cuts, burns, splinters, and so forth
- 4. Dangerous occurrence: Incidence arising from or in connection with work and is of a class specified in Schedule 2 of the Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPD)


Total Number of Lost Days for Boustead Group







Workplace Safety Programmes



We are committed to investing in results-driven initiatives that enhance the safety of our operations. During the year, we implemented various safety and health programmes covering mandatory safety training, specialised hazard recognition and control as well as safety audits. We also established a Safety and Health Committee.

The following is a list of some of the programmes that we have initiated:

Description	
Programmes	
 Safety Training and Engagement	<ul style="list-style-type: none">• The key aim of this programme was to raise safety awareness within the Group, while improving our safety culture related capacity and competency.• During the year, we conducted 528 safety and health related training sessions for more than 12,500 employees, across the Group.• Our employees were trained on general safety matters, including:<ul style="list-style-type: none">▶ Basic safety training during induction▶ Basic first aid training▶ Fire prevention and drills

		Description
Programmes		<ul style="list-style-type: none"> Employees also went through specific work hazard training and briefing sessions on topics including Emergency Preparedness and Response, Hearing Conservation and Chemical Safety, Hazardous Material Handling and Oil Spill Response, amongst many others. <div>  Additional information on safety trainings attended by employees can be found on our corporate website </div> <ul style="list-style-type: none"> Active collaboration between our certified safety officers and local authorities such as DOSH allows us to coordinate safety training sessions that improve employee knowledge and skills. We require our contractors and business partners to also adhere to our Safety and Health Policy. Our on-site vendors participate in safety forums and workshops that outline the Group's expectations. We also organise relevant training sessions so that our contractors and business partners are able to enhance their safety competency levels.
		<ul style="list-style-type: none"> We prioritise full understanding of safety and health risks at all times. The Hazard Identification Risk Assessment Risk Control (HIRARC) methodology serves as a preventive measure, through which hazards are diagnosed, analysed and assessed in terms of their associated risks. The Assessment is carried out on both routine and non-routine tasks. Personal exposure monitoring devices are utilised to evaluate the extent of exposure to dangerous chemicals and substances. Based on our findings, viable, effective controls that reduce the risks from identified hazards have been identified in line with the Hierarchy of Controls under HIRARC. <div>  Additional information on types of Controls can be found on our corporate website </div>
		<ul style="list-style-type: none"> We evaluate compliance against relevant legal requirements and established procedures. Various initiatives are undertaken periodically in the form of: <ul style="list-style-type: none"> Monthly workplace inspections Daily safety walkabouts Implementation of Systematic Occupational Health Enhancement Level Programme (SoHELP) by DOSH Inspection of machinery, lifts, and firefighting systems Site audits for contractors Audits by DOSH In 2020, we conducted 504 workplace inspections and 53 internal safety audits. We also conduct incident investigations, aimed at preventing recurrence of safety incidents. Preventive and corrective actions identified are then communicated to all relevant parties.

PROGRESS TOWARDS SUSTAINABILITY GOALS

Description	
<div>Programmes</div> <div></div> <div>Safety and Health Committee Meetings</div>	<ul style="list-style-type: none">• Our joint management-worker Safety Committees for our different business units hold meetings on a quarterly basis to deliberate on matters pertaining to OSH.• The Committee provides a formal channel to discuss the results of safety audits and incident investigations conducted as well as any safety complaints received from stakeholders or employees.• The safety and health performance of the business units are also reviewed during these meetings.
 <p>A Boustead Naval Shipyard employee performing welding operations during a ship repair project.</p>	 <p>Our Bukit Raja Warehouse requires the use of PPE during cold chain activities.</p>

COVID-19 related safety and health measures



The COVID-19 pandemic has certainly had a disruptive effect on the workplace. With a focus on ensuring safe and healthy working conditions, we have taken the necessary measures to mitigate risks related to the pandemic as per the following:

Work-From-Home Policy managed by:

- Group Crisis Response Team
- Group Human Capital Management (GHCM) Department



Stringent SOPs established in accordance with guidelines issued by relevant Government agencies for onsite staff, managed by the respective Head of departments



Frequent sanitisation of common facilities



Continuous communication on SOPs and proper hygiene via email blasts, official Group chats and posters



Social distancing measures in place



Temperature screening at all entry points



Hand sanitisers at all entry points



Mandatory use of face masks



Travel restrictions to red zone areas



COVID-19 self-declaration forms provided to staff



Mass COVID-19 swab tests for relevant employees by Pharmaniaga Berhad and UAC Berhad



Safeguarding Employee Well-being

At Boustead, we believe that there is a direct correlation between employee health and well-being and overall job satisfaction. A happy and healthy employee will translate to better output, which will positively impact the Group's performance.

In line with our commitment towards achieving the United Nations' SDG 3, it is our responsibility to assist

our employees to stay motivated and care for their physical and mental well-being.

We equip several of our workplaces with gymnasiums where our employees are free to practise any fitness activity including dance-based workouts, aerobics and yoga. At the same time, we also provide free medical services to all employees at clinics located within our estates and mills.



PROGRESS TOWARDS SUSTAINABILITY GOALS

As a result of the COVID-19 related movement restrictions, we have had to halt many of our annual programmes and services promoting health, including sports and recreational programmes as well as blood donation drives, in order to adhere to social distancing requirements.

Monitoring mental and physical health during COVID-19



Boustead Group places equal importance on the mental and physical health of our employees. We went the extra mile to ensure employee well-being was taken care of amidst the COVID-19 pandemic.

We motivated Bousteadors and provided advice on adapting to the new normal via email blasts. We also organised regular virtual engagements within departments to mitigate any concerns faced by employees as well as to check in on their health.

We have also improved work-related flexibilities for the benefit of our employees.

The Group conducted several virtual programmes on mental health including stress management training and psychology related talks.

Our Pharmaceutical Division provides an avenue for employees to share their grievances. A panel of psychologists are also at hand for employees that require additional support.



MOVING FORWARD

In 2021, our key focus would be on developing the identified top talent, Bousteadors 100 and Bousteadors 300, who will drive the management and execution of the newly-introduced Reinventing Boustead strategy.

We are looking to raise the number of critical positions filled by internal candidates through relevant training programmes that will strengthen and hone the skills of our valued assets.

We are committed to maintain our zero labour incidents record. We will also put in place the necessary measures to improve workplace safety and maintain zero fatality. Moreover, we look to achieve a 10% reduction in year-on-year LTIFR.

Boustead Group will continue to implement measures to advocate holistic employee well-being with special attention to improving mental wellness.

GOAL:

4

ACHIEVING OPERATIONAL ECO-EFFICIENCY

- ENVIRONMENTAL COMPLIANCE
- GREENHOUSE GAS AND CLIMATE CHANGE
- RESOURCE EFFICIENCY

PERFORMANCE HIGHLIGHTS



Environmental Non-Compliance

Zero Cases**1,032.28** MT

of Total Hazardous Waste

**1.08** mil tCO₂-e

of Total GHG Emissions

**1.90** mil GJof Total Energy
Consumption**6.15** mil m³

of Total Water Withdrawn



INTRODUCTION

The world is faced with a dire future as a result of climate change. This climate emergency threatens not only our physical environment, it also affects economic and social stability.

Boustead Group recognises that as corporate citizens, we play an integral part in ensuring that solid measures are taken to mitigate and adapt to climate change including monitoring and reducing Greenhouse Gas (GHG) emissions.

Given this high-risk reality, it is imperative to strive for operational eco-efficiency and we do this by operating our varied businesses in the most environmentally responsible manner feasible, by ensuring compliance with environmental laws and regulations.

We are also conscious of the importance of doing our part to safeguard natural resources given the long-term destructive impact of unsustainable exploitation of natural resources.

PROGRESS TOWARDS SUSTAINABILITY GOALS



ENVIRONMENTAL COMPLIANCE

We are mindful that responsible environmental management contributes to the long-term sustainability of ecosystems, surrounding communities as well as our business concerns. As such, protecting the environment is one of the Group's core sustainability objectives.

Our approach to environmental stewardship is premised on a commitment to operate all our businesses within the stringent environmental standards we have set for ourselves.

Our environmental management system which is guided by international environmental management standards allows us to continually assess and improve our compliance with environmental regulations. Many of our business units including Pharmaniaga and UAC Berhad are ISO14001:2015 Environmental Management Systems certified.

We undertake internal audits, which are one of the measures we have in place to ensure full compliance with the relevant regulations.

Hazardous Waste Management

Hazardous waste poses a high risk if it is not regulated correctly, which is why proper management is essential to minimise adverse environmental and community impact.

Against this backdrop, stringent measures are in place to maintain a prudent hazardous waste management system in accordance with the Environmental Quality (Scheduled Waste) Regulations 2007 in Malaysia and Government Regulation No. 101/2014 on Hazardous Waste Management in Indonesia.



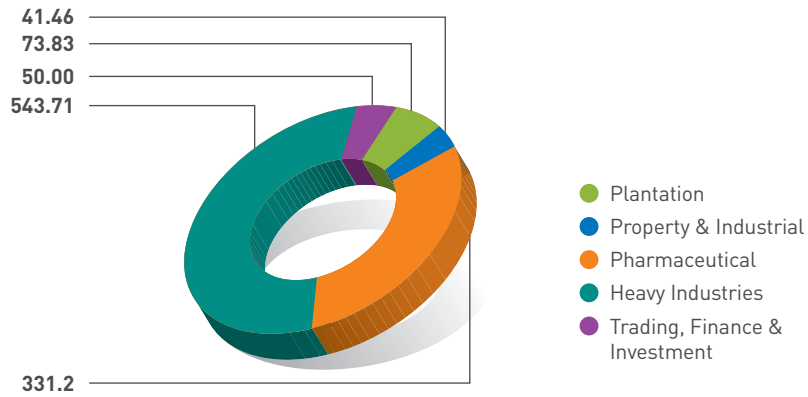
Hazardous waste is stored in safe and secure sites within our operations prior to disposal by licensed third party waste contractors.

We are working towards environmentally sustainable management of hazardous waste by reducing the creation of hazardous waste and exploring ways to safely reuse and recycle hazardous waste in our operations.

We have been constantly improving our manufacturing process to reduce the use of materials that could end up as hazardous waste. On that note, we have decreased the utilisation of hydrochloric acid in UAC Berhad's manufacturing activities.

We have recorded an increase in hazardous waste generation in our operations during the year. Strict measures were enforced to ensure safe and legal disposal. No non-compliance incidents resulting in significant fines or non-monetary sanctions were reported during the year.

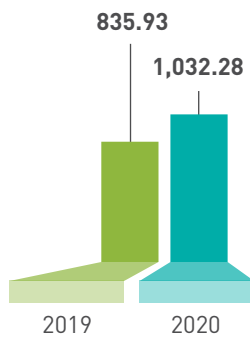
Total Hazardous Waste by Division (MT) in 2020



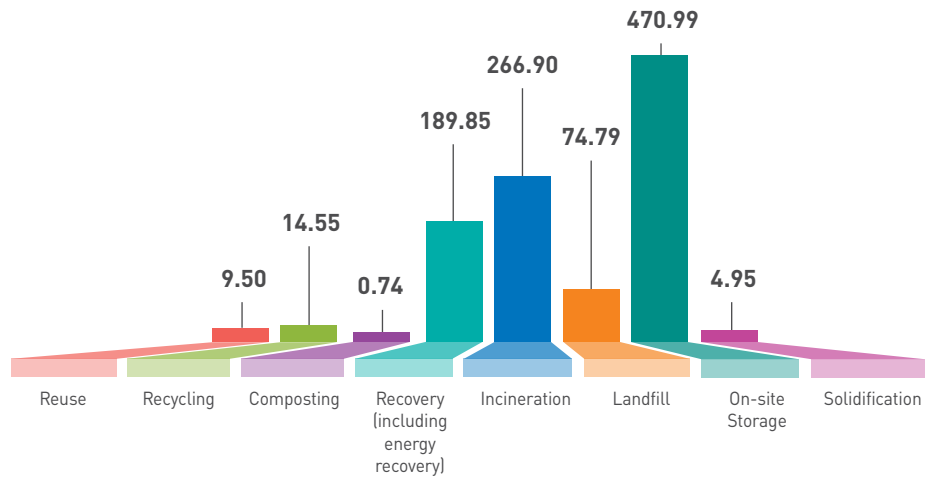
Total Hazardous Waste
Generated in 2020

1,032.28_{MT}

Total Hazardous Waste by Year (MT)



Disposal Method of Hazardous Waste (MT) in 2020





PROGRESS TOWARDS SUSTAINABILITY GOALS

Wastewater Discharge

Water is a critical natural resource. It is important for our business and for our surrounding communities. In line with our promise to conserve and protect the environment, we adopt a systematic and effective wastewater discharge management system.

All businesses within the Group strictly adhere to regulations determined by the Department of Environment (DOE), particularly the Environmental Quality (Sewage and Industrial Effluents) Regulations 1979.

Our Indonesian operations comply with the standards set as per the *Peraturan Menteri Lingkungan Hidup No. 5 Tahun 2014 tentang Baku Mutu Air Limbah lampiran XXXIX* concerning Quality Standards for Pharmaceutical Industry Wastewater.

Necessary measures are taken to ensure that on-site effluent treatment systems that are utilised to treat wastewater, are appropriately monitored. The treatment system is handled by a team of well-trained personnel, who have undergone the Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO) course by DOE, amongst others.

The Group carries out routine maintenance to enhance the effectiveness of our in-house treatment systems as well as to ensure that the treatment system, sewerage main pipeline and drainage remain in good condition for wastewater discharge.

Competent laboratories monitor our discharge quality through regular sampling. Regular reviews are also conducted to evaluate and ensure that the Group complies with the necessary environmental laws and regulations on industrial effluent.

Adding to that, we have invested in research and development (R&D) initiatives to determine alternative



solutions in reducing wastewater discharge. Our Pharmaceutical business has contributed by reusing treated water for washroom, gardening and landscaping activities on-site.

We have also applied strict policies against ballast treatment at our jetty in Boustead Cruise Centre in adherence with the International Convention for the Control and Management of Ship's Ballast Water and Sediment 2004. Improper ballast water discharge can lead to serious environmental issues as the marine ecosystem can be affected by the introduction of new invasive species through the discharge of microscopic organisms directly into the water.

We are pleased to announce that in the past year, the Group has reported zero non-compliance cases related to wastewater discharge involving significant fines or non-monetary sanctions.



Air Emissions

Firm control measures have been set in compliance with the Environmental Quality (Clean Air) Act, which was first enforced in 2019, to ensure that air emissions from our operations are within specified limits.

In line with our efforts to minimise airborne emissions and ensure compliance, the Group has invested in the installation of air pollution control systems to better monitor the quality of air emissions at our sites.

We have made it compulsory for relevant employees to go through proper air emission management training, including completing the Certified Environmental Professional in Bag Filter Operation (CePBF0) course by DOE.

The Group has embarked on various initiatives to reduce air emissions. Amongst the initiatives undertaken include:

Division	Description
	<p>Consistent with the newly introduced requirement on dust particulate emissions, in 2020, the Division completed the installation of four units of our Dust Particulate Trapping System, also known as Electrostatic Precipitators (ESP) and one wet-scrubber to reduce dust and particulate emissions coming from our mills' boilers.</p> <p>Another five units of ESP are being installed progressively, with completion targeted before end 2021.</p>
	<p>UAC Berhad is transitioning from the use of medium fuel oil to natural gas to ensure cleaner emissions, in compliance with latest regulations.</p> <p>This is targeted to be completed in mid-2021.</p>

In the 2020 fiscal year, we recorded zero non-compliance incidents pertaining to air emissions resulting in significant fines or non-monetary sanctions.



GREENHOUSE GAS AND CLIMATE CHANGE

Climate change is one of the most complex systemic challenges we face as global citizens.

Apart from the impact on the environment, climate change also disrupts economic and social stability as businesses face operational disruption and resource scarcity due to extreme weather conditions.

While it is not possible for a single corporation or even nation for that matter, to halt climate change, we must take on the challenge to contribute to a collective action to address this risk.

As a key player in several industries including plantation, property and heavy industries, our operational activities

involve the emission of GHG as well as consumption of energy from various sources.

At Boustead, we are conscious of the need to reduce our climate impact by means of mitigation and adaptation.

Mitigating our climate impact is premised on the reduction of GHG emissions arising from our business operations.

Adaptation focuses on enhancing our climate resilience by ensuring we are ready for the potential risks caused by climate change impacting our operations. This includes acting with foresight to ensure that our business and fiscal decisions are made with climate change in mind.



PROGRESS TOWARDS SUSTAINABILITY GOALS

Our Board of Directors, through its Sustainability Committee, heads the Group in its efforts to tackle climate change and reduce GHG emissions. In alignment with the Sustainability Committee's terms of reference, the Board provides oversight on all climate-related issues.

Our efforts are consistent with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). The Group is looking to further enhance the implementation of TCFD recommendations across its business operations, focusing on four thematic areas of governance, strategy, risk management, metrics, and targets.

In 2019, the Group successfully established an extensive GHG inventory. Following through, we continue to track and monitor Scope 1 and Scope 2 emission sources. We intend to achieve a 15% reduction of absolute GHG emissions by 2025 against the 2019 baseline.

Through tracking and monitoring, we are able to gain further insights on our emissions and energy consumption. This also improves disclosure levels, which will lead to more informed and efficient allocation of capital that can help facilitate the transition to a more sustainable, lower-carbon organisation.

We employ the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard), that was developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD), to calculate our total GHG emissions. The GHG emissions data for Land Conversion is derived from the PalmGHG calculation formulated by the Roundtable on Sustainable Palm Oil (RSPO).

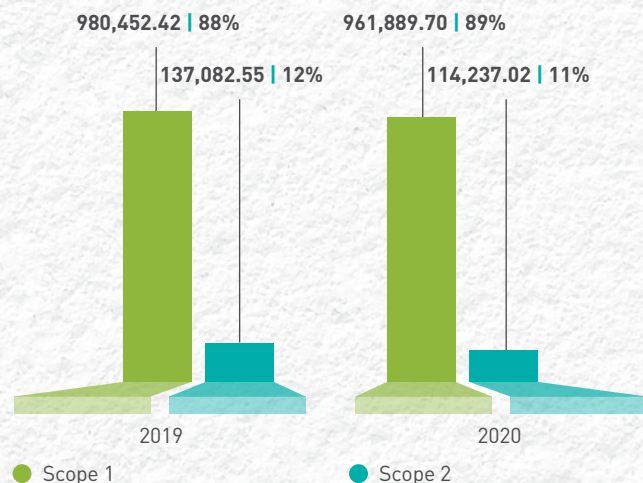
We utilise the operating control approach to establish our organisational boundary for GHG inventory in accordance with the GHG Protocol Corporate Standard. Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report.



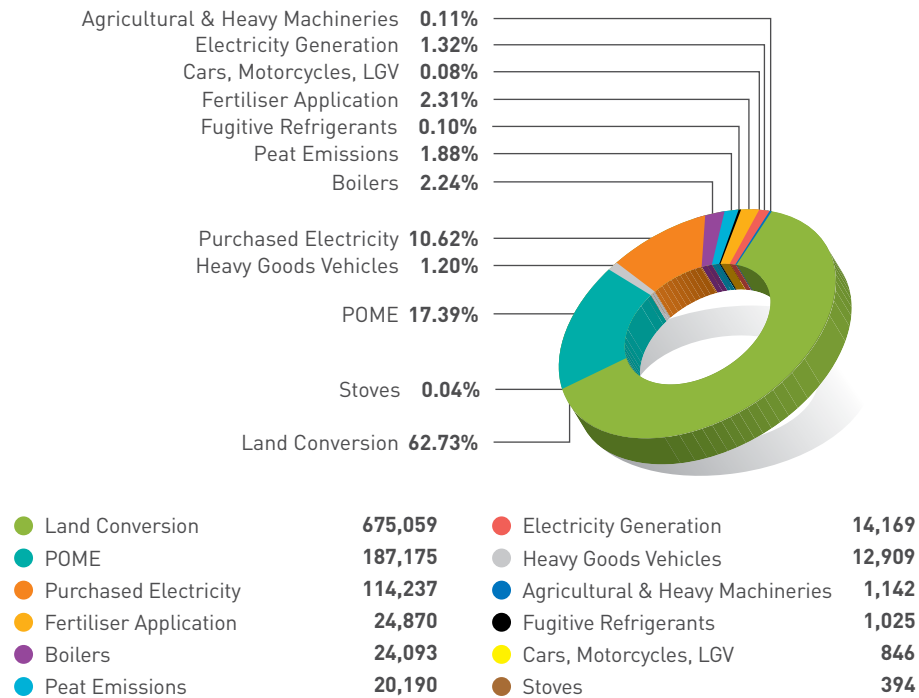
Total Absolute Emissions in 2020
(Scope 1 & 2)

1,076,126.72 tCO₂-e

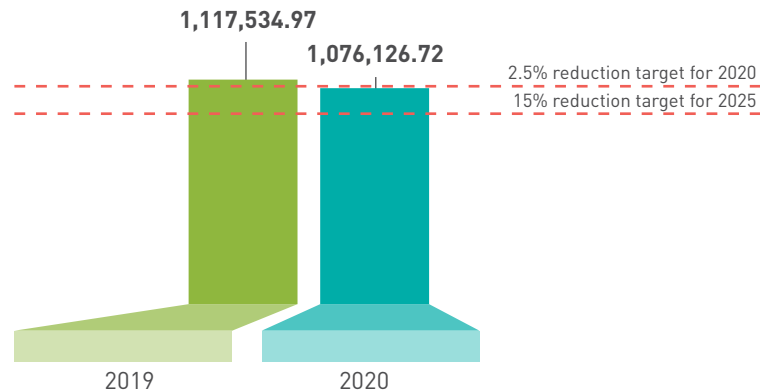
Total GHG Emissions by Scope (tCO₂-e)



Total GHG Emissions by Sources (tCO₂-e) in 2020



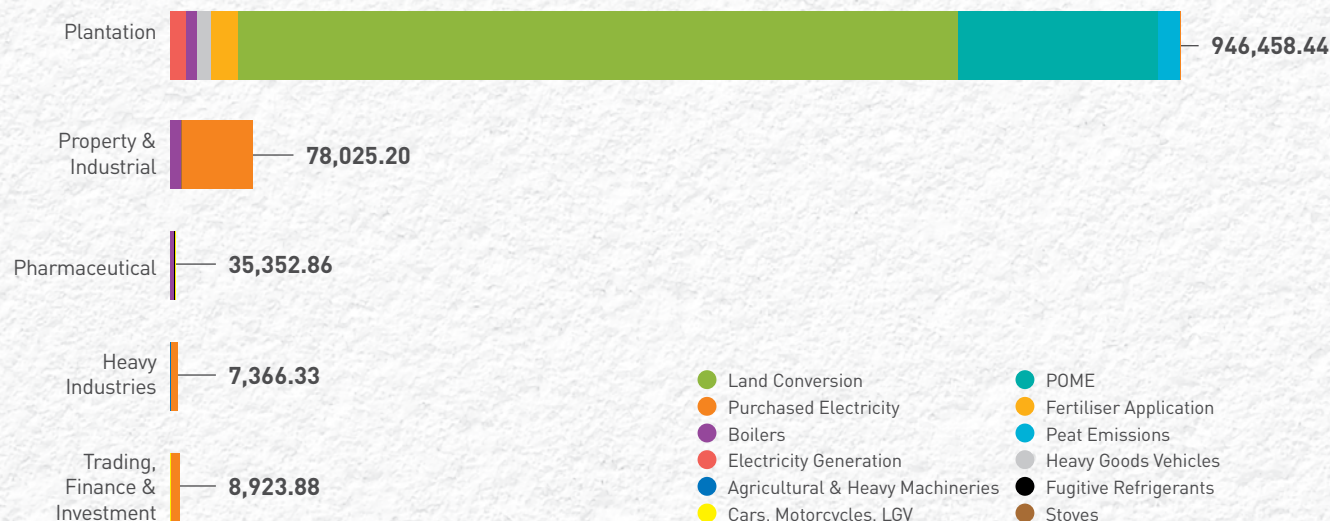
Total GHG Emissions by Year (tCO₂-e)





PROGRESS TOWARDS SUSTAINABILITY GOALS

GHG Emission Sources by Division (tCO₂-e) in 2020





GHG Emissions Intensity by Division/Business Unit

Division	Business Unit	GHG Intensity		Unit
		2020	2019	
	Estates	0.763	0.762	tCO ₂ -e /MT FFB Produced
	Mills			
	• CPO	0.626	0.655	tCO ₂ -e /MT CPO Produced
	• Palm Kernel	0.626	0.662	tCO ₂ -e/MT Palm Kernel Produced
	Hotels & Resorts	0.095	0.064	tCO ₂ -e/Rooms Sold
	Property Management	0.034	0.014	tCO ₂ -e/Sqft of Built Up Area
	Boustead Curve & DEC	0.00395	0.00536	tCO ₂ -e/Sqft of Built Up Area
	UAC Berhad	0.00129	0.00138	tCO ₂ -e/Standard Metre of Fibre Cement Board Manufactured
	Pharmaniaga	12.97	14.16	tCO ₂ -e/RM Million Revenue
	Heavy Industries	13.27	10.43	tCO ₂ -e/RM Million Revenue
	Boustead Petroleum Marketing Sdn Bhd (BPM)	0.00197	0.00137	tCO ₂ -e/Metric Tonne of Petroleum Sold

During the reporting period, 89% of our emissions was under Scope 1 while 11% was Scope 2. Total emissions stood at 1,076,126.72 tCO₂-e; a reduction of 3.7% compared to last year’s 1,117,534.97 tCO₂-e.




Once again, our Plantation Division was the highest source of emissions for the Group at 88%. Similar to 2019, land conversion during replanting of oil palm was the top contributor to GHG emissions, followed by palm oil mill effluent (POME) treatment and purchased electricity. The Property & Industrial Division followed with 7%, largely contributed by the emissions from UAC Berhad’s manufacturing site.

The following are some of the measures and initiatives we have initiated to minimise GHG emissions:

Division	Initiatives
<div>  <div>Plantation</div> </div>	<ul style="list-style-type: none"> • We improved our land stewardship by undertaking a biodiversity assessment and subsequently setting aside high conservation value (HCV) areas including river buffer zones. Thus far, we have set aside 576ha of HCV areas within our plantations. This initiative allows us to increase the total carbon sequestered in our estates to 630,000 tCO₂-e in 2020, adding to the amount sequestered by our oil palm crop. • Our strict observation of the No Deforestation, No Peat, No Exploitation (NDPE) policy, which inhibits new planting on peat has also helped in avoiding emissions due to peat oxidation. • We utilise best management practices to minimise subsidence and oxidation of peat soil, as well as to examine the possibilities for peat restoration and rehabilitation. • Our Transformation Programme boosts work process efficiency, which consequently contributes to the reduction of fuel consumption at our fields. • We have also implemented recommendations pertaining to oil palm manuring from Applied Agriculture Resources Sdn Bhd which allowed us to correctly determine the type of fertiliser applied in the estates through the collection of soil and leaf samplings. As a result, we have been able to effectively reduce nitrogen emissions through strategic fertiliser application. • Our adoption of best management practices saw us planting cover crops that lock in more carbon to promote the soil’s role as a carbon sink.
<div>  <div>Property & Industrial</div> </div>	<ul style="list-style-type: none"> • We undertook the following energy savings projects to minimise emissions from purchased electricity: <ul style="list-style-type: none"> ▶ Increasing chilled water temperature in hotels and resorts. ▶ Rescheduling the operating time of energy-consuming equipment across our hotels, resorts and properties. • Usage of liquefied petroleum gas (LPG) stoves in the kitchens of our hotels and resorts is another major contributor to emissions. To address this, the Division has implemented fuel saving steps including routine maintenance of food warming equipment. • Our industrial segment led by UAC Berhad undertook the replacement of fluorescent lighting with energy saving LED bulbs, one of the initiatives under its Masterplan for GHG reduction.



PROGRESS TOWARDS SUSTAINABILITY GOALS

Division	Initiatives
<div></div> <div>Pharmaceutical</div>	<ul style="list-style-type: none">• Purchased electricity makes up the primary source of emissions for the Pharmaceutical Division. The Division’s emissions reduction initiatives are geared towards enhancing dependence on renewable sources of energy and improving energy efficiency.• We successfully saved 231,675kWh and avoided 171.67 tCO₂-e of emissions through solar panels at manufacturing sites in Sg. Petani and solar-powered streetlights at Pharmaniaga Manufacturing Berhad.• Our ongoing energy reduction initiatives at our buildings and warehouses have generated cost savings of approximately RM0.8 million.
<div></div> <div>Heavy Industries</div>	<ul style="list-style-type: none">• Purchased electricity is also the primary contributor to emissions for the Heavy Industries Division. We are exploring potential opportunities to install solar panels across our sites. We are also looking at replacing diesel generators with electricity powered generators that emit less GHG. The Division also aims to reduce electricity usage during non-operating hours through the enforcement of strict measures.
<div></div> <div>Trading, Finance & Investment</div>	<ul style="list-style-type: none">• We undertook the installation of LED lights to replace conventional lights in lecture theatres at the University of Nottingham Malaysia (UNIM).



RESOURCE EFFICIENCY

We as a society are facing several challenges. One of the most critical global mega trends we are facing is resource scarcity. Resource scarcity, be it water, energy or natural materials can potentially lead to price volatility as demand outstrips supply. We must all come together to overcome resource depletion as we move towards a circular economy that is conceptually kinder to the environment and more resource efficient.

As a corporation with diversified business interests, we have a responsibility to address the issue of resource scarcity to expand business opportunities and protect stakeholder value.

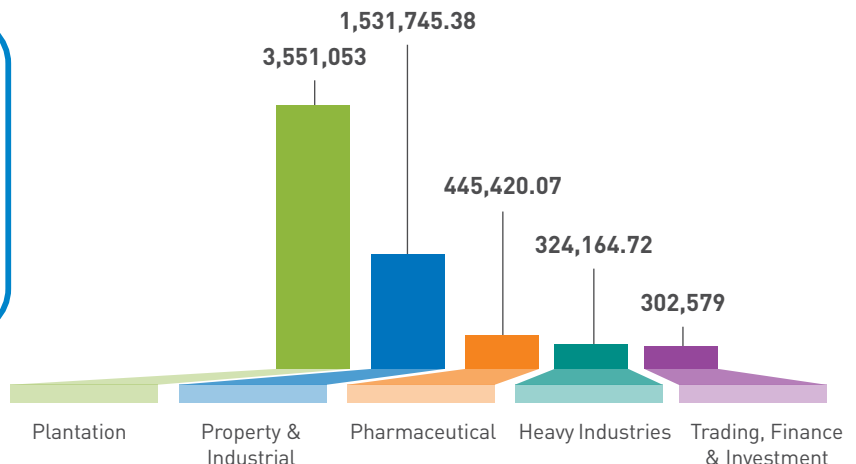
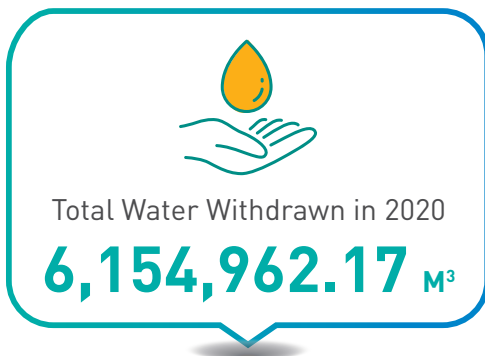
Our sustainability objective is simple: we want to derive more value from less to achieve eco-efficiency. Right across our value chain, we have implemented various initiatives to deliver more value, whilst promoting the sustainable consumption of resources.

Water Management

Water stress is an increasing concern, with more than 1.1 billion people suffering from lack of basic clean water supply. The United Nations' SDG 6 calls for businesses to increase water-use efficiency across all sectors and industries as well as to ensure sustainable withdrawal of freshwater to address this issue.

With the aim of reducing the consumption of freshwater, we have taken steps to enhance our efficiency levels in terms of modifying and enhancing the productivity of our processes that consume water. We have also taken on a more sustainable approach by recycling wastewater wherever possible.

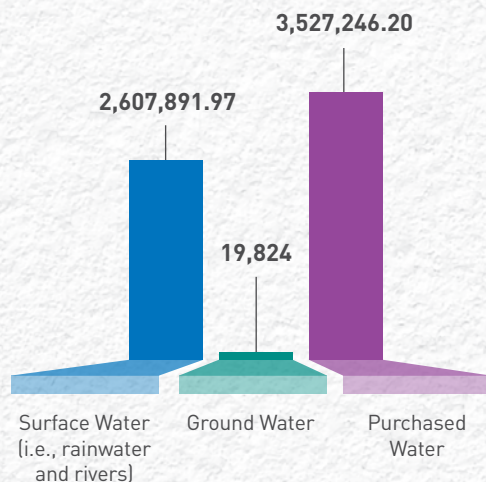
Total Water Withdrawn by Division (m³) in 2020





PROGRESS TOWARDS SUSTAINABILITY GOALS

Total Water Withdrawn by Sources (m³) in 2020



We are focused on ensuring that we thoroughly understand our water usage patterns so that we can identify our risks and opportunities to optimise water consumption. As per our monitoring, our Plantation Division is the Group's highest water consumer. This is primarily attributed to the extensive use of water in the mills.

We are consistently investing in various initiatives to reduce water consumption. We have installed rainwater harvesting systems to store rainwater for operational use. This reduces our dependence on purchased water. Our Plantation Division also has specific water catchment areas and reservoirs that we utilise to capture rainwater for our mill operations.

As for our Property Division's water recycling efforts, used water that is collected is reused for suitable domestic consumption and as cooling water in our cooling towers. Stringent enforcement is implemented to monitor water leakages across our operations.

Training sessions are conducted to educate and raise employee awareness levels on effective water management. We also extend our awareness programmes to our guests and visitors at our hotels, resorts and malls.

Energy Management

Ensuring energy efficiency is imperative as we move towards a low carbon economy. We place great emphasis on the strategic and sustainable management of energy including exploring the use of renewable and cleaner energy sources to cut operating costs and reduce our environmental footprint.

Details of our energy consumption performance are as follows:

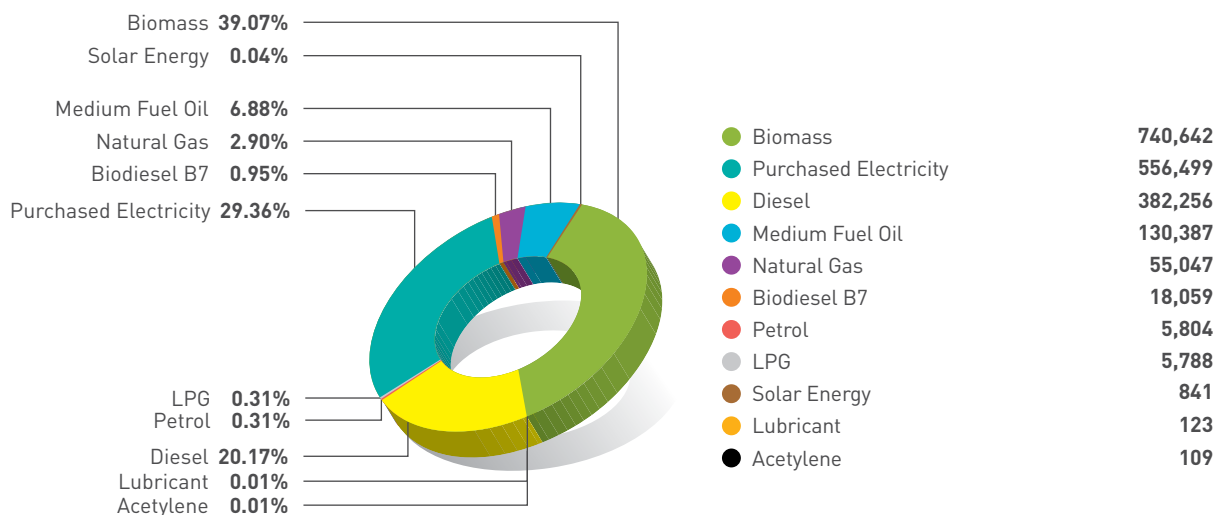


Total Energy Consumption in 2020

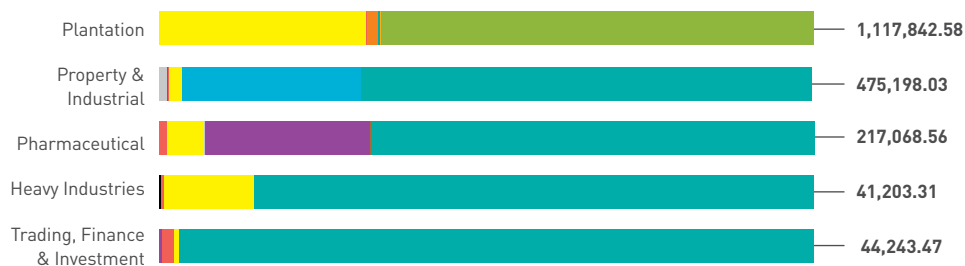
1,895,555.95 GJ

2019: 2,077,332.93 GJ

Total Energy Consumption by Sources (GJ) in 2020



Total Energy Consumption by Division (GJ) in 2020



Plantation		Property & Industrial		Pharmaceutical		Heavy Industries		Trading, Finance & Investment	
Biomass	66.26%	Purchased Electricity	68.83%	Purchased Electricity	67.53%	Purchased Electricity	85.65%	Purchased Electricity	96.98%
Diesel	31.54%	Medium Fuel Oil	27.44%	Natural Gas	25.12%	Diesel	13.61%	Petrol	1.70%
Biodiesel B7	1.62%	Diesel	2.00%	Diesel	5.80%	Petrol	0.45%	Diesel	0.91%
Purchased Electricity	0.41%	LPG	1.16%	Petrol	1.07%	Acetylene	0.26%	Natural Gas	0.40%
Petrol	0.16%	Petrol	0.17%	Solar Energy	0.38%	LPG	0.03%	Solar Energy	0.02%
Lubricant	0.01%	Natural Gas	0.07%	LPG	0.11%				
LPG	0.001%								

PROGRESS TOWARDS SUSTAINABILITY GOALS

During the reporting period, our Plantation Division was the highest energy consumer for the Group, followed by our Property & Industrial Division. What is important to note is that 38% of energy consumed by the Division was from renewable sources, primarily from biomass, which is then converted into energy utilising the boilers in our mills. This aids us in minimising our environmental impact.

Waste Management

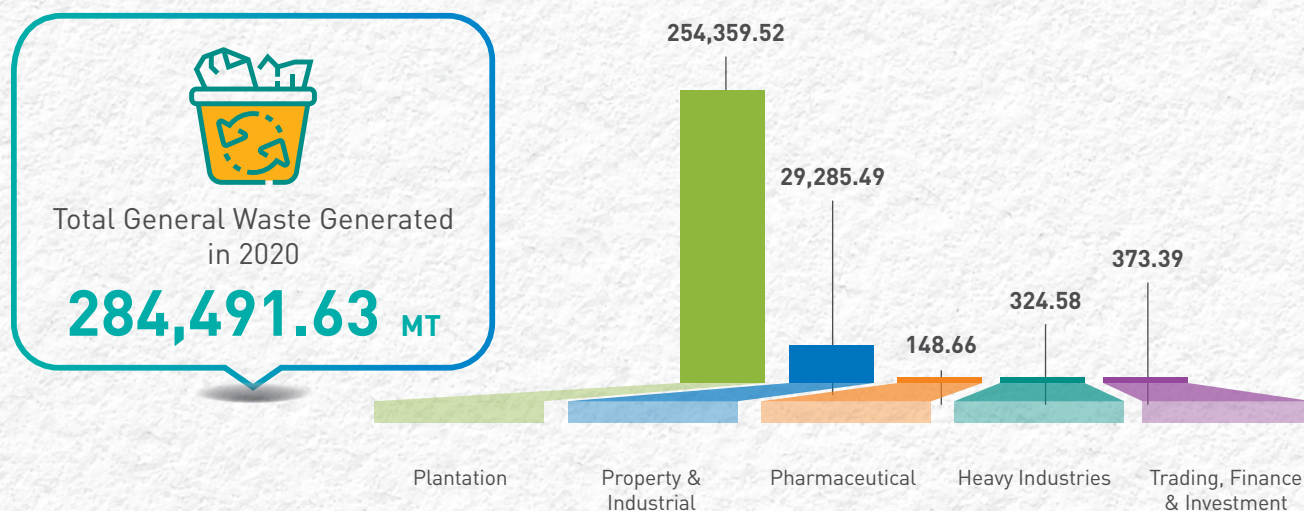
Reducing waste makes good sense both for the environment and for our business.

In line with the United Nations' SDG 12, we are committed to ensuring sustainable consumption and production. We seek out opportunities to eliminate and minimise waste via environmentally-sound waste management across our operations.

Effective waste management enables us to operate efficiently in terms of our material consumption. We look to prevent waste disposal by reducing, reusing, recycling or recovering used materials.

This year, we have established a more complete waste inventory for the Group. A summary of general waste generated in 2020 is as follows:

Total General Waste Generated by Division (MT) in 2020



Our principal source of general and non-hazardous waste comes from the Plantation Division, primarily comprising of biomass by-products made up of empty fruit brunches (EFB), fronds, decanter cakes, boiler ash and dewatered sludge cakes.

Our Plantation Division has implemented a Zero Waste Strategy that serves as a guideline on reusing waste generated by its operations. EFB is mostly reused for mulching to retain soil moisture and to reduce dependence on synthetic fertilisers.

Palm fronds, on the other hand are placed between palm rows to improve soil fertility and prevent the loss of nutrients and leaching of fertilisers. Other efforts include repurposing decanter cakes as organic fertiliser, as well as transforming mesocarp fibres and palm kernel shells as renewable fuel feedstock for the steam boilers at our mills.

Our Pharmaceutical Division’s Reduce, Reuse and Recycle (3R) initiative to minimise waste resulted in a total of 150 metric tonnes of waste being reduced. The utilisation of recycled packaging materials in some medical and pharmaceutical products also resulted in waste avoidance of 250 metric tonnes.

The Heavy Industries Division runs its own 3R initiative to recycle and reuse materials such as scrap metal, paper and discarded roofs, leading to total cost savings of RM259,307 in 2020 alone.

In terms of waste management in our Property & Industrial Division, UAC Berhad embarked on a pilot project for the recycling of cement board off-cuts. In 2020, 600 metric tonnes of waste have been diverted from landfills through this project.



MOVING FORWARD

As we move towards operational eco-efficiency in 2021, we have set a target to achieve a 2.5% reduction in our yearly GHG emissions. We will continue to extend our efforts in researching and exploring renewable energy sources to improve operational performance and reduce our environmental impact.

Fulfilling our sustainability commitment, we will also ensure that all our operations are in full compliance with the applicable environmental regulations, whilst driving innovation to enhance resource efficiency.

PROGRESS TOWARDS SUSTAINABILITY GOALS



GOAL:

5

CATALYSING GROWTH IN SOCIETY

- SUPPORTING LOCAL BUSINESSES
- COMMUNITY INVESTMENT AND CONTRIBUTIONS

PERFORMANCE HIGHLIGHTS



11,290

vendors and suppliers engaged



RM33.39 million

Value of CSR contributions



6 Million units

PPE & critical care products distributed

INTRODUCTION

We believe that societal progress starts with enabling growth within the communities where we work and live, which is why we invest in sustainable and mutually beneficial partnerships that strengthen our local communities as well as our Group's businesses.

As a corporation that operates across diverse businesses and industries, we take it as our responsibility to help local businesses strengthen and widen their prospects given the competitive economic environment.

At the same time, we are committed to ensuring the common good of our communities by continuously contributing to the growth and betterment of our society.

Our corporate social responsibility initiatives are developed to maximise the impact of our contributions for the betterment of the communities around us including retired and serving members of the Armed Forces and their families.



SUPPORTING LOCAL BUSINESSES

At Boustead, we recognise the important role that local businesses play in propelling the economy forward. Given our position in the corporate sector and our ability to catalyse growth, we are committed to building strong local communities by providing support in the form of economic opportunities. Our Procurement Policy outlines the priority given to local suppliers in the procurement of goods and services across the Group.

Over the past year, we have partnered with numerous upstream and downstream vendors across all our operations in various industries, as follows:





PROGRESS TOWARDS SUSTAINABILITY GOALS

Vendor Development

We are committed to supporting the development of SMEs through various vendor improvement and support programmes including our very own Vendor Development Programme (VDP).


The Group’s VDP sees us conducting various capacity building sessions to enhance vendor competency in terms of the delivery of products and services, with the aim of improving the competitiveness of our entire value chain.

Understanding that vendor performance levels are a critical component of a successful VDP, both our Pharmaceutical and Heavy Industries Divisions conduct quarterly assessments to evaluate the performance of our vendors in terms of delivery and product quality. These reports are subsequently provided to the relevant Government ministries.

The Heavy Industries Division’s VDP allows us to provide our vendors with the opportunity to improve their expertise in shipbuilding and ship repair through a range of training programmes. These vendors are trained in project management skills, technical know-how, integration of shipyard production as well as value-added activities in both shipbuilding and ship repair.


Our Pharmaceutical Division, through its RoyalePharma Alliance Programme offers fellow community pharmacy members competitive pricing, training as well as long-term credit to support them in managing their working capital.


Details of the vendor improvement initiatives across the Group are outlined as follows:

Division	Initiatives	Progress in 2020
 Pharmaceutical	VDP	<ul style="list-style-type: none">• A total of 24 vendors participated in Pharmaniaga’s VDP.• During the year, we updated the Ministry of Entrepreneur Development and Cooperatives (MEDAC) on the performance of our vendors, which was monitored via our in-house system, the Quarterly Vendor excellence Monitoring Programme (QVEMP).• As a result of our guidance and assistance, one of our vendors was awarded a RM500,000 grant by MEDAC under its Vendor Commercialisation Research Grant programme.• We have also conducted trainings for vendors on IR 4.0 to educate them on manufacturing technologies.
	RoyalePharma Alliance Programme	<ul style="list-style-type: none">• Launched in 2017, the RoyalePharma Alliance network expanded to 415 members in 2020.

Division	Initiatives	Progress in 2020
 Heavy Industries	VDP	<ul style="list-style-type: none"> In 2020, three new vendors participated in BHIC's VDP, bringing the cumulative total to 36 vendors since 2018. Eight vendors were selected to participate in MEDAC's <i>Program Pembangunan Kapasiti Vendor</i> (PPKV), which was organised by six technical agencies including MIMOS Bhd (MIMOS), SIRIM Berhad and Technology Park Malaysia (TPM). A total of 16 training courses valued at RM450,000 were conducted, focusing on topics including contract negotiation, ISO certification, project management and business enhancement. One of our vendors was awarded a research grant valued at RM780,000 by MEDAC.

We have also extended our efforts to assist local vendors and businesses in the following Divisions:

Division	Initiatives
 Property & Industrial	<p>We have partnered with a total of 1,431 vendors across eight of our hotels and resorts in Malaysia.</p> <p>Our subsidiaries, Boustead Curve and Damansara Entertainment Centre provided local entrepreneurs with various platforms to grow their businesses including floor allocation to set up push carts and pop-up stores. Flea markets were also organised by eCurve and The Curve.</p> <p>In 2020, our chain of malls collaborated with 779 vendors, comprising 438 local entrepreneurs.</p>

 Trading, Finance & Investment	<p>In 2020, Boustead Petroleum Marketing partnered with 563 suppliers and vendors.</p> <p>We provided support and assistance for 10 new vendors to operate BHPetrol service stations. This brought the total number of BHPetrol service station operators in Malaysia to 390.</p>
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PROGRESS TOWARDS SUSTAINABILITY GOALS

Sustaining Local Businesses During COVID-19

The ongoing COVID-19 pandemic has caused a devastating blow to local businesses and the economy.

The following are some of the initiatives we have undertaken to support local vendors and suppliers during this global crisis.

Division		Challenges Faced by Our Suppliers and Vendors	Our Initiatives
<div> </div>		Vendors were experiencing tight cash flow due to the disruption in demand and low sales.	<ul style="list-style-type: none"> The Division prioritised prompt payment for all suppliers and vendors. The Division also utilised web-based consultation to ease communication with vendors and suppliers.
		Suppliers were faced with material planning and purchasing issues as a result of the fluctuating demand for medical and pharmaceutical products and services.	<ul style="list-style-type: none"> Suppliers were allowed to reschedule their delivery plans to prioritise products that were in high demand. We bore the administrative cost for some cases of order cancellation. We also worked with MEDAC to create an action plan to better assist vendors during the COVID-19 pandemic. We maintained active communication with suppliers to ensure that the delivery of supplies aligned with production schedules at all times. Data analytics and a dual monitoring system was utilised to monitor all activities between the Division and vendors.
		Suppliers faced disruption in procurement and delivery plans as well as tight cash flow.	<ul style="list-style-type: none"> The Division ensured prompt payment for all suppliers and vendors. We also rendered assistance to our vendors by providing relevant documents required by bankers, customs and other Government agencies. We provided support to approximately 50 of our vendors and suppliers.
		Vendors including Petrol Station dealers experienced a decline in sales volume.	<ul style="list-style-type: none"> We deferred payment of rental fees for all BHPetrol stations operators and waived the rental fees for car wash operators. The Division also provided 30% rental discount to vendors from April 2020 to September 2020.



COMMUNITY INVESTMENT AND CONTRIBUTIONS

Underpinned by our collective belief that ‘charity begins at home’, our corporate social responsibility (CSR) efforts start with current and former Armed Forces members and their families.

The Group also focuses on making investments that support the overall welfare of communities where we operate, be it through aiding organisations that provide public service, non-profit organisations or individuals in need.

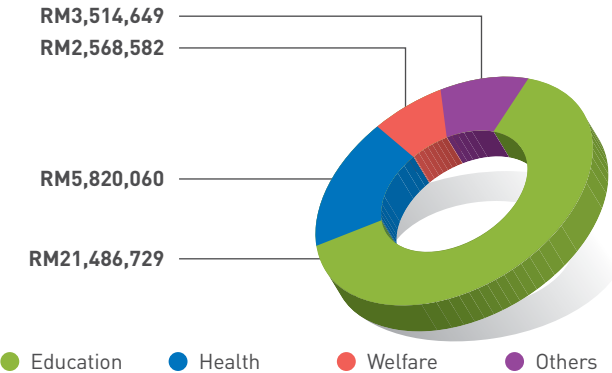
Beyond one-off contributions, we are committed to making an impact that is tangible and of value to those we aid. In alignment with the United Nations’ SDGs, our CSR approach is premised on the Group’s three main CSR pillars, which are education, health and welfare. We actively promote employee volunteerism by encouraging participation in CSR initiatives organised.

The COVID-19 pandemic did not allow us to undertake some of the scheduled initiatives. Many of our annual flagship CSR programmes including BHPetrol’s Orange Run and CeraH Bersama BHPetrol did not take place in 2020. Nonetheless, we were still able to invest RM33.39 million in our CSR activities.

We were able to shift our focus from these flagship programmes to CSR initiatives that aided the local communities and health authorities affected by the pandemic.

We are pleased to announce that Pharmaniaga was named “Company of the Year” for the Integrated Pharmaceutical Group Category at the Sustainability & CSR Awards 2020.

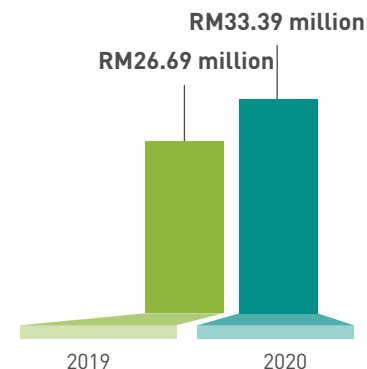
Total Value of CSR Contributions in 2020 by Pillars (RM)



Total Value of CSR Contributions in 2020

RM33,390,019

Total Value of CSR Contributions by Year (RM)





PROGRESS TOWARDS SUSTAINABILITY GOALS

Education Pillar

A key aspect of our CSR initiatives is the promotion of human development through education, which we view as a basic condition for sustained progress within society. We are committed to doing our part in propagating equal rights to education by sponsoring educational initiatives amidst the COVID-19 pandemic within our local communities.

Amongst the education programmes conducted during the pandemic are as follows:



My eTuition Programme

Business Units	Boustead Petroleum Marketing
Objectives	<ul style="list-style-type: none"> To alleviate the financial burden of B40 families in the vicinity of Tanjung Piai and Tanjung Bin, Johor during the pandemic.
Mechanism	<ul style="list-style-type: none"> Provision of free online tuition for children from B40 families in our community. Collaborated with Ministry of Plantation Industries and Commodities (MPIC). Invested a total of RM50,000.
Impact	<ul style="list-style-type: none"> Benefitted 1,650 SPM students.



Care Scholarship

Business Units	University of Nottingham
Objectives	<ul style="list-style-type: none"> To recognise the pivotal role played by frontliners in the fight against the COVID-19 pandemic.
Mechanism	<ul style="list-style-type: none"> Our Care Scholarships were offered to COVID-19 frontliners including healthcare practitioners, police officers as well as their immediate family members, providing them with the opportunity to enrol in the University of Nottingham's foundation, undergraduate, and postgraduate courses for the 2020 academic year. Invested a total of RM40,000.
Impact	<ul style="list-style-type: none"> Benefitted eight frontliners and their family members.

Health Pillar

We recognise health as a human right and are pleased that we were able to go forth with our contributions to the local authorities in strengthening the health standards of our local communities, particularly during these trying times.



Logistics Support to Ministry of Health (MOH)



Business Units

Pharmaniaga Berhad

Objectives

- To ensure that Government healthcare facilities throughout the nation were equipped to tackle the COVID-19 pandemic.

Mechanism

- The Pharmaceutical Division worked closely with MOH to provide logistics support for the delivery of medical supplies that were central in combating the spread of COVID-19.

Impact

- We delivered 228 ventilators worth more than RM36 million that were procured by Yayasan Hasanah and the GLC Disaster Response Network (GDRN) to 50 hospitals across Malaysia.
- We distributed over six million units of personal protective equipment (PPE) and other critical care products to MOH facilities across Malaysia.
- We bore the distribution cost amounting to RM5.5 million to deliver the donated products.



PROGRESS TOWARDS SUSTAINABILITY GOALS

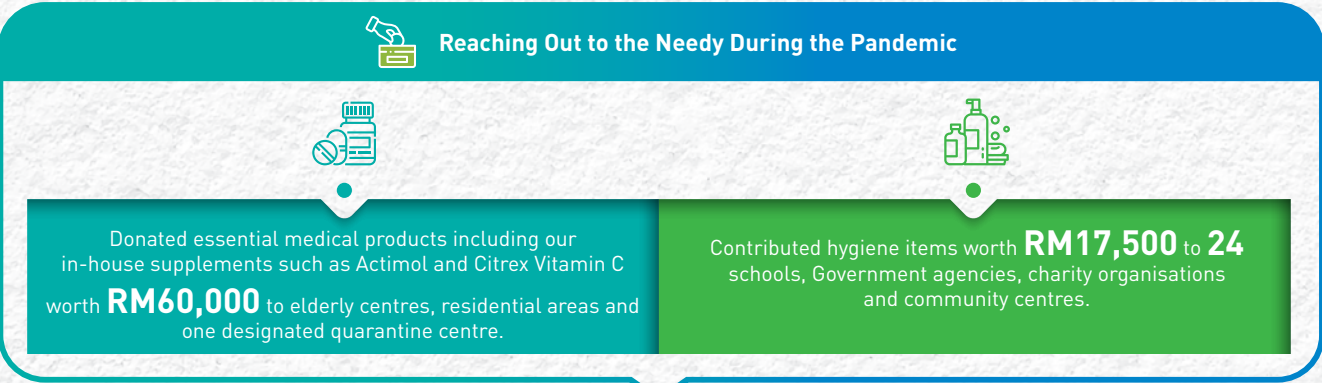
Welfare Pillar

Fuelled by our desire to do good in our communities, we have actively contributed to a variety of welfare initiatives and programmes, focussing on alleviating the impact of the pandemic.

We assisted frontliners such as healthcare workers, police officers and Armed Forces personnel through the following initiatives:



Besides frontliners, we are also committed to aiding the local communities that were affected by the COVID-19 pandemic:



While focus was on aiding our community during the pandemic, we also succeeded in conducting a few of our annual flagship CSR programmes, as listed below:

Programmes	Business Units	Details	Beneficiaries in 2020
Yayasan LTAT	Boustead Group	<ul style="list-style-type: none"> As a member of the LTAT Group, Boustead has contributed consistently for over two decades to Yayasan LTAT in facilitating the education of children of Armed Forces personnel and veterans. Yayasan LTAT allows the Group to provide much needed fiscal support to bright young Malaysians that attain outstanding results in Ujian Pencapaian Sekolah Rendah (UPSR) and Pentaksiran Tingkatan 3 (PT3). Yayasan LTAT also covers tertiary education expenses for children of Armed Forces personnel and veterans who have secured a place in local public universities. Boustead Group contributed RM2 million in 2020. 	2,740 children of Armed Forces personnel
PINTAR Programme	Boustead Holdings Berhad	<ul style="list-style-type: none"> The aim of the Programme is to contribute to the academic success of children of Armed Forces personnel. Through this programme, we funded various academic and motivational sessions in five primary schools that are attended by children of Armed Forces personnel, namely SK Kem Terendak 1, SK Kem Terendak 2, SK Kem Gerakhas, SK Raja Chulan and SK Seri Bayu. A total of RM49,015 was allocated for this programme in 2020. 	911 students
Humana Schools and Community Learning Centres (CLC)	Boustead Plantations Berhad	<ul style="list-style-type: none"> The purpose of this initiative is to provide access to quality education for children of our foreign workers in estates and mills. The Plantation Division has partnered with the Ministry of Education (MOE), Borneo Child Aid Society, and Indonesian Consulate to establish two Humana Schools and seven Community Learning Centres (CLC) across its estates in Sabah. Free transportation is also provided to the students. 	802 students enrolled in Humana Schools and CLC
Back-To-School Programme for B40 families	Boustead Petroleum Marketing	<ul style="list-style-type: none"> This programme has been set up to ease the financial burden of B40 families through the sponsorship of school uniforms. We invested RM27,000 in this programme. 	300 students in Bera, Pahang



PROGRESS TOWARDS SUSTAINABILITY GOALS

Programmes	Business Units	Details	Beneficiaries in 2020
Skuad Operasi Sihat (SOS)	Pharmaniaga Berhad	<ul style="list-style-type: none"> Through this programme, we partnered with MOH, universities, NGOs, and resident associations to provide basic health checks and counselling sessions to local communities. In 2020, we successfully undertook seven sessions of SOS with support of 103 volunteers amongst our employees. A total of RM15,000 was invested for this programme. 	580 participants from local communities
Sports Programmes Donation	Boustead Naval Shipyard (BNS)	<ul style="list-style-type: none"> BNS invested in various sports programmes organised by the Royal Malaysian Navy (RMN). A total of RM15,000 was donated to <i>Mini Olimpik TLDM 2020</i> and <i>Badan Sukan TLDM</i>. 	Members of RMN
Donation to "Program MINDEF Prihatin Banjir"	Boustead Group	<ul style="list-style-type: none"> Through this programme, the Ministry of Defence (MINDEF) aided individuals who were impacted by floods during the monsoon season. The Armed Forces mobilised troops to provide assistance to the worst affected areas, despite various challenges such as inaccessible roads and heavy rain. A total of RM425,000 was contributed by Boustead Group to this programme. 	Flood victims in Pahang, Johor, Terengganu and Kelantan areas
In-Kind Donation to Armed Forces Personnel	Boustead Holdings Berhad and Pharmaniaga Berhad	<ul style="list-style-type: none"> We contributed RM20,000 of cash to fund a medical procedure for the child of an Armed Forces member suffering from Apert syndrome. 	One family of Armed Forces personnel
Food Supplies for Families Impacted by Flood	Boustead Petroleum Marketing	<ul style="list-style-type: none"> We collaborated with BHPetrol dealers in Kelantan as well as the Pasir Mas Welfare Society to offer assistance to local communities that were affected by the floods in Kelantan amidst the ongoing pandemic. We contributed a total of RM12,000 to this initiative. 	250 Families in Pasir Mas, Kelantan
"Di Celah-Celah Kehidupan" TV Programme	Boustead Petroleum Marketing	<ul style="list-style-type: none"> In collaboration with RTM, <i>Jabatan Hal Ehwal Veteran Angkatan Tentera Malaysia</i>, UAC Berhad and AFFIN Bank, this documentary television programme seeks to improve the quality of life of underprivileged families, particularly Armed Forces veterans through financial and material contributions. The 20-episode programme was aired from 3 to 23 May 2020 on channel TV1. We invested a total of RM500,000 in this programme. 	16 recipients

Programmes	Business Units	Details	Beneficiaries in 2020
Donation of products	UAC Berhad	<ul style="list-style-type: none"> UAC Berhad partnered with local constituencies in reconstructing homes that were destroyed by violent thunderstorms. The initiative also helped in the construction of a ceiling at a local temple. We have expended RM9,922 for this initiative. 	Local communities in Tambun, Manjoi and Sungai Siput in Perak
The Bag Project	University of Nottingham	<ul style="list-style-type: none"> This programme was aimed at showing appreciation to UNiM's unsung heroes, namely the campus support workers. We collected donations amounting to RM7,123. 	85 support workers



Representatives from Boustead Holdings Berhad and Pharmaniaga Berhad handed over a cash contribution to a member of the Armed Forces and his family.



A mock cheque was presented by Boustead Petroleum Marketing representatives to one of the recipients of the "Di Celah-Celah Kehidupan" programme.



Boustead Curve presented tokens of appreciation to one of the police stations in the vicinity of the shopping mall.



Boustead Petroleum Marketing distributed cartons of our in-house mineral water brand, ARTIC Water, to police stations in Petaling Jaya and Klang.

PROGRESS TOWARDS SUSTAINABILITY GOALS



Showcasing appreciation for these unsung heroes, UNiM's campus support workers received food and other essential products.

Protégé Programme

The Protégé programme was implemented to galvanise young Malaysians to achieve their career aspirations by enhancing their marketability and employability.

Through this eight-month training programme, we provide on-the-job training and soft skills development for unemployed youth.

In 2020, a total of 53 graduates were admitted into the Protégé programme across Boustead Group. We have coached 724 trainees across all our operations since the inception of the programme in 2011.



MOVING FORWARD

We are embarking on a new programme which will see us collaborating with identified partners to venture into various technology and digital initiatives, as part of the Reinventing Boustead strategy.

We remain firmly committed to supporting local businesses. We will extend our efforts to enhance the quality of our vendor development initiatives and ensure that local vendors and suppliers are always included in new business opportunities.

We will also review and establish a more comprehensive corporate social strategy at the Group level to ensure that we practise clarity, control and consistency in our response and contribution to social development.



THE PATH FORWARD

While we have made meaningful progress in 2020, we are conscious that we do not have all the answers today. There is still much to be done if we are to continue delivering positive change for our shareholders, our people, our customers and for society.

Executing the Reinventing Boustead strategy necessitates the adoption of a new way of thinking and doing business, anchored by creativity, innovation and integrity.

The strategy will see us actively explore new revenue streams that allow us to both enhance our profitability and deliver positive impact to our stakeholders, through the creation of shared environmental and social value.

We are also embarking on various new initiatives, leveraging on technological and digital innovations to enhance efficiency of business processes, improve employee engagement and experience as well as strengthen a strong talent pipeline, amongst others.

We are also establishing a new programme for our business partners, with the aim of driving mutual value co-creation activities.

In reinventing ourselves and forging new ways of doing things, we are clear of our responsibility to do so in an economically, socially and environmentally sustainable manner.



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SDG	Description	Representation in GRI Content Index
	End poverty in all its forms everywhere	1
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2
	Ensure healthy lives and promote well-being for all at all ages	3
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4
	Achieve gender equality and empower all women and girls	5
	Ensure availability and sustainable management of water and sanitation for all	6
	Ensure access to affordable, reliable, sustainable and modern energy for all	7
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	9

SDG	Description	Representation in GRI Content Index
	Reduce inequality within and amongst countries	10
	Make cities and human settlements inclusive, safe, resilient and sustainable	11
	Ensure sustainable consumption and production patterns	12
	Take urgent action to combat climate change and its impacts	13
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16
	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	17

GRI

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	102-2	Activities, brands, products, and services	About Our Report – Feedback Channel	
	102-3	Location of headquarters	Overview – Corporate Profile: Our Key Operations	
	102-4	Location of operations	BHB Annual Report 2020 – Corporate Information	
	102-5	Ownership and legal form	BHB Annual Report 2020 – Management Discussion and Analysis	
	102-6	Markets served	Overview – Corporate Profile: Financial Highlights, Divisional Highlights	
	102-7	Scale of the organisation	Goal 3: Creating a Sustainable and High-Performing Workforce	
	102-8	Information on employees and other workers	Goal 3: Creating a Sustainable and High-Performing Workforce	
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	102-44	Key topics and concerns raised		



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	102-47	List of material topics		
	102-48	Restatements of information	About Our Report	
	102-49	Changes in reporting		
	102-50	Reporting period		
	102-51	Date of most recent report		
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	102-54	Claims of reporting in accordance with the GRI Standards		
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Goal 1: Acting with Integrity – Business Ethics and Corporate Governance	
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GRI Standard		Disclosure	Our Response	Related SDGs
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GLOSSARY

No.	Term	Definition
1.	Approved Product Purchase List (APPL)	List of drugs and other medical items that is determined by the Ministry of Health.
2.	Business Continuity Plan (BCP)	A plan outlining how a business will continue operating during an unplanned disruption in service.
3.	Business Continuity Management (BCM) Framework	A framework that serves as a guideline for businesses to identify potential threats and develop effective responses that safeguard the interests of key stakeholders, reputation, brand and value-creating activities.
4.	Centralised Labour Quarters (CLQ)	Conducive living accommodation for foreign workers in line with the Emergency Ordinance Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2021.
5.	Certified Sustainable Palm Kernel (CSPK)	Palm kernel which has been certified by the Roundtable on Sustainable Palm Oil.
6.	Certified Sustainable Palm Oil (CSPO)	Palm oil which has been certified by the Roundtable on Sustainable Palm Oil.
7.	Certified Environmental Professional in Bag Filter Operation (CePBFO)	A course conducted by the Department of Environment to provide individuals with professional training on effective management of bag filter operations as part of air pollution control systems.
8.	Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO)	A course conducted by DOE to provide industrial effluent treatment systems operators with professional training on effectively handling, monitoring and maintaining the performance of these systems.
9.	Collective Agreement (CA)	A written contract between an employer and a trade union that outlines many of the terms and conditions of employment for employees in a bargaining unit.
10.	Crude Palm Oil (CPO)	Oil extracted from the pulp of oil palm fruits.
11.	Corruption Risk Assessment (CRA)	A tool utilised for evaluating the potential or likelihood of corruption occurring and the impact it brings to an organisation in order to optimise anti-corruption strategies and policies or for advocacy purposes.
12.	Department of Occupational Safety and Health (DOSH)	A department under Malaysia's Ministry of Human Resources that governs issues relating to the safety, health and welfare of people at work as well as the protection of others from the safety and health hazards arising from the activities of various sectors.
13.	Dow Jones Sustainability Indices (DJSI)	A family of indices used for evaluating the sustainability performance of publicly traded companies.
14.	Empty fruit bunches (EFB)	Remains of fresh fruit bunches after the removal of the fruit for palm oil pressing.
15.	Fresh fruit bunches (FFB)	Bunches of fruits harvested from the oil palm tree that is utilised to produce palm oil.

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No.	Term	Definition
16.	FTSE Russell ESG Ratings	A set of ratings that allow investors to understand an organisation's Environmental, Social and Governance risk and performance.
17.	Geographic Information System (GIS)	A system utilised for gathering, managing, and analysing all types of geographical data and information.
18.	GLC/GLIC Disaster Response Network (GDRN)	A network created through the Putrajaya Committee for GLC High Performance to conduct various relief and reconstruction works.
19.	Global Reporting Initiative (GRI)	The GRI is an international non-profit, independent standards organisation that assists businesses, governments and other organisations in sustainability reporting issues relating to climate change, human rights and corruption.
20.	Global Warming Potential (GWP)	A measure of how much greenhouse gases contribute to global warming relative to carbon dioxide.
21.	Green Building Index (GBI)	A rating tool in Malaysia that rates buildings on how environmentally friendly they are and provides developers and building owners an opportunity to construct and design sustainable and green buildings.
22.	Greenhouse gases (GHG)	Any gases that can absorb infrared radiation emitted from the Earth's surface, and trap it in the atmosphere, contributing to the greenhouse effect.
23.	Hazard Identification Risk Assessment Risk Control (HIRARC)	A guideline to provide a systematic approach to assessing hazards and associated risks as well as methods to control the risks.
24.	High conservation value (HCV)	HCV is a biological, ecological, social or cultural value of outstanding significance at the national, regional or global level.
25.	Internet of Things (IoT)	The network of physical objects or objects that are embedded with sensors, software, and other technologies for storage and exchange of data with other devices and systems over the internet.
26.	In-service support (ISS)	Support services provided to naval clients including maintenance, repair and overhaul.
27.	Integrated Pest Management (IPM)	A sustainable approach to solving pest problems that minimises the risks to people and the environment.
28.	Intergovernmental Panel on Climate Change (IPCC)	A United Nations body that examines the science related to climate change.
29.	International Labour Organisation (ILO)	The ILO sets labour standards, develops policies and devises programmes promoting decent work.
30.	Joint Venture (JV)	A business enterprise in which two or more companies enter a partnership to accomplish a specific task.
31.	Key Performance Indicator (KPI)	A value that can be measured to demonstrate how effectively a company is achieving key business objectives.

No.	Term	Definition
32.	Life Cycle Assessment (LCA)	A methodology used for assessing the environmental impact associated with a product throughout its lifecycle.
33.	Liquefied petroleum gas (LPG)	A flammable mixture of hydrocarbon gases used in heating appliances, cooking equipment and vehicles.
34.	Local Exhaust Ventilation (LEV)	An engineering control system to protect employees from airborne contaminants in the workplace that can potentially be hazardous.
35.	Lost Time Injury Frequency Rate (LTIFR)	The number of lost time injuries occurring in a workplace per 1 million hours worked.
36.	Maintenance, repair and overhaul (MRO)	Involves maintenance, overhaul, routine checks, inspection, repair, as well as the modification of vessels and its components.
37.	Malaysia Research Assessment Instrument (MyRA)	A system developed to assess the research capacity and performance of all Higher Education Institutions (HEIs) in Malaysia.
38.	Malaysian Anti-Corruption Commission (MACC)	A government agency that investigates and reports corruption in the public and private sector under the Malaysian Anti-Corruption Act 2009.
39.	Malaysian Sustainable Palm Oil (MSPO)	The MSPO Certification Scheme certifies oil palm plantations, smallholdings and palm oil processing facilities with reference to the requirements of the MSPO Standards.
40.	Management Automated Reporting System (MARS)	An internet-based, highly automated shipbuilding monitoring and analysis system that facilitates material and production control.
41.	Malaysian Code on Corporate Governance (MCCG)	A guidance tool for corporations to follow in reforming corporate governance based on the global principles and internationally recognised practices of corporate governance which are above and beyond the minimum required by statute, regulations or those prescribed by Bursa Malaysia.
42.	New Chemical Entity (NCE)	An active radiopharmaceutical substance that has not been registered in any pharmaceutical product.
43.	No Deforestation, No Peat, No Exploitation Policy (NDPE)	The NDPE outlines policies and guidelines to protect forests, peatlands, human and community rights.
44.	Palm oil mill effluent (POME)	Liquid waste from the sterilisation and clarification processes undertaken in milling oil palm.
45.	Personal Protective Equipment (PPE)	Equipment that is worn to protect the wearer's body from health and safety risks that can cause workplace injuries and illnesses.
46.	Private Retirement Scheme (PRS)	Long-term savings and investment private pension scheme to help individuals save for retirement.
47.	Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ)	Entrepreneurial and marketplace training programme in collaboration with industry experts to mentor Malaysian youths and mould them to meet the competitive needs of the industry.



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No.	Term	Definition
48.	Robotic Process Automation (RPA)	Technology which allows the configuration of computer software, or a “robot” to emulate and integrate the actions of a human interacting within digital systems to execute a business process.
49.	Roundtable on Sustainable Palm Oil (RSPO)	A non-profit organisation that unites stakeholders from the palm oil industry to promote the use of sustainable palm oil through the development and implementation of reliable global standards.
50.	Supply Chain Certification Standard (SCCS)	A series of auditable requirements to demonstrate implemented systems for control of Roundtable on Sustainable Palm Oil certified oil palm products.
51.	Sustainable Development Goals (SDGs)	SDGs are the United Nations’ blueprint to achieving a future that is sustainable for people and the planet.
52.	Sustainability Accounting Standards Board (SASB)	An independent non-profit organisation which develops sustainability accounting standards that help businesses communicate material information to investors.
53.	Systematic Occupational Health Enhancement Level Programme (SoHELP)	A systematic intervention programme that helps industries enhance industrial hygiene in the workplace and meet regulatory requirements on industrial hygiene-related regulations.
54.	Task Force on Climate-related Financial Disclosures (TCFD)	An initiative set up by the United Nations Financial Sustainability Board to discover recommendations and solutions for climate-related financial risk disclosures.
55.	United Nations (UN)	An international non-profit organisation founded in 1945 to increase political and economic cooperation amongst its member countries.
56.	Vendor Development Programme (VDP)	A programme that aims to encourage SME entrepreneurs to become competitive suppliers and manufacturers of products and services at the domestic and global level.
57.	World Business Council for Sustainable Development (WBCSD)	A global, CEO-led organisation of over 200 businesses, working together to achieve global sustainability.
58.	World Resources Institute (WRI)	A global research organisation that focuses on turning ideas on the environment, economic opportunity and human well-being into action.



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