

# EXTENDING IMPACT

SUSTAINABILITY REPORT 2020





In 2020, we further embedded sustainable practices into our operations. While we continued to operate in uncertain times, our resilience led us to strengthening our sustainability efforts. In **EXTENDING IMPACT**, we advocated wise stewardship of natural resources, fostered sustainable economic development, and promoted responsible business practices throughout Kumpulan Perangsang Selangor Berhad ("KPS" or "the Company" or "the Group").

Sustainable development is an ongoing corporate agenda. Everyone in KPS shares the responsibility to effectively integrate, manage, and balance the four dimensions of sustainable development: **Economic, Environmental, Social, and Governance ("EESG")**. Our sustainability action plans, goals and targets are focussed on the critical importance of the **5Ps: People, Planet, Prosperity, Peace, and Partnership**:

**PEOPLE:** strengthening and enhancing multi-stakeholder engagement efforts;

**PLANET:** reducing the use of natural resources by improving energy efficiency and effective waste management practices;

**PROSPERITY:** adding value to society by creating employment, rewarding shareholders and investors, infusing incremental and architectural ideation into our organisational DNA, and fulfilling tax obligations to foster national economic growth and development;

**PEACE:** fostering composure to handle conflicts, to stand by the rule of law and adhere to human rights with zero tolerance of bribery, corruption and violence. These values support nation-building activities to foster harmony in life; and

**PARTNERSHIP:** building and strengthening dynamic partnerships with organisations and associates that share similar values, visions, and sustainable development goals.

## FEATURE IN THIS SUSTAINABILITY REPORT 2020

Get access to the soft copy of our reports, videos and contact information



Download the "QR Code Reader"  
on App Store or Google Play



Run the QR Code Reader app and  
point your camera to the QR Code



Scan this to view our Sustainability Report online. The Annual Report, financial and other information about Kumpulan Perangsang Selangor Berhad can also be found at **[www.kps.com.my](http://www.kps.com.my)**

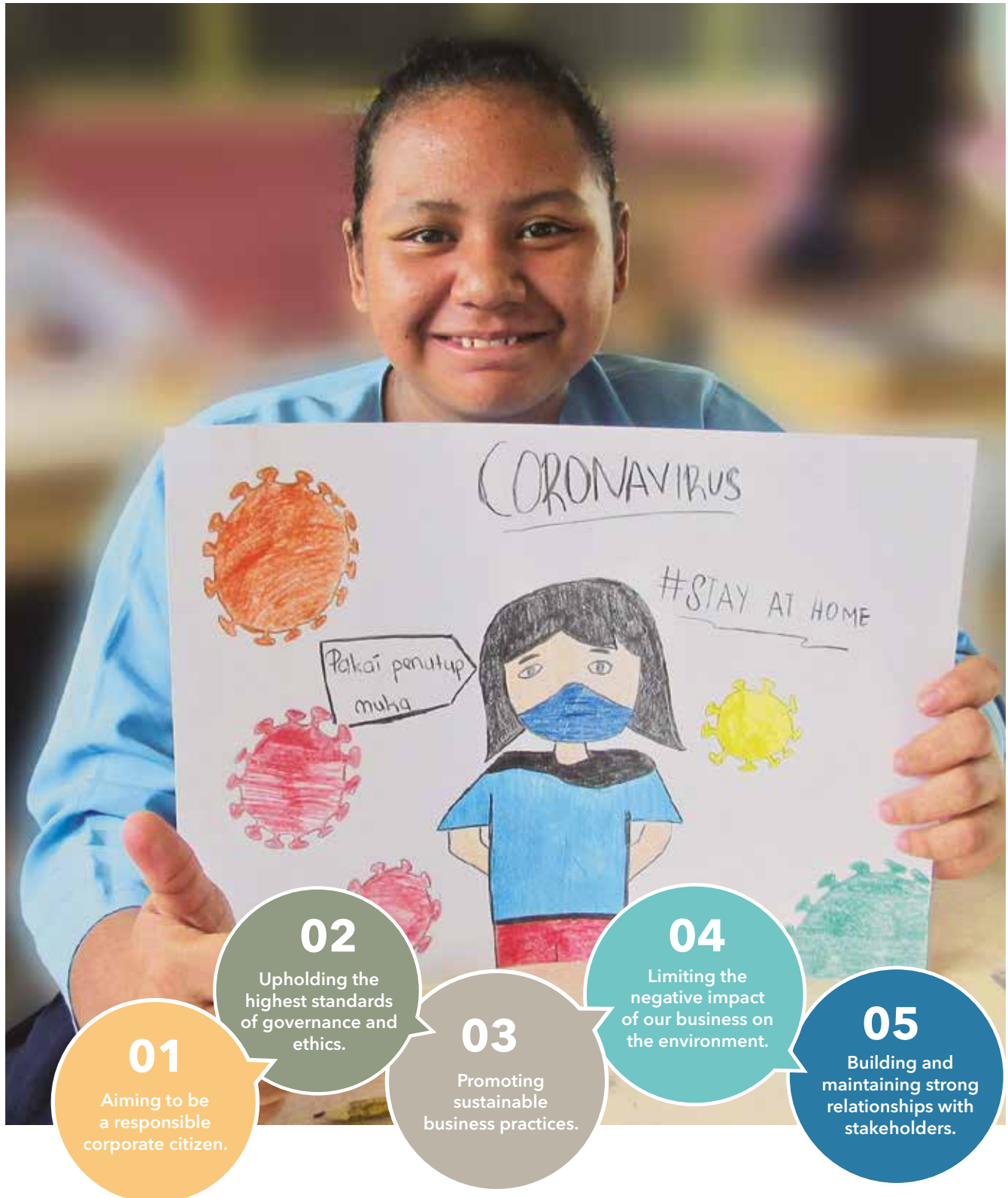
## CAUTIONARY STATEMENT

KPS makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the facts highlighted in this Report, disclaiming responsibility from any liability that might arise from the reliance on its contents. This Report may contain "forward-looking statements". Forward-looking statements involve inherent risks and uncertainties and other factors that are in many cases beyond our control. Although KPS believes that the expectations of its Management as reflected by such forward-looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected.

Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.

## SUSTAINABILITY PHILOSOPHY & MISSION [GRI 102-16]

In pursuit of the Economic, Environmental, Social and Governance ("EESG") expectations of our stakeholders, by pursuing responsible and sustainable corporate practices.



**01**

Aiming to be a responsible corporate citizen.

**02**

Upholding the highest standards of governance and ethics.

**03**

Promoting sustainable business practices.

**04**

Limiting the negative impact of our business on the environment.

**05**

Building and maintaining strong relationships with stakeholders.



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THIS REPORT IS ASSURED BY



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**Salbiah Aris**



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Graphic Design  
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When There's a Will,  
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# Sustainability in a Pandemic Reality

Message from the Managing Director/  
Group Chief Executive Officer [GRI 102-14]

The pandemic has brought many changes to the way we work, learn, and interact as social distancing has led to a more virtual existence, both personally and professionally. What has not changed at KPS is our commitment to our stakeholders and to the communities we live, work, and socialise in. With or without the pandemic, sustainability is firmly embedded in our Group DNA. It is how we treat each other and our stakeholders, how we take the environment into account in all our actions as an enterprise, and how we foster economic performance today, and in the future.

Because of the pandemic, never have our core values **PRIDE** - an acronym for **Pride, Respect, Integrity, Discipline**, and (going the) **Extra-Mile** - been more important in driving sustainability at KPS.

**Pride** has fuelled our commitment to being a force for good and allowed us to achieve our business goals and objectives, by integrating long-term EESG aspects while maintaining competitiveness and strong brand reputation.

The mutual **Respect** we have with our stakeholders has bred a shared culture of flexibility and cooperation that has helped us overcome challenges.





**AHMAD FARIZ BIN HASSAN**

*Managing Director/Group Chief Executive Officer*





KPS' employees attended the second Town Hall Meeting on 6 March 2020.

**Integrity** in all areas of decision making, interacting with colleagues, and serving customers and clients reflects our professional culture. By having strong ethical and moral principles, and being responsible and accountable in all our dealings, we have built a strong foundation of successful and respectable relationships.

Undoubtedly the pandemic has caused irreversible changes in our lives. However, with **Discipline**, we have achieved commendable progress by reaffirming our commitment to our goals through outstanding team spirit.

Going beyond benchmarks, we strive to go the **Extra-Mile** by stepping up efforts to achieve our goals. We will continue to maintain our sustainable efforts and to get back on track to meet stakeholder needs especially in these demanding times.

These are the pillars that have guided us to adjust and maintain our momentum as we continue to roll out measures to ensure continuity in our business, and all our social activities.

**Our Core Values** were the very reason we continued to perform in challenging situations, and we learnt valuable lessons through our weaknesses and strengths. The Group has been resilient when faced with the global health and economic situation of late. A huge thanks must go to my colleagues locally, and abroad, who have been steadfast and dedicated in proving their mettle amidst these challenges.



Employees adhere to Standard Operating Procedures at all times.



Quality control checks to ensure our products meet with stringent quality standards.

From a sustainability point of view, it is vital to think about the disruption brought about by the pandemic within a broader context. It is a forewarning to the kind of disorder the world will face should we not address critical sustainability issues such as financial robustness, circular economy, climate change, and social inequality.

As a Group, we must ensure the prevention of the spread of the disease amongst our employees and stakeholders. From a business and management perspective, we are committed to ensuring the least possible disruptions to the supply chain that has affected everything from procuring raw materials to product manufacturing, and the on-time delivery of products and services.

### STRIKING A BALANCE IN EXTENDING IMPACT

Our Sustainability Report for 2020 titled **Extending Impact**, describes our resolve to drive sustainability practices more aggressively within the Group. While we encountered challenges in many areas as scheduled programmes and activities had to be either cancelled or delayed, we were still determined to press forward.





A worker from CBB conducting quality checks on completed plastic materials.



Over the course of this pandemic, we have discovered, and gained new knowledge on operational issues, which continue to unfold across our business landscape. First, we became aware of the necessity to be more decisive and creative in our management and leadership. We were both tactical and agile in our decision making. This strengthened relationships with our customers and suppliers, and by leveraging technology in new ways, we successfully transitioned into the new norm of work from home ("WFH") with efficiencies implemented for all of our employees worldwide.

We have outstanding examples of how many of our teams have made changes to both products and services in response to new operational needs, while continuously adapting to changing restrictions. These examples are presented in the ensuing pages of this report. We endured through a stressful and complicated period where pressure was on the Management to play an increasingly pivotal role in proposing changes in the operating model, resetting strategies, and managing finances.

At the start of the pandemic we navigated through operating challenges head-on with agility, urgency, and with quick response times, to build a new business resilience. In the process, while anticipating the next normal, we re-examined and re-evaluated our strengths and weaknesses. We were quick to revise practices and implement turnaround strategies for the Group to make a quick recovery.

#### **UPPING OUR ANTE ON SUSTAINABILITY REPORTING**

The international benchmarks set out in the FTSE4Good Bursa Malaysia ("F4GBM") Sustainability Reporting Framework, Global Reporting Initiative for Sustainability ("GRI") and United Nations Sustainability Development Goals ("UNSDGs") guide our sustainability practices. The Group's materiality assessment performed in 2018 encouraged us to take a serious approach to sustainability by analysing, understanding, and prioritising economic, environmental, social, and governance issues. This data presented sources of risk and opportunities, for our stakeholders and Management to improve and capitalise on.

We have maintained the set of Materiality Matters throughout 2019 and 2020 as these are still relevant to continue tracking, measuring, understanding, and communicating the impact of our initiatives at all levels of operations in Malaysia. Although Key Performance Indicators ("KPIs") and in-depth disclosure of our overseas operations are not mandatory, we have taken the liberty of including some of the initiatives\* undertaken by our subsidiary companies in the United States of America ("the US") and China as a yardstick for everyone in the Group to strive toward.

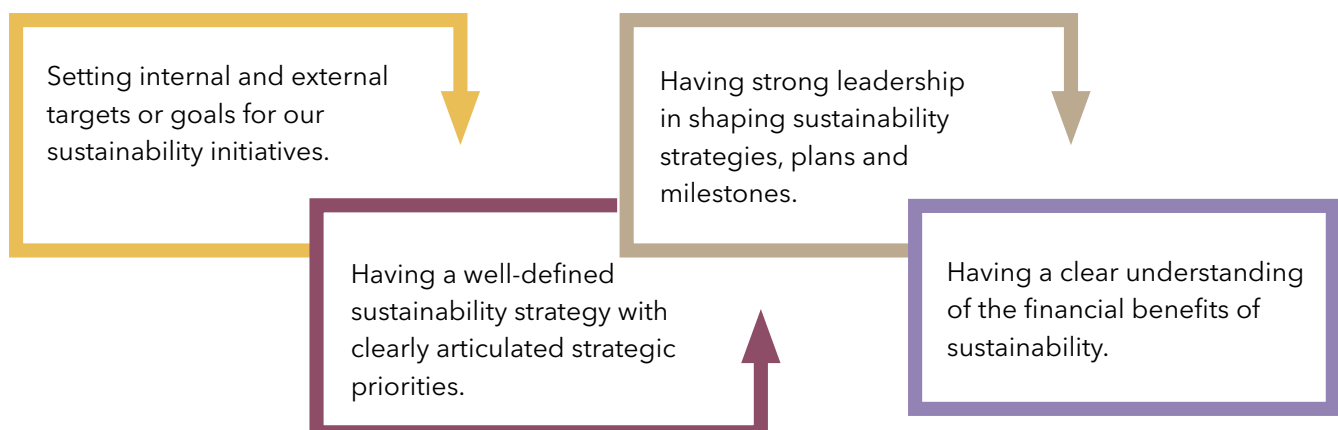
**The Group's materiality assessment performed in 2018 encouraged us to take serious approach to sustainability by analysing, understanding, and prioritising economic, environmental, social, and governance issues.**

\* Details of these initiatives are featured in the Sustainability Key Performance Indicators and Environment segment of this Report.



The responsibility rests on us to address social fractures and reduce our environmental footprint. In order to support, accelerate and sustain positive development progress, we have put in place Social Entrepreneurship, Education, Environment, Safety and Health, and Community Development Programmes to educate the new generation with the hope that there will be spillover effects, which will extend outwards to others by creating opportunities for them to meet their aspirations, both in this, and for future generations.

As the areas of impact for EESG become more central in our corporate strategy, operations and reporting, we will strive to consistently, and transparently, publish better focussed information to all stakeholders. We have disclosed 101 GRI General Disclosures in the GRI Index against 64 in 2019 to enhance the scope of our disclosure. Beyond reporting, informal channels are being reinforced to create a continuous dialogue with stakeholders on the plans and the impact of these considerations. We are enhancing our collective efforts to achieve the UNSDG sustainability agenda by concentrating on the following catalysts to drive EESG growth in the Group:





CBB is one of the most comprehensive industrial packaging solutions providers in Southeast Asia.

- **BENCHMARKING AGAINST ASPIRATIONS:** Meeting increasing stakeholders expectations and stringent regulations to positively influence the Group's future performance and valuation by attaining results from obligations outlined in our social responsibility programmes in the EESG domains, and by achieving and exceeding the KPIs we set.
- **RAISING THE BAR:** While the trend is still nascent among companies to emphasise sustainability in their operations, we are pushing for a wider, and a genuine adoption of reporting standards, throughout the Group.
- **IMPROVING PERFORMANCE:** Better accountability and improving performance through better sustainability efforts will go a long way to satisfy the evolving trends of customer behaviour, expectations, and demands which call for more transparency.

#### IMPROVING SUSTAINABILITY PRACTICES FOR BETTER ACHIEVEMENTS

Between July and October 2020, we appointed external consultants to conduct a series of corporate sustainability workshops, highlighting the role of each subsidiary towards achieving the Group's sustainability goals. The purpose of this exercise was to streamline and steer everyone towards making positive contributions to the Group's sustainable development.

We aim to sustainably utilise resources and to be more effective in waste prevention, recycling, reusability, and recovery, in an attempt to ease the burden on landfills, conserve natural resources, and save energy. Intensive waste management training programmes were organised at all our manufacturing arms. It involved in-depth discussions on existing waste management issues, as well as complying with jurisprudence and local regulations.



During the year, one of our prime activities was to formulate key action plans for meeting each of the KPIs. We focussed on drilling down on truly relevant issues, and digging deep into critical data, improving the reporting regime, and adding forecast data analytics to establish our future direction and goals; and in doing so, we can make our planning and processes more effective.

In 2020, we extended our commitment and disclosed 26 additional KPIs to increase the breadth and depth of our reporting, bringing the total of KPIs monitored and reported to 94. I am pleased to report that out of the 94 KPIs set, we met and exceeded 81 targets. Due to circumstances related to the pandemic, we were unable to carry out the action plans to achieve targets set for 12 other KPIs. Another initiative under the category of energy efficiency, is currently ongoing.



We have been prioritising the education of Orang Asal children through our KPS CerDik Programme since 2018.

*We have added QR codes throughout this Report for readers to view news, features and documentaries highlighting the experience and achievements of our Corporate Social Responsibility ("CSR") Development programmes, and in turn, information on the participants.*

## RISING ABOVE CHALLENGES

While the breadth of topics covered in the GRI Sustainability Reporting Standards report may be overwhelming, and coupled with the growing disclosure demands to fulfil regulatory requirements, I am proud of our achievements in sustainability practices with encouraging results highlighted below:

			
ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p><b>Business resilience, strategic agility and risk mitigation</b></p> <p>KPS set a new financial milestone to report RM1.1 billion in <b>REVENUE</b> for its fiscal year 2020, <b>notching up 24.2%</b> to <b>outperform results in FY2019</b> of RM866.8 million.</p> <p>The <b>24.2% revenue growth</b> during a period of uncertainty clearly outlines the Group's success in <b>balancing tactical decisions needed to build both operational and financial resilience</b> while <b>staying focussed</b> on its <b>long-term strategic goals</b>.</p>	<p><b>Environmental preservation and climate change</b></p> <p>To achieve a <b>sustainable and an environmentally sound</b> management of all waste output from our operations in <b>waste management and energy efficiency</b>.</p> <p>With <b>manufacturing at the core</b> of our strategic investments, we are <b>duty-bound</b> to ensure that our subsidiary companies implement programmes to <b>minimise our environmental footprint</b> in all identified areas.</p>	<p><b>Job security, safety and the well-being of employees, including the support for economically-stricken communities</b></p> <p>Another area imperative to sustainability is maintaining <b>positive organisational performances despite remote working</b> environments, and <b>ensuring the health, and on-site safety</b> of our workforce. Since the outbreak, we have contributed healthcare products to the country's frontliners who have been working tirelessly to keep us safe.</p> <p>We contributed to the COVID-19 Response Fund and undertook several initiatives to <b>promote the awareness of social inclusion, reduce inequalities, improve the health and well-being of employees, and eradicate poverty among the deprived in our society</b>. In line with this, where community development is concerned, we <b>concentrated our efforts on building individual skill sets, imparting knowledge in social entrepreneurship, education, training, and sports development</b>.</p>	<p><b>Advocating better governance for sustainable development</b></p> <p><b>Our purpose and our values do not change.</b> With these foundations being at the core of our principles, it today guides our actions in all aspects of our business. We are fully <b>committed to enhancing our governance practices</b>.</p> <p>We are continuously <b>integrating sustainability and good governance into our corporate DNA, and improving the quality of our disclosure in line with established best practices by embracing the newly amended Malaysian Anti-Corruption Commission ("MACC") Act 2009.</b></p>



Employees gained insight into how daily work operations impact the EESG dimensions of the Group at the Corporate Sustainability Workshop held in CBB Senai on 24 August 2020.

## VALUE ENHANCEMENT FOR A SUSTAINABLE FUTURE



### ECONOMIC

#### ENTREPRENEURSHIP

Promoting and enabling business opportunities

- Developing new products or services that offer benefits to society.
- Enhancing vocational skills and business projects to elevate social economic status.



### ENVIRONMENTAL

#### ENVIRONMENT, SAFETY AND HEALTH

Improving the quality of life and caring for the environment

- Ensuring environmental sustainability.
- Promoting and nurturing healthy lifestyles.
- Supporting safety in the workplace.



### SOCIAL

#### EDUCATION

Developing targetted stakeholder talents and skills

- Promoting creativity and discipline through innovative processes to create new potential in youths.
- Addressing the gap in the education system, e.g. tackling issues on literacy, new-world skills, self-esteem and self-confidence.

#### COMMUNITY

Enhancing social progress and stakeholder development

- Embracing stakeholder engagement.
- Enriching programmes and monitoring the progress of community initiatives.
- Improving social well-being.



## A CRITICAL REFLECTION TO PROGRESS SUSTAINABLY

COVID-19 is a humanitarian catastrophe. But it is also making us assess what is relevant and count our blessings. We witness communities coming together and forging bonds of solidarity. It is also true that this has been a time of greater collaboration, clarity, and unity. I have witnessed kindness and intrepidity, experienced innovation and creativity, and have realised how destructive behaviours have led to the degradation of the environment.

From now onwards, we must embrace the new norm socially, economically, and environmentally. For KPS, this is an opportunity to materially change where and how we work, explore new possibilities, deliver better financial results, and enhance efforts in sustainable development. I am confident that the well-defined priorities encapsulated within our sustainability strategy are the determiners to ensure the success of our sustainability programmes.

As we ponder on 2020 and reflect on the pandemic's impact, it is equally important to mirror the significant progress we have made in our efforts towards developing a sustainable culture and society.

We have achieved commendable progress in our sustainability performance during the year, thanks to the dedication of our employees, partners, and industry-wide collaboration. Our progress so far has been encouraging, and we are optimistic about future possibilities. Now, more than ever, we have the opportunity to leverage on our fundamentals to position ourselves for further growth in the future. I believe in our ability to continue **Extending Impact** by cultivating a positive reinforcement culture among our stakeholders and the various levels of society.

I want to thank everyone for **Rising Above** the challenges in the unprecedented circumstances. My heartfelt gratitude goes out to our selfless frontliners who continue to strive in extreme conditions, employees at the headquarters and all subsidiaries, customers, suppliers, and other stakeholders.

We cannot do this alone. We are grateful for those who have guided us and stood beside us. Our ongoing engagement with all our stakeholders has helped define our path and encouraged us to develop a synergistic approach to embracing sustainability.

The Group's success is a direct result of the ongoing commitment of our internal and external stakeholders. With the visionary and development-oriented leadership of our Board and able Management Team, combined with our competent employees at the headquarters and subsidiary companies, we can drive and achieve more sustainable development success to make an even more significant impact.

### AHMAD FARIZ BIN HASSAN

*Managing Director/Group Chief Executive Officer*





## Stimulating Growth, Extending Impact

[GRI 102-46]

**KPS' second annual Sustainability Report ("the Report") focusses on all of our sustainability development initiatives that the Group undertook for the reporting period from 1 January till 31 December 2020.**

Since 2017 there has been a discernible shift within the Group towards embracing and actively taking ownership of sustainability plans, initiatives and programmes. The benefit of prioritising sustainability has been gaining traction within the Group, giving rise to its importance and potential impact on its businesses.

## PROGRESS ON SUSTAINABILITY

### PRELIMINARY FOCUS ON SUSTAINABILITY

In 2017, when we first commenced sustainability practices and reporting, we provided basic non-integrated information on the Group's businesses. Disclosure of the Group's sustainable development initiatives was skewed towards the social aspect of sustainability.

### SHAPING THE IDENTITY OF A SUSTAINABLE COMPANY

Moving on to the next stage, we then proceeded to formulate and execute a sustainable strategy by conducting a materiality survey to better capture data on the levels of our internal and external stakeholder engagements. We set out to identify key issues while building the compliance groundwork. We emphasised the importance of establishing a reporting framework as Materiality Matters began to shift, and focussed on key sustainability issues. In 2018, the Sustainability Policy was endorsed by the Board of Directors and implemented throughout the Group. We began to familiarise ourselves with the regularity of the reporting regime, which was extended to include operating units and subsidiary companies. The data was then benchmarked against selected industry peers.

### ESTABLISHING ACCOUNTABILITY IN MEASURING RESULTS

By the third stage, our reporting became embedded into business practices with a range of specific engagement programmes targeted to meet various stakeholders requirements.

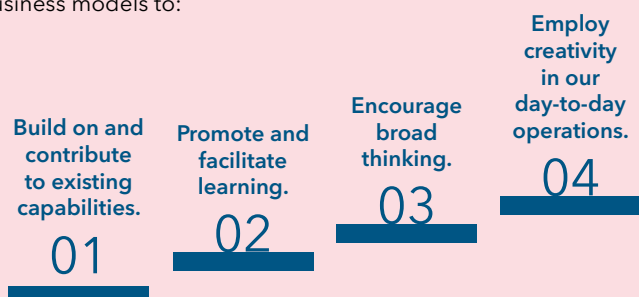
We focussed on measuring what mattered most; the groundwork essential to our stakeholders by adopting the GRI - Core Options framework, meeting the defined Environmental, Social and Governance ("ESG") criteria for inclusion in the F4GBM and committing to the UNSDGs. Subsequently, in each reporting period, we planned initiatives and set realistic goals that connect with our business strategy, and consistently reported on the progress.

Each goal was linked to support revenue generation, enhance levels of productivity and strengthen risk management options. This has in turn transformed our sustainability practices into positive value propositions for all stakeholders.

We have realised the importance of more interactive, regular and timely communication with all stakeholders, including employees; especially in circumstances and business environments that have rapidly changed during the pandemic. We improved data collection methods by implementing a digital platform to enhance the reporting process with more accurate findings. This repository of historical data hosts information that is filed and archived by subject matter and can be easily accessed by all relevant parties.

### ENHANCING SUSTAINABILITY EFFORTS AND EXTENDING IMPACT

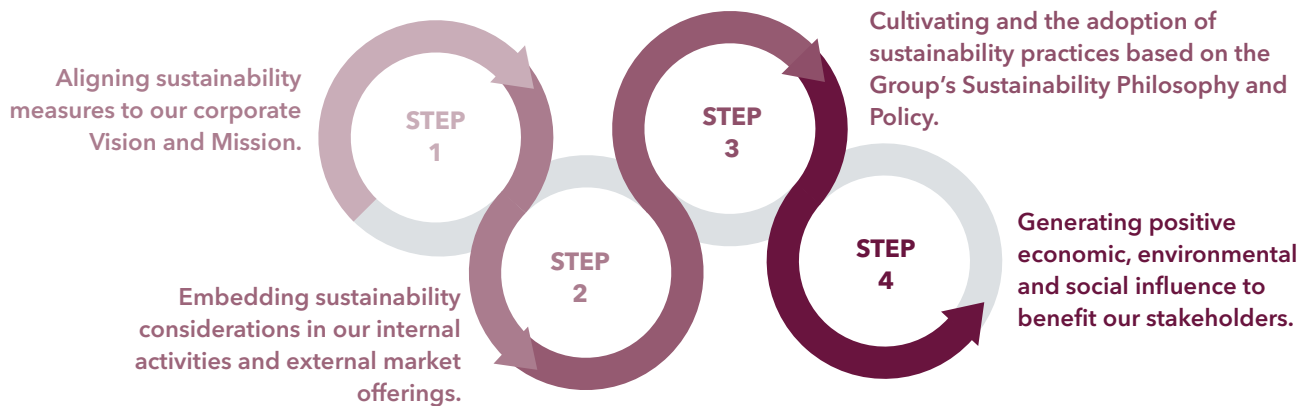
In the fourth stage, we heightened our focus on value-enhancing innovations within current structures, processes, products and business models to:



Our sustainability efforts go beyond compliance in tackling once unsustainable practices. By applying eco-effectiveness and life-cycle stewardship into specific operations, our sustainability initiatives now deliver products and services with far better competitive advantages.



## SUSTAINABILITY APPROACH



Our approach to sustainability establishes clear pathways to realise our aims of value creation in all areas of our **EESG**; with the focus on benefitting our diverse stakeholder groups.



We recognise the significance of comprehensive sustainability reporting as it discloses how performances and forecasts lead, and contribute, to the creation of value at KPS, its subsidiary companies and, over time, its prospects.

While the COVID-19 pandemic had put a damper on achieving the KPIs that were established for Material Matters identified in the previous reporting year, we channelled our efforts towards reviewing and re-evaluating all KPIs, goals and targets to mitigate a new set of risk factors. Where relevant, KPIs were adjusted to realistically track our progress on the EESG aspects of sustainability, and to align them with our business priorities.

*Please refer to Sustainability Key Performance Indicators on page 65 to 78 of this Report for further details.*

## SCOPE AND BOUNDARY [GRI 102-2, 102-3, 102-4, 102-5, 102-6, 102-10, 102-46]

Our reporting scope covers the EES performance guidelines of all our departments and subsidiary companies. This Report focusses on operations within Malaysia, which excludes all overseas operations unless otherwise stated. Dormant business activities are not included in this report.

The Corporate Structure on page 36 details the Group's ownership, control and authority of the organisation.



### KUMPULAN PERANGSANG SELANGOR BERHAD Selangor, Malaysia

Investment holding company with core investments in the Manufacturing sector as well as businesses in the Trading, Licensing, and Infrastructure sectors.



### TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

Johor in Malaysia

Shanghai, Dongguan and Nanning in China

Jakarta in Indonesia

Bac Ninh in Vietnam

Serves the integrated plastics injection moulding industry with clientele in over 75 countries; from Consumer Electronics, Industrial Tools, Automotive and Other industries. A one-stop solutions provider specialising in mould fabrication, precision injection moulding, secondary processes and assembly across seven manufacturing plants in Malaysia, China, Indonesia and Vietnam.





### **CPI (PENANG) SDN BHD** Penang, Malaysia

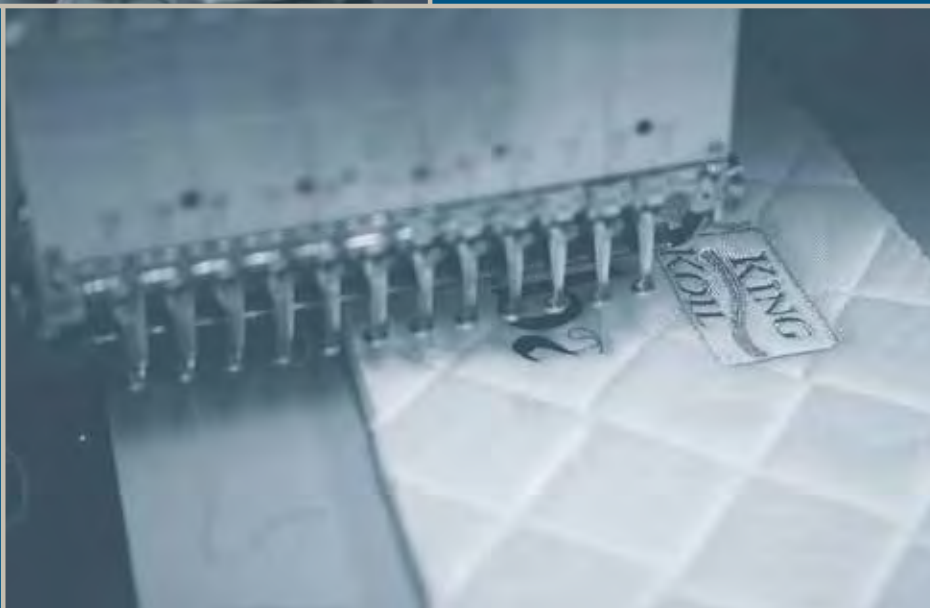
Integrated plastics injection moulding company serving customers in the Automotive, Communications and Information Technology, Healthcare and Other Electronics industries worldwide.



### **KING KOIL MANUFACTURING WEST, LLC**

Arizona, United States of  
America

Based in Phoenix, Arizona, the US, KKMW manufactures and supplies King Koil® mattresses to retailers in the Western Region of the US.



### **KING KOIL LICENSING COMPANY INC**

Illinois, United States of  
America

Operates the King Koil® brand licensing business globally.







### **CENTURY BOND BHD**

Senai, Ulu Tiram, Nilai, Ipoh, and Sungai Petani in Malaysia

Batam and Medan in Indonesia.

Integrated packaging solutions provider is driven by five business Divisions:

- Offset
- Carton
- Paper
- Plastic
- OEM



### **AQUA-FLO SDN BHD**

Selangor, Malaysia

Supplies water chemicals and provides technical services to water, waste and sewage treatment plants.



### **SMARTPIPE TECHNOLOGY SDN BHD**

Selangor, Malaysia

Integrated water solutions provider, specialising in pipe rehabilitation and pipe replacement.



### **KPS-HCM SDN BHD**

Selangor, Malaysia

Provides general civil engineering works, building construction, and maintenance for both public and private sectors.

This Report further provides insight into how our core values and strategic objectives enhance long-term value creation for stakeholders based on the identified Materiality Matters. This demonstrates our capability to continuously maintain and deliver sustainable performances, as well as meeting short and medium-term commitments towards establishing more robust processes impacted by the balanced reporting of our EESG data. The qualitative and quantitative information on sustainability initiatives undertaken by the Group is included in this Report.

## REPORTING FORMAT

[GRI-102-54] [F4GBM]

We are responsible for the collection, quantification and presentation of data from sustainability studies, with disclosures used to draw the selection of the criteria, which we believe, provides the objective for measuring and reporting such sustainability disclosures. While every care is taken in the completeness, accuracy and validity of the disclosures, measurement of certain disclosures includes estimates and assumptions based on the selection of different but acceptable measurement methods, input data or assumptions which may result in adjusting materially in different amounts or metrics being reported.

The Report has been prepared in compliance and accordance with:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia Sustainability Reporting Guide 2<sup>nd</sup> Edition
- Bursa Malaysia Corporate Governance Guide
- Criteria for F4GBM

For the 2020 reporting cycle, we have updated the GRI Content Index with relevant data and information in accordance with the GRI Standards: Core Option. The GRI Standards are selected as it represents the global best practices for reporting on the overall impact on an organisation's sustainability reporting.

The relevant GRI indicators have been represented within parentheses against the respective headings and sub-headings whenever a disclosure is made in line with a GRI Standard disclosure. The GRI Content Index on pages 273 to 276, summarises the GRI Standards selected for reporting. It also directs readers to the appropriate references in this Report.

## REPORTING CYCLE

[GRI 102-50, 102-51, 102-52]

The information disclosed in this Report covers KPS' FY2020, from 1 January 2020 to 31 December 2020, unless otherwise specified. Data and information from past reporting cycles have been included, where relevant.

As per Bursa Securities MMLR, KPS reviews, updates and reports on the Group's sustainability performance on an annual basis, with the most recent report published in June 2020 for the period covering 1 January 2019 till 31 December 2019.

## FEEDBACK [GRI 102-53]

We appreciate any comments and feedback from all stakeholders for our continuous improvement.

Please direct all enquiries and comments to:

Investor Relations & Strategic Communication Department  
**Kumpulan Perangsang Selangor Berhad**  
17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran,  
40000 Shah Alam, Selangor Darul Ehsan, Malaysia



+603-5524 8400



irsc@kps.com.my





# Stewardship at KPS [GRI 102-22] [F4GBM]

## Board of Directors Profile



### YB DATO' NOR AZMIE BIN DIRON

Chairman, Non-Independent Non-Executive Director

Nationality : **Malaysian**

Date of Appointment : **17 January 2020**

Age/Gender : **52/Male**

Length of Tenure as Director : **1 year 3 months**

#### QUALIFICATIONS

- Masters in Information Technology, Universiti Kebangsaan Malaysia.
- Bachelor of Economic (Hons), Universiti Malaya.
- Diploma in Public Administration, National Institute of Public Administration (INTAN).
- Advanced Management Development Program organised by Harvard Business School.
- Columbia University Leadership Programs.

#### MEMBERSHIP OF ASSOCIATIONS

- Institute of Corporate Directors Malaysia.

#### AREA OF EXPERTISE

- Government Relations, Finance, Economics.

#### OTHER DIRECTORSHIPS

##### Listed Entities

- None

##### Public Companies

- Worldwide Holdings Berhad
- Invest Selangor Berhad
- Permodalan Negeri Selangor Berhad
- Air Selangor Holdings Berhad (formerly known as Kumpulan Darul Ehsan Berhad)
- Kumpulan Hartanah Selangor Berhad
- Darul Ehsan Investment Group Berhad
- Yayasan Selangor
- Yayasan Warisan Anak Selangor
- Yayasan Hijrah Selangor

#### INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

(as at 22 March 2021)

- None

#### MEMBERSHIP OF BOARD COMMITTEES

- None

#### BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

<b>BOD</b> (Chairman)	<b>6/6</b>
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#### WORKING EXPERIENCE AND CURRENT ENGAGEMENTS

Dato' Nor Azmie bin Diron has spent more than 25 years working in various Federal and State Government departments. Dato' Nor Azmie held the position of State Financial Officer of the State of Selangor since 1 January 2018 until his appointment as the Selangor State Secretary on 3 February 2021.

#### Abbreviation

<b>BOD</b>	Board of Directors
<b>BAC</b>	Board Audit Committee
<b>NRC</b>	Nomination and Remuneration Committee
<b>BGRC</b>	Board Governance and Risk Committee

<b>BIRC</b>	Board Investment Review Committee
<b>SBC</b>	Sustainability Board Committee
<b>TBC</b>	Tender Board Committee

## Stewardship at KPS [GRI 102-22] [F4GBM] Board of Directors Profile



### ENCIK SOFFAN AFFENDI BIN AMINUDIN

Non-Independent Non-Executive Director

Nationality : **Malaysian**  
Age/Gender : **42/Male**

Date of Appointment : **17 January 2020**  
Length of Tenure as Director : **1 year 3 months**

#### QUALIFICATIONS

- National Diploma in Business Studies, majoring in Accounting from Kolej Yayasan Pelajaran MARA, Kuala Lumpur (KYPMKL), a twinning programme with Dublin Business School.
- Chartered Certified Accountant, the Association of Chartered Certified Accountants.

#### MEMBERSHIP OF ASSOCIATIONS

- Member of Association of Chartered Certified Accountants (ACCA).
- Member of the Malaysian Institute of Accountants.

#### AREA OF EXPERTISE

- Accounting, Financial Reporting, Private Equity Investment.

#### OTHER DIRECTORSHIPS

##### Listed Entities

- None

##### Public Companies

- Permodalan Negeri Selangor Berhad
- Air Selangor Holdings Berhad (formerly known as Kumpulan Darul Ehsan Berhad)
- Kumpulan Hartanah Selangor Berhad

#### INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

(as at 22 March 2021)

- None

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Board Audit Committee
- Member of the Nomination and Remuneration Committee
- Member of the Board Investment Review Committee
- Member of the Sustainability Board Committee

#### BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

<b>BOD</b> (Member)	<b>6/6</b>
<b>BAC</b> (Member)	<b>6/6</b>
<b>NRC</b> (Member)	<b>3/3</b>
<b>BIRC</b> (Member)	<b>3/4</b>
<b>SBC</b> (Member)	<b>2/2</b>

#### WORKING EXPERIENCE AND CURRENT ENGAGEMENTS

Soffan Affendi bin Aminudin started his career as an Auditor at KPMG from 2002 until 2003. He then served as an Investment Research Analyst at BBMB Securities Berhad in 2003 and the Employees Provident Fund ("EPF") in 2004 where he was involved in the Private Equity Investment arm of EPF. In 2008, he was appointed as Head of Corporate Finance of Alam Maritim Resources Berhad before being re-designated as Chief Financial Officer until November 2014. In December 2014, he was the Chief Operating Officer ("COO") of Menteri Besar Selangor (Incorporated) ("MBI"). He was the Acting Chief Executive Officer of MBI, a position he held from 1 December 2019 until 31 July 2020 before being re-designated as COO of MBI on 1 August 2020.

## Stewardship at KPS [GRI 102-22] [F4GBM]

## Board of Directors Profile

**YBHG DATO' IDRIS BIN MD TAHIR, DIMP**

Independent Non-Executive Director

Nationality : **Malaysian**Date of Appointment : **15 August 2013**Age/Gender : **67/Male**Length of Tenure as Director : **7 years 8 months****QUALIFICATIONS**

- Graduated from The Chartered Institute of Management Accountants (CIMA), UK and subsequently admitted to fellowship in 1995.

**MEMBERSHIP OF ASSOCIATIONS**

- Member of the Malaysian Institute of Accountants.

**AREA OF EXPERTISE**

- Accounting, Audit, Financial Reporting.

**OTHER DIRECTORSHIPS****Listed Entities**

- None

**Public Companies**

- Syarikat Pengeluar Air Selangor Holdings Berhad

**INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES**

(as at 22 March 2021)

- None

**MEMBERSHIP OF BOARD COMMITTEES**

- Chairman of the Board Audit Committee.
- Member of the Nomination and Remuneration Committee.
- Member of the Tender Board Committee.
- Member of the Board Governance and Risk Committee.

**BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE**

<b>BOD</b> (Member)	<b>6/6</b>
<b>BAC</b> (Chairman)	<b>6/6</b>
<b>NRC</b> (Member)	<b>3/3</b>
<b>BGRC</b> (Member)	<b>1/1</b>

**WORKING EXPERIENCE AND CURRENT ENGAGEMENTS**

Dato' Idris bin Md Tahir started his career with Bank Negara Malaysia (Central Bank of Malaysia) as an Executive Officer of the Investment Department from 1978 until 1983, before joining Bank Islam Malaysia Berhad ("BIMB") as one of the pioneers of the group in establishing the first Islamic Bank in Malaysia. In his 29 years of service with BIMB Group of Companies, he held various senior managerial posts and was also the Chief Internal Auditor where he was involved in various Islamic Financial activities which included Islamic banking, Takaful (Islamic Insurance), Ijarah (Islamic Leasing), Wakallah (Islamic Nominees), Islamic Asset Management and Islamic Stockbroking. His last post was as Executive Director/Chief Executive Officer of BIMB Securities Sdn Bhd, an Islamic stockbroking company, before his retirement in 2012.



## Stewardship at KPS [GRI 102-22] [F4GBM] Board of Directors Profile



### YBHG DATO' IKMAL HIJAZ BIN HASHIM, DIMP

Independent Non-Executive Director

Nationality : **Malaysian**  
Age/Gender : **67/Male**

Date of Appointment : **1 January 2018**  
Length of Tenure as Director : **3 years 4 months**

#### QUALIFICATIONS

- Bachelor of Arts with Honours, University Malaya.
- MPhil. in Land Management, University of Reading, UK.

#### MEMBERSHIP OF ASSOCIATIONS

- None

#### AREA OF EXPERTISE

- Project Management, Strategic Planning and Business Strategy, Human Capital.

#### OTHER DIRECTORSHIPS

##### Listed Entities

- EP Manufacturing Bhd

##### Public Companies

- None

#### INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

(as at 22 March 2021)

- None

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Nomination and Remuneration Committee
- Chairman of the Tender Board Committee
- Member of the Board Investment Review Committee
- Member of the Sustainability Board Committee

#### BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

<b>BOD</b> (Member)	<b>6/6</b>
<b>NRC</b> (Chairman)	<b>3/3</b>
<b>BIRC</b> (Member)	<b>4/4</b>
<b>SBC</b> (Member)	<b>2/2</b>

#### WORKING EXPERIENCE AND CURRENT ENGAGEMENTS

Dato' Ikmal began his career in the Administrative and Diplomatic Service of the Government of Malaysia in 1976. In late 1991, he left government service and joined United Engineers (M) Berhad as General Manager of the Malaysia Singapore Second Crossing project.

In 1993, he became the Chief Operating Officer of Projek Lebuhraya Utara-Selatan Berhad (PLUS) and in 1995 he was promoted as the company's Managing Director.

In 1999, he was then appointed as the Managing Director of Prolink Development Sdn Bhd (Prolink) and concurrently assumed the position of President for the Property Division of the Group. He was subsequently appointed as Managing Director of Renong Berhad from 2002 until 2003.

In November 2003, Dato' Ikmal was seconded to Pos Malaysia Berhad as the Chief Executive Officer/Managing Director as well as the Group Managing Director of Pos Malaysia and Services Holdings Berhad. In November 2007, he was appointed as Chief Executive of Iskandar Regional Development Authority (IRDA) until February 2009. He then became the Chairman of Faber Group Berhad from 1 March 2009 until June 2014. During the said period, he was also appointed as Independent Non-Executive Director of UEM Land Berhad.

**Stewardship at KPS** [GRI 102-22] [F4GBM]**Board of Directors Profile****PUAN NORLIZA BINTI KAMARUDDIN**

Independent Non-Executive Director

Nationality : **Malaysian**Age/Gender : **57/Female**Date of Appointment : **6 April 2018**Length of Tenure as Director : **3 years****QUALIFICATIONS**

- Industry Adjunct Professor Multimedia University.
- Professional Certificate in Corporate Public Affairs (CPA) from The Center of Corporate Public Affairs, Melbourne Business School, Australia.
- Bachelor in Arts and Design from Universiti Teknologi Mara.

**MEMBERSHIP OF ASSOCIATIONS**

- International Public Relations Association.

**AREA OF EXPERTISE**

- Communication, International Business/Relations, Crisis Communications, Branding, and Sustainability.

**OTHER DIRECTORSHIPS****Listed Entities**

- Sedania Innovator Berhad

**Public Companies**

- None

**INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES**

(as at 22 March 2021)

- None

**MEMBERSHIP OF BOARD COMMITTEES**

- Chairman of the Sustainability Board Committee.
- Member of the Nomination and Remuneration Committee.
- Member of the Board Governance and Risk Committee.

**BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE**

<b>BOD</b> (Member)	<b>6/6</b>
<b>NRC</b> (Member)	<b>3/3</b>
<b>BGRC</b> (Member)	<b>3/3</b>
<b>SBC</b> (Chairman)	<b>3/3</b>

**WORKING EXPERIENCE AND CURRENT ENGAGEMENTS**

Norliza binti Kamaruddin is a senior communications specialist with more than 25 years of experience in Malaysia and other international markets. She specialises in multiple sectors including energy, finance, banking, aviation, telecommunications and hospitality and has experience in various communications practices particularly reputation management, communications strategy, strategic planning, corporate and government stakeholder management, crisis communications, corporate social responsibility, branding, media relations and internal communications. Norliza has helped organisations within ASEAN, the Middle East and the Americas to develop and execute communication strategies.

She is the only Malaysian to be recognised in the world's three most prestigious Public Relations and marketing awards. She was named one of 'Top 500 Most Influential PR Professional in PR Week Power Book 2014 and 2015' by the global PR Week magazine and included in the 'Power List 2014 - Top 50 Most Influential People in PR' by PR Week Asia. The Internationalist, New York also named Norliza as 'The Internationalist of the Year 2014'. Multimedia University Malaysia in recognition to her contribution in helping to formulate and develop the new Bachelor in Strategic Communications programme, named their communications best student award "Liz Kamaruddin Communication Excellence Award".

## Stewardship at KPS [GRI 102-22] [F4GBM] Board of Directors Profile



### ENCIK KOAY LI ONN (LEON)

Independent Non-Executive Director

Nationality : **Malaysian**  
Age/Gender : **50/Male**

Date of Appointment : **1 January 2019**  
Length of Tenure as Director : **2 years 4 months**

#### QUALIFICATIONS

- Executive Education Programme from University of Oxford, Saïd Business School.
- Masters in Law from Harvard Law School, USA.
- Bachelor of Laws from International Islamic University, Malaysia.

#### MEMBERSHIP OF ASSOCIATIONS

- Registered Attorney, New York State Bar.
- Member, Institute of Corporate Directors Malaysia.
- Affiliate Member, Asian Institute of Chartered Bankers.

#### AREA OF EXPERTISE

- Corporate Finance and Banking, Legal and Compliance.

#### OTHER DIRECTORSHIPS

##### Listed Entities

- None

##### Public Companies

- Century Bond Bhd

#### INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

(as at 22 March 2021)

- None

#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Board Governance and Risk Committee.
- Member of the Board Audit Committee.
- Member of the Board Investment Review Committee.

#### BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

<b>BOD</b> (Member)	<b>6/6</b>
<b>BAC</b> (Member)	<b>6/6</b>
<b>BGRC</b> (Chairman)	<b>4/4</b>
<b>BIRC</b> (Member)	<b>4/4</b>

#### WORKING EXPERIENCE AND CURRENT ENGAGEMENTS

Koay Li Onn (Leon) has more than 24 years of experience in law, banking, corporate & structured finance, and treasury & markets. He has won multiple industry awards over the years for innovative structures and landmark transactions in Malaysia and the region. He was admitted to the Malaysian Bar and the New York State Bar, and practised law in Kuala Lumpur, before entering the banking sector in 2002 with Standard Chartered Bank. He served in various roles with Standard Chartered and was based in Singapore between 2005 and 2011, covering different parts of the Asian region including North/ North East Asia, South East Asia and India for corporate/structured finance. He returned to Malaysia in 2011 as Managing Director & Head, Financial Markets, and Co-Head, Wholesale Banking (for conventional & Islamic businesses) for Standard Chartered Bank Malaysia Berhad. He served on the Main Committee of the Financial Markets Association of Malaysia (2012-2015), the Capital Markets Committee of the Association of Banks Malaysia (2012-2015) and the Bank Negara Malaysia Heads of Treasury Forum (2011-2015).

Koay Li Onn (Leon) is currently Managing Director of Bangsawan Group, which provides corporate, Merger & Acquisition, financial and strategic consulting in Singapore and Malaysia. He also currently serves as a consultant to a Malaysian regulatory organisation, is a company mentor in the Malaysian start-up ecosystem, and an advisor/working partner for a Singapore-based P2P lending & financial solutions platform.

## Stewardship at KPS [GRI 102-22] [F4GBM]

## Board of Directors Profile

**YBHG DATO' NOORAZMAN BIN ABD AZIZ**

Independent Non-Executive Director

Nationality : **Malaysian**Age/Gender : **65/Male**Date of Appointment : **1 January 2020**Length of Tenure as Director : **1 year 4 months****QUALIFICATIONS**

- BSc (Finance)  
Louisiana State University, USA.
- Citicorp Associate Programme  
Training Institute, New York, USA.

**MEMBERSHIP OF ASSOCIATIONS**

- Member of Australian Institute of  
Company Directors (AICD).
- Member of Chartered Institute of Islamic  
Finance Professionals (CIIF).
- Member of Institute of Corporate  
Directors Malaysia (ICDM).

**AREA OF EXPERTISE**

- Strategy, Business Management,  
Investment.

**OTHER DIRECTORSHIPS****Listed Entities**

- UEM Edgenta Berhad
- UEM Sunrise Berhad
- Hong Leong Financial Group Berhad

**Public Companies**

- PLUS Malaysia Berhad

**Private Companies, Trustees & Other Organisations**

- Yayasan UEM
- International Centre for Education in  
Islamic Finance (INCEIF)
- CTOS Digital Sdn Bhd

**Advisory**

- Kumpulan Wang Amanah Pekerja
- Ancora Fund Management Co.,  
Indonesia
- Creador Sdn Bhd

**INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES**

(as at 22 March 2021)

- None

**MEMBERSHIP OF BOARD COMMITTEES**

- Chairman of the Board Investment  
Review Committee.
- Member of the Board Audit  
Committee.
- Member of the Board Governance and  
Risk Committee.
- Member of the Tender Board  
Committee.

**BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE**

<b>BOD</b> (Member)	<b>6/6</b>
<b>BAC</b> (Member)	<b>1/1</b>
<b>BGRC</b> (Member)	<b>3/3</b>
<b>BIRC</b> (Chairman)	<b>3/3</b>

**WORKING EXPERIENCE AND CURRENT ENGAGEMENTS**

Dato' Noorazman bin Abd Aziz has over 37 years of experience in banking and finance, investments and capital markets having served as Executive Director, Investments in Khazanah Nasional Berhad, Managing Director of Fajr Capital Ltd and held key positions in Citigroup, Bank Islam Malaysia Berhad, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority (LOFSA), to name a few.

He was appointed to the Board of Kumpulan Perangsang Selangor Berhad on 1 January 2020. He is currently the Chairman of UEM Sunrise Berhad and sits on the Boards of UEM Edgenta Berhad, PLUS Malaysia Berhad, and Hong Leong Finance Group Berhad.

He serves as Chairman of the Board of Trustees of Yayasan UEM, the philanthropic arm of UEM Group, and Chairman of Board of Trustees of International Centre for Education in Islamic Finance (INCEIF).



## Stewardship at KPS [GRI 102-22] [F4GBM]

### Board of Directors Profile



### ENCIK AHMAD FARIZ BIN HASSAN

Managing Director/Group Chief Executive Officer

Nationality : **Malaysian**

Date of Appointment : **1 January 2019**

Age/Gender : **44/Male**

Length of Tenure as Director : **2 years 3 months**

#### OTHER DIRECTORSHIPS

##### Listed Entities

- None

##### Public Companies

- Century Bond Bhd
- Cash Band (M) Berhad

#### INTEREST IN SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

(as at 22 March 2021)

- None

#### WORKING EXPERIENCE AND CURRENT ENGAGEMENTS

Ahmad Fariz bin Hassan was appointed to the Board as Managing Director on 1 January 2019, simultaneously taking up the role of Group Chief Executive Officer. Prior to this appointment, he was the Chief Executive Officer of KPS since 1 May 2016. A primary authority for governance, investment, control, and management of the Group, he provides management oversight and responsibility, ensuring the efficient functioning of the business by conceiving its vision and purpose, developing corporate and business strategies, and ensuring effective structures and processes to meet the Group's strategic and operational needs.

Earlier in his career, he built upon key competencies of corporate governance. Subsequently, he moved forward to embark on and gain experience in investment banking at CIMB Investment Bank, honing his skills in treasury operations and cementing expertise in private equity. After that, he joined Ekuini Nasional Berhad ("Ekuinas"), where he developed mastery in strategic acquisition, value creation, and process innovation. During this period, he was seconded as Chief Operating Officer to Cosmo Restaurants Sdn Bhd, one of Ekuinas' investee companies. Subsequently, he joined Khazanah Nasional Berhad as Senior Vice President (Investment).

Ahmad Fariz joined KPS as Head of Strategic Planning & Investment in 2015. In 2016, he was reassigned to Chief Executive Officer. He inspired and embedded a culture of high-performance and empowerment in support of the Group's shared purpose of optimising returns while staying committed to providing significant contributions toward sustainable economic, environmental, and social development for all stakeholders' benefits. After assuming this position, he spearheaded an aggressive business transformation, strategising an exploitative and explorative growth agenda to elevate KPS' growth opportunities.

Ahmad Fariz has been instrumental in steering a new business direction for the Group, one which aims for sustainably strong business growth through continual identification of future business catalysts, at the same time repositioning KPS' brand equity in the marketplace. KPS has since evolved into an investment holding company with core investments in the manufacturing sector and businesses in the trading, licensing, and infrastructure sectors. 20 years of experience has proven his transformational leadership, leading KPS to achieve a new milestone of breaching RM1 billion revenue in 2020.

#### MEMBERSHIP OF BOARD COMMITTEES

- None

#### QUALIFICATIONS

- Bachelor's Degree in Accountancy, Universiti Teknologi Mara (UiTM).
- Chartered Global Management Accountant.

#### MEMBERSHIP OF ASSOCIATIONS

- Associate Member of the Chartered Institute of Management Accountants.

#### AREA OF EXPERTISE

- Strategic Planning & Business Transformation, Investment Management & Value Creation, Empowerment, Governance, and Risk Management.

#### BOARD AND BOARD COMMITTEE MEETINGS ATTENDANCE

BOD (Member)

6/6

#### Notes

##### Declaration by the Board:

- None of the Directors has any family relationship with any Director and/or Major Shareholder of KPS.
- None of the Directors has any conflict of interest with KPS.
- Other than traffic offences, none of the Directors has been convicted for any offences within the past five (5) years nor has been imposed of any public sanction or penalty by the relevant regulatory bodies during the Financial Year under review.
- Dato' Nor Azmie bin Diron was nominated as Non-Independent Non-Executive Chairman by Menteri Besar Selangor (Incorporated) ("MBI"). Darul Ehsan Investment Group Berhad ("DEIG") is a major shareholder of the Company with direct shareholding of 57.88%. MBI is a holding company of DEIG.
- Encik Soffan Affendi bin Aminudin was nominated as Non-Independent Non-Executive Director by MBI. DEIG is a major shareholder of the Company with direct shareholding of 57.88%. MBI is a holding company of DEIG.



The first Board Retreat took place on 26 September 2020 at The Saujana Hotel Kuala Lumpur, where KPS Board Members, the Management Team, Heads of Departments, and Heads of Subsidiaries congregated to actively engage with one another, gaining valuable input and insights to improve KPS' potential in 2021.

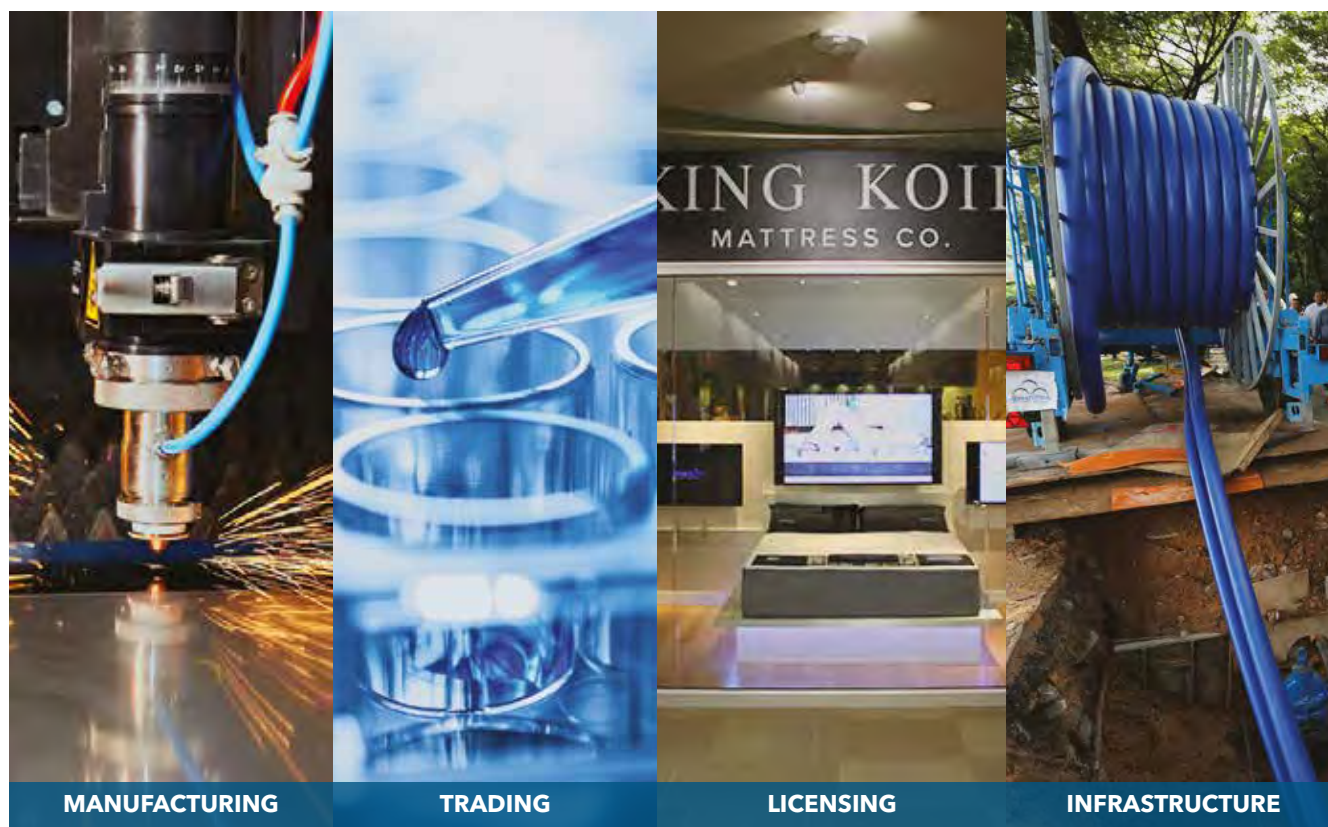


## Excelling in Our Strategic Investments [GRI 102-1, 102-2]

**Incorporated on 11 August 1975, KPS is an investment holding company listed on the Main Market of Bursa Securities under the Industrial Products & Services sector.**

KPS has core investments in the Manufacturing sector and businesses in the Trading, Licensing, and Infrastructure sectors.

While strengthening business practices to optimise returns, KPS is committed to providing significant contributions towards sustainable development in the areas of economic, environmental, and social endeavours for the benefit of all stakeholders.



## Excelling in Our Strategic Investments [GRI 102-1, 102-2]

### MANUFACTURING



**TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD ("Toyoplas")** Group of Companies serves the integrated plastics injection moulding industry with clientele from the Consumer Electronics sector, as well as Industrial Tools, Automotive and Other industries with a value chain spanning 75 countries. As a one-stop solutions provider, Toyoplas' expertise covers mould fabrication, precision injection moulding, and secondary processes as well as assembly via its seven manufacturing plants across Malaysia, China, Indonesia and Vietnam.

**CPI (PENANG) SDN BHD ("CPI")** is an integrated plastics injection moulding company serving over 90 clients worldwide. As a contract manufacturer specialising in plastics injection moulding, tool fabrication, secondary and sub-assembly processes, and electronics box-build processes, CPI's clientele includes customers from various industries, including Automotive, Communications and Information Technology, Healthcare, and Other Electronics.

**CENTURY BOND BHD ("CBB")** is an integrated packaging solutions provider driven by five business Divisions, namely Offset, Carton, Paper, Plastic, and Original Equipment Manufacturer ("OEM") for Consumer Products. CBB serves clientele from diversified industries and sectors such as consumer electronics, cement and construction, food, and OEM for retail stores. CBB operates from seven locations, namely in Senai, Ulu Tiram, Nilai, Ipoh and Sungai Petani in Malaysia, and in Batam and Medan in Indonesia.

**KING KOIL MANUFACTURING WEST, LLC ("KKMW")** was established on 22 January 2018, marking the King Koil® brand's first manufacturing initiative in the United States of America ("the US"). Based in Phoenix, Arizona, KKMW currently supplies King Koil® mattresses to retailers in the Western Region of the US, following the shift in its business model in the US from licensing to a direct-to-retail model.

**TOYOPLAS**

**CPI**



**KING  
KOIL**  
MATTRESS CO.

### TRADING



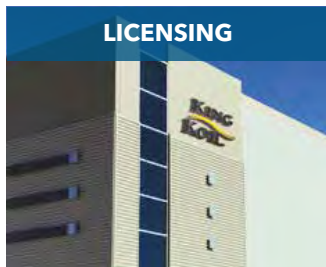
**AQUA-FLO SDN BHD ("Aqua-Flo")** supplies water chemicals and provides technical services to water, waste and sewage treatment plants. Having access to a modern and high-tech water laboratory in Malaysia, Aqua-Flo works closely with local and international water and wastewater treatment specialists.

*Aqua-flo*



## Excelling in Our Strategic Investments [GRI 102-1, 102-2]

### LICENSING



**KING KOIL LICENSING COMPANY INC ("KKLC")** operates the King Koil® brand licensing business globally. The King Koil® brand was first established in the US over 100 years ago and remains one of the most recognisable mattress brands in the US and globally. King Koil® mattresses and bedding products are distributed in 89 countries via 25 licensees worldwide.

**KING  
KOIL**  
—  
MATTRESS CO.

### INFRASTRUCTURE



**SMARTPIPE TECHNOLOGY SDN BHD ("Smartpipe")** is an integrated water solutions provider, specialising in pipe rehabilitation and replacement. Smartpipe is the sole company authorised by Netherlands-based Wavin Overseas BV ("Wavin") to sell and install Compact Pipe® and Wavin's other pipe rehabilitation products in Malaysia. Combining its expertise in trenchless pipe rehabilitation with experience in conventional pipe replacement works, Smartpipe is also well-positioned to address non-revenue water ("NRW") issues in Malaysia.

**SmartPipe**  
TECHNOLOGY

**KPS-HCM SDN BHD ("KPS-HCM")** is focussed on providing general civil engineering works, building construction, and maintenance for both the public and private sectors. Following the successful completion of a seven-year concession for road maintenance works, its services were extended to include road and pavement, drainage and sewerage pipeline works, and deployment of flood mitigation ponds.

**KPS-HCM**  
Sdn. Bhd.

### SISTEM PENYURAIAN TRAFIK KL BARAT HOLDINGS SDN BHD

**("SPRINT Holdings")** owns Sistem Penyuraian Trafik KL Barat Sdn Bhd ("SPRINT"). SPRINT is one of the main expressway networks in the Klang Valley. It is a three-lane dual carriageway that was built to ease traffic congestion into the city of Kuala Lumpur from Petaling Jaya, Damansara and surrounding areas. The 26.5 kilometre expressway is divided into three sections that include the Kerinchi Link, Damansara Link and Penchala Link. KPS holds 20% of equity interest in SPRINT via its associate company, SPRINT Holdings.

**SPRINT**  
SISTEM PENYURAIAN TRAFIK KL BARAT SDN BHD

### OIL & GAS



KPS, through its wholly-owned subsidiary, Perangsang Oil and Gas Sdn Bhd has a 40% equity stake in **NGC ENERGY SDN BHD ("NGC Energy")**, a joint venture between KPS and the National Gas Company of Oman.

NGC Energy is in the business of supplying liquefied petroleum gas ("LPG") to residential, commercial, and industrial customers, commanding the second largest market share in LPG supply in Peninsular Malaysia.

**ngc energy**  
Energizing The Nation

# Corporate Structure [GRI 102-5]

## SHAREHOLDERS

**57.9%** Darul Ehsan Investment Group

**36.6%** Public

**5.5%** Perbadanan Kemajuan Negeri Selangor

## SUBSIDIARY COMPANIES

**100%** Cash Band (M) Berhad

**100%** Perangsang Hotel & Properties Sdn Bhd

**100%** Brisdale International Hotel Sdn Bhd

**100%** Viable Chip (M) Sdn Bhd

**30%** Syarikat Pengeluar Air Selangor Holdings Berhad

**100%** Perangsang Oil & Gas Sdn Bhd

**40%** NGC Energy Sdn Bhd

**100%** Nadi Biru Sdn Bhd

**64%** Smartpipe Technology Sdn Bhd

**100%** Bold Approach Sdn Bhd

**60%** KaiserCorp Corporation Sdn Bhd

**100%** Perangsang Packaging Sdn Bhd

**100%** Century Bond Bhd

**100%** Perangsang Dinamik Sdn Bhd

**100%** CPI (Penang) Sdn Bhd

**100%** Toyoplas Manufacturing (Malaysia) Sdn Bhd

**100%** Perangsang Capital Sdn Bhd

**51%** Aqua-Flo Sdn Bhd

**51%** KPS-HCM Sdn Bhd

## ASSOCIATE COMPANIES

**40%** Perangsang Water Management Sdn Bhd

**20%** Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd

### Note:-

The Corporate Structure did not include the subsidiaries of KPS which are/have been in liquidation, under receivership, under official assignee, dormant and/or ceased operation. For further details, you may refer to note 16 and 17 of the Company's Audited Financial Statements for the year ended 31 December 2020.

# Our Commitment to Sustainability [GRI 102-26]

## DRIVING SUSTAINABILITY

**Our transition from a philanthropy-led CSR model to a strategic sustainability model is a fine example of how we have evolved our sustainability efforts within the organisation. We have now adopted and embraced a multi-stakeholder approach with initiatives and projects aligned with better sustainable business strategies.**

This approach, which has been implemented in stages, is focussed on planning, implementing and balancing the development of the Group's profit, its people and the environment; and has become an integral aspect, and an organic component, throughout the Group.

In the best interest of our stakeholders, we are mindful of trends that are leaning towards reducing carbon footprints. In driving a sustainable business, aside from having quality objectives and performance metrics to ensure customer satisfaction, we need to measure and keep track of our carbon footprint. As such, adopting sustainable best practices for the continuous improvement of our products and services will ensure we maintain our competitive edge.



CBB produces household care items as one of its businesses.

**CORPORATE VISION, MISSION AND CORE VALUES** [GRI 102-16]

The Group's Vision and Mission statements challenge us to achieve a higher level of performance and accomplishments. Our approach towards sustainable business practices requires well-thought out solutions, and not quick fixes. It starts with the scrutinising of our methods and processes to bring about positive changes, and being responsible for our actions. The two key dimensions of business operations and sustainability are interlocked, and we aim to promptly address and resolve any social and environmental issues raised in lieu of operational impacts, while systematically building ever greater value in meeting the expectations and needs of our internal and external stakeholders.

**Our Vision**

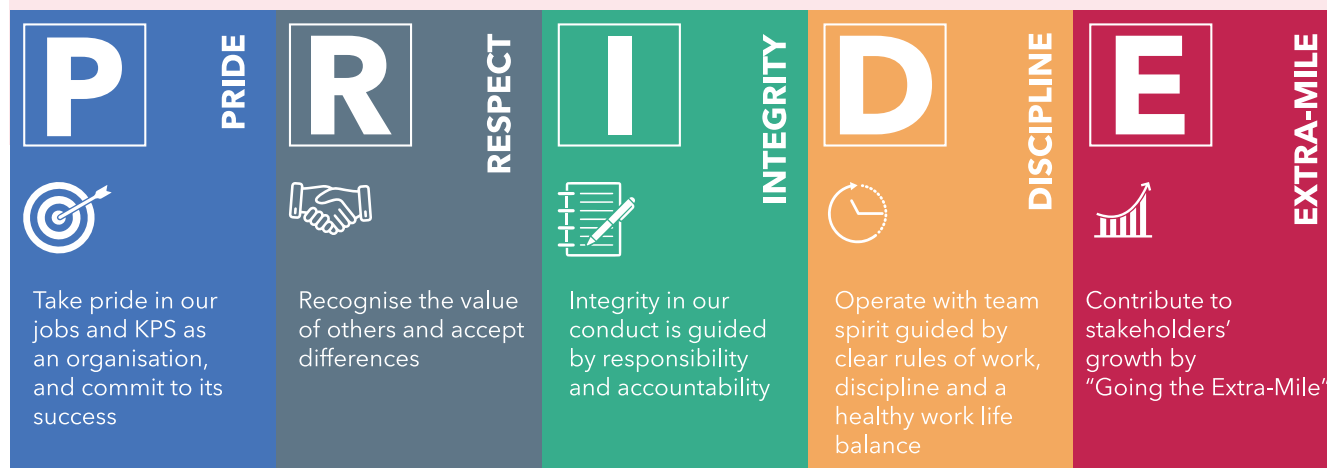
**To be the leading corporation, stimulating economic growth in Selangor and beyond.**

**Our Mission**

- To venture into business activities that create value for our stakeholders.
- To have a leading regional presence.
- To ensure sustainable financial performance with optimum returns to shareholders.
- To achieve quality standards surpassing customer expectations.
- To enhance the quality of life by being a caring, community-oriented and environmentally-friendly organisation.

**Corporate Core Values**

In order to guide employee conduct in a manner that fulfils the corporate objectives toward a harmonious and conducive environment, we established these core values at KPS on 24 October 2018. Based on the findings from focus groups and surveys which involved all employees, our core values were zoomed in on the creation of **PRIDE**, an acronym for Pride, Respect, Integrity, Discipline and Extra-Mile. While fostering team spirit amongst all employees, PRIDE in itself provides a clear understanding of everyone's role in the Group.





## STATEMENT OF SUSTAINABILITY POLICY [GRI 102-26]

The KPS Sustainability Policy ("Policy") was approved by the Board of Directors ("the Board") on 29 November 2018 to actively manage operations in a way that balances our EES objectives. All our employees, associates, investors, customers, vendors, and third-party suppliers are expected to adhere to this Policy to ensure that we achieve all sustainability goals.

The Group is mindful that its core activities across the four industry sectors of Manufacturing, Trading, Licensing, and Infrastructure have far-reaching and interconnected influences in the economy, environment and the society where KPS operates. We are committed to embed and drive sustainability efforts, and to have a positive impact across all our operations in order to shape a more sustainable society.



# Sustainability Governance Structure

[GRI 102-18, 102-19, 102-20, 102-22, 102-26, 102-29, 102-31, 102-32]

**Our sustainability efforts and disclosures are centred on a pragmatic approach based on the Principles of the Policy that outline clear and aligned objectives, which have enabled us to achieve our corporate goals and that of the UNSDGs. Our resilience and ability to remain agile through challenging business cycles are anchored on these commitments.**

The Board is duty-bound and responsible for aligning the interests of the Board, Management, shareholders, and stakeholders at the Company. The Board structure is presented in the Board of Directors' Profile section (on pages 24 to 31 in this Report). The Board sets policies for effective implementation and delegates authority for day-to-day management of EESG topics to the Management.

The Board is assisted by the Sustainability Board Committee ("SBC"), which comprises selected Board members who directly oversee the implementation of sustainability plans, and make recommendations to the Board on relevant matters. The SBC meets at least twice a year, while consultation between the Management and external stakeholders occur formally and informally throughout the year. In addition, feedback derived from stakeholder engagements by the Company on EESG topics are shared with the Board or SBC when appropriate.

Stakeholders who request to communicate directly with either a Board member, lead Independent Director or Non-Executive Director may state their request in writing to the Group's Company Secretary at:

**Kumpulan Perangsang Selangor Berhad**

17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran,  
40000 Shah Alam, Selangor Darul Ehsan.

Cross-functional Heads of Departments, and Heads of Subsidiary Companies or their appointees are represented in the Corporate Sustainability Champion ("CSC") committee. Meetings are held, at a minimum, biannually, where significant EESG risks and opportunities are deliberated on, identified, and assessed before recommendations are made to the SBC who in turn will guide the Management of suitable initiatives and solutions.

The Sustainability Unit ("the Unit") is part of this task force under the Investor Relations & Strategic Communication Department ("IRSC"). The Unit is responsible for the Company's implementation of sustainability initiatives as well as the coordinating, planning, and executing of these initiatives at the subsidiary level.

## SUSTAINABILITY GOVERNANCE STRUCTURE

### BOARD OF DIRECTORS



#### Board of Directors

- Provides oversight on policies and strategies to embed sustainability initiatives into the Group's business.
- Approves sustainability budget.
- Approves Sustainability Report.

### SUSTAINABILITY BOARD COMMITTEE



#### Sustainability Board Committee

- Approves sustainability strategies presented by the Sustainability Unit.
- Oversees the Group's implementation of sustainability programmes.
- Approves implementation of sustainability programmes.
- Prepares, reviews, and proposes the sustainability statements for the Board's approval.
- Oversees the management of risks related to sustainability.
- Endorses budget for sustainability programmes.

### CORPORATE SUSTAINABILITY CHAMPION



#### Corporate Sustainability Champion

- Identifies significant EESG risks and opportunities.
- Recommends the appropriate sustainability KPIs for all business functions in addressing the Group's material matters.

### SUSTAINABILITY UNIT, INVESTOR RELATIONS & STRATEGIC COMMUNICATION



#### Sustainability Unit

- Works with Business Units on how to embed sustainability.
- Executes the Sustainability Policy and Strategy in addressing the EES risks and opportunities.
- Central point of contact for any interfaces with stakeholders on sustainability matters.
- Maintain stakeholder engagements.
- Reviews implementation of sustainability programmes.
- Prepares budget for sustainability programmes.

## Sustainability Board Committee [GRI 102-22]



**ENCIK SOFFAN AFFENDI  
BIN AMINUDIN**  
*Non-Independent  
Non-Executive Director*

**PUAN NORLIZA BINTI KAMARUDDIN**  
*Independent Non-Executive Director/  
Chairman, Sustainability Board Committee*

**YBHG DATO' IKMAL HIJAZ  
BIN HASHIM, DIMP**  
*Independent Non-Executive Director*



## Participation in Public Associations [GRI 102-13]

Our active participation in industry associations allow us to keep pace with the evolution and development of the industries in which we operate. This allows us to stay abreast with innovations and emerging trends so as to tap into opportunities in a timely manner. This in turn builds solid relationships with vendors and customers alike, allowing for early collaboration on projects that can increase our efficiency and industry reach.

Keeping in mind the best interest of our business and customers, regular engagements with industry peers and regulatory bodies have proven to be a platform to expand our network, exchange and explore ideas, share experiences, and actively advocate reforms for continuous development.



Our Senior Management team attending to institutional investors (right) at one of KPS' quarterly results briefing. From left: Puan Suzila binti Khairuddin, Deputy Chief Executive Officer (Finance & Corporate Services), Encik Ahmad Fariz bin Hassan, Managing Director/Group Chief Executive Officer and Encik Azlan bin Abdul Jalil, Deputy Chief Executive Officer (Strategy & Investments).

## Awards and Accolades



At the Sustainability & CSR Malaysia Awards 2020 held on 23 November 2020 at Vivatel Kuala Lumpur, Mr Lee Seng Chee (right), Managing Editor and Co-Chairman of CSR Malaysia presented the Company of the Year Award for the Manufacturing & Trading sector category to Encik Zulkifli bin Mawardi (centre), KPS' Director of IRSC and looking on is Encik Mohd Fauzi bin Mohd Ghazali (left), Associate Director of IRSC.

In 2020, KPS was again recognised as an exceptional Malaysian corporation that has excelled in the arena of corporate sustainability and social responsibility. KPS was named Company of The Year under the Manufacturing and Trading category by the Sustainability & CSR Malaysia Awards 2020. This marked the Group's second consecutive award in as many years, claiming an enviable spot amongst all the outstanding achievers and inspiring corporations in attendance. While we are humbled with the recognition, this firmly validates our relentless commitment to sustainable development and corporate social accountability and responsibility.

KPS was selected based on its clear intent and commitment to successfully implement, and achieve, the goals of its CSR initiatives which has had a significant impact across its multi-stakeholder portfolio. KPS has shown exemplary efforts in implementing significant and meaningful social sustainability initiatives and championed transparency in its disclosure to meet the judging criteria. Our success, alongside the 40 other winners, are the agents of change in Malaysia's sustainability transformation.



## Awards and Accolades



As we have seen out 2020, we are proud to have achieved a new milestone by being awarded Silver for the National Annual Corporate Report Awards ("NACRA") 2020 Excellence Awards in the category for Companies with less than RM2 Billion Market Capitalisation.

KPS was amongst the 32 winners at the annual NACRA Awards, which was jointly organised by Bursa Malaysia Berhad, Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants. NACRA has been a guiding force for spurring the continued excellence and improvement made in corporate reporting in Malaysia, and in accordance with their evergreen theme of **"Towards Accountability & Excellence"**. Every year, NACRA's guidelines are reviewed and enhanced to ensure that the standards and quality of the production of annual reports are in line with current requirements and the latest global developments. Earlier in 2020, NACRA introduced a new framework, which integrates elements of sustainability and integrated reporting within the framework of evolving expectations. Reflecting the zeitgeist of 2020, the awards presentation ceremony was held virtually.





# United Nations Sustainable Development Goals

**The Group supports 16 of the 17 UNSDGs to mainly drive growth, address risk and focus on purpose. Understandably, we have continued to scale up efforts to expand and intensify our knowledge in addressing EESG issues in the areas in which we operate.**

We also recognise cross-industry and cross-sector collaborative initiatives as well as building strategic alliances and partnerships with governments, customers, non-governmental organisations ("NGOs") and society are critical to overcoming complex sustainability challenges. Equally as important, we continuously strive to meet expectations by taking concrete steps to implement initiatives throughout the value chain.



Sustainable development has been at the core of Malaysia's growth since the 1970s, with an emphasis on eradicating poverty, improving the well-being of the people, providing universal access to quality education, and caring for the environment. Since then, many Malaysian industries have adhered to Sustainability Principles, committed towards the five pillars; the 5Ps of **People, Planet, Prosperity, Peace** and **Partnership**. Since its inception, KPS has stimulated economic growth through the creation, promotion, and support of innovative business models by investing, supporting, and sustaining businesses that are not only located in the state of Selangor, but today has gone beyond its borders to implement sustainable excellence on an international scale.



## United Nations Sustainable Development Goals

This resonates well with the three main components of the UNSDGs of EES as we set our sights on achieving Malaysia's development blueprint of the Shared Prosperity Vision 2030.

As a UN member country, Malaysia is committed to implementing the SDGs under the 2030 Agenda for Sustainable Development that targets to eradicate, or at least reduce, some of the most unrelenting challenges facing humanity. These include poverty, inequality, biodiversity loss, climate change, and environmental degradation to foster prosperity, peace, and justice.

COVID-19 has deepened existing inequalities and the UN's COVID-19 response is a call to urgently support vulnerable groups who are disproportionately bearing the brunt of the pandemic. While the crisis has somewhat limited the progress of our sustainability efforts, we are determined to steer ourselves back on track towards achieving the targets of the UNSDGs.



### END POVERTY IN ALL ITS FORMS EVERYWHERE

To alleviate poverty we need to create a sustainable community in which we work and live in. Accountability from branches of government and the private sector is tantamount, with improvements made in essential services and healthcare, including providing quality education, championing human rights, and conserving natural resources. It is also imperative that we create jobs through planned employment programmes while also focussing on social protection to ensure the basic necessities of life; food, housing, electricity, healthcare, and clean water.

At KPS, we offer academic opportunities, organise entrepreneurship programmes, and community-related initiatives that provide an excellent platform to help flatten the unemployment curve, especially amongst lower income groups who make up approximately 40%\* of the Malaysian population.

(\*Source: Department of Statistics Malaysia)

- 1.1 Eradicate extreme poverty.
- 1.4 To ensure that the poor and the vulnerable have equal rights to economic resources, access to basic services, ownership and control over land, property, inheritance, natural resources, appropriate technology and financial services.
- 1.5 To build the resilience of the poor and vulnerable to reduce their exposure and threats to climate-related extreme events and other shocks and disasters.
- 1.A Ensure significant mobilisation of resources from a variety of sources and to implement programmes and policies to end poverty.
- 1.B Create sound policy frameworks at the national, regional, and international levels to support investment in poverty eradication actions.



### ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Now more than ever, ensuring healthy lives and promoting well-being is essential to our business stability and sustainability development. In tackling COVID-19 and supporting the World Health Organisation's ("WHO") effort to track and curb the spread of the virus, KPS has embraced the approach of a whole-of-society response in fighting the pandemic.

Apart from improving health and safety Standard Operating Procedures ("SOPs") at all work sites and offices, we have also addressed concerns on improving the well-being of our employees and the local community by advocating good physical and mental health; which we tackle through various programmes, campaigns, dialogue sessions, community talks, and sports development, and by donating medical peripherals and sanitisation products to the country's frontliners.

- 3.6 Reduce half the number of global deaths and injuries from road traffic accidents.
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable medicines and vaccines for all.
- 3.9 To reduce death and illness from hazardous chemicals, environmental pollution and contamination.

## United Nations Sustainable Development Goals



### ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Over 1 million Malaysian born children\* are reportedly not in school as at November 2020 due mainly to their disadvantaged backgrounds. KPS has always championed the education of underprivileged children from deprived households as well as the differently-abled, with programmes and initiatives which have steadily increased since 2017. Education changes lives as proven by the successful implementation of our past programmes, which focussed on both the cognitive and non-cognitive aspects of learning.

We also emphasise the importance of continuous lifelong learning amongst our employees to unlock their potential and open new employment opportunities, with ideals for achieving both individual and corporate objectives. As for our role in supporting other community members under this Goal, educational elements are infused into our Entrepreneurship Development Programmes with the central mission of propagating wealth to elevate the living standards of candidates in these programmes.

(\*Source: Ministry of Education Malaysia)

- 
- 4.1 To ensure every child completes free, equitable and quality primary and secondary education.
  - 4.2 To ensure that every child has access to quality early childhood development, care and pre-primary education in preparation for primary education.
  - 4.3 To ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education.
  - 4.4 To increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.
  - 4.5 To eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for everyone.
  - 4.6 To ensure that all youth and a higher number of adults achieve literacy and numeracy.
  - 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and culture's contribution to sustainable development.
  - 4.A Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all.
  - 4.B Substantially expand the number of scholarships available to developing countries, or enrolment in higher education, in developed countries and other developing countries.
- 



### ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

We advocate the empowerment of women to build self-esteem and confidence with the objective to inculcate independence, self-sufficiency and equal opportunities in pursuit of their personal goals. We offer a host of Community Development programmes that help develop their skills to enable them to tap into new business and career opportunities. Our focus is to provide avenues for underserved women in our communities, which include single mothers, to enhance their living standards through income generation opportunities; and to ultimately to be role models.

- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making.
- 5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and property, financial services, inheritance and natural resources.
- 5.B Enhance the use of enabling technology, to promote the empowerment of women.
- 5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and empowerment.

## United Nations Sustainable Development Goals

### 6 CLEAN WATER AND SANITATION



#### ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Water is essential to all life and is a vital shared resource. We are dependent on sustainable access to water to keep the operations of our manufacturing and other core businesses running smoothly. It is also essential in the manufacturing of cleaning and disinfection products, and for sanitisation purposes at all our premises.

By having an effective water resource management system in place, we have incorporated preventive measures to safeguard and protect the development of water bodies, including ensuring current water bodies are protected and treated from pollution and over exploitation. Water scarcity is a major risk factor to our business, and where a water crisis can adversely affect and disrupt our supply chain and severely restrict operations.

We intend to gradually reduce the amount of water our factories use and via recent improvements to our waste management practices, we now ensure that hazardous waste generated from our operations do not pollute and contaminate water bodies through the proper management of hazardous waste.

- 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.
- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the rate of untreated wastewater, increasing recycling and safe reuse.
- 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.
- 6.A By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes.
- 6.B Support and strengthen the participation of local communities in improving water and sanitation management.

### 7 AFFORDABLE AND CLEAN ENERGY



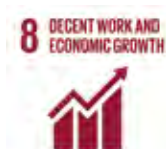
#### ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

In 2019, Malaysia's per capita energy consumption was at 61%, which makes it the third-largest energy user in the ASEAN region. Production and manufacturing industries use the most energy compared to other business sector end-users. As there is an apparent shift towards becoming an energy efficiency intensive country, as outlined in the Tenth Malaysia Plan 2011-2015 and Energy Policy for Malaysia (2013-2050), we are compelled to demonstrate our commitment in supporting initiatives in energy efficiency usage to minimise global warming and climate change.

Highly aware of our obligations, we are seeking to leverage the country's government policies, digitalisation and smart grid initiatives, including using solar photovoltaic systems to achieve our energy optimisation goals.

- 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
- 7.3 By 2030, double the global rate of improvement in energy efficiency.
- 7.A By 2030, enhance international cooperation to facilitate access to clean energy research and technology.
- 7.B By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services.

## United Nations Sustainable Development Goals



### PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

KPS reiterates the need for generating employment for less privileged groups and strives to offer decent job opportunities where we operate in. Our employee training programmes address the challenges of youth employment, and elevate the living standards of low-income communities as a sustainable way out of poverty.

- 
- 8.1 Sustain per capita economic growth in accordance with national circumstances.
  - 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.
  - 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of enterprises.
  - 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production.
  - 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
  - 8.6 Substantially reduce the proportion of youth not in employment, education or training.
  - 8.8 Protect labour rights and promote safe and secure working environments for all workers.
- 



### BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

KPS Q1 2020 and Q2 2020 results were impacted by a precipitous decline in capacity utilisation of its plastics injection moulding, packaging and mattress manufacturing plants. Disrupted supply and demand chains globally had challenged the progress of our manufacturing operations in Q2 2020, adversely affecting the Group's financial performance.

We closely monitored the situation to ensure timely responses and measures to manage and mitigate operational and financial risks. In bridging business recovery, the manufacturing business saw a turnaround in the third and fourth quarters due to a gradual recovery in demand from customers.

By the end of FY2020, these remedial actions, which were supported by improved plant capacity utilisation reversed our loss position to record RM1.1 billion in revenue (2019: RM866.8 million). As the Manufacturing Division is the engine of the Group's overall growth, we continue to stabilise operating conditions and continuously use early identifiers to plug production gaps and to avoid disruptions. These measures will improve our competitive edge while allowing us to remain cautiously optimistic in the mid to long-term.

- 
- 9.3 Increase the access of small-scale industrial and other enterprises, to financial services, including affordable credit, and their integration into value chains and markets.
  - 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
  - 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors.
  - 9.B Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment.
  - 9.C Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in the least developed countries.



## United Nations Sustainable Development Goals



### REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

We realise we have a responsibility to combat social issues and provide equal opportunity in order to empower and enrich society in the communities we operate in. We support local communities through specific programmes which are developed with the objective of improving knowledge, skill sets, financial management while improving soft skills to enable better communication and social skillfulness. Our efforts are strongly focussed on building more equal, inclusive, and sustainable communities that are more resilient in the face of adversity.

- 10.1** By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.
- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3** Ensure equal opportunity and reduce inequalities of outcome, eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action.



### MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Rapid urban development has led to the deterioration of water and sanitation systems, contributed to air pollution and increased noise pollution; which all pose heightened risks to human health. We take an active interest in minimising by properly managing waste generation and pollution at all our operations, as well as revitalising and improving the living conditions of the communities where we operate. We also contribute toward creating dynamic, productive, and socially stable communities by providing job opportunities to locals and empowering them to be better informed about, and taking responsibility towards sustainability initiatives.

- 11.1** By 2030, ensure access for all to adequate, safe and basic services.
- 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying attention to waste management.
- 11.A** Support positive economic, social and environmental links between urban and rural areas by strengthening national and regional development planning.



### ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

We have, and continue to develop plans to reduce our material footprint and unsustainable use of natural resources. We continuously improve our resource efficiency at all offices and work sites, conduct life cycle sustainability assessments for our manufacturing processes and products generated, and manage the recycling and disposal of waste in an efficient manner.

- 12.1** Implement the 10-year framework of programmes on sustainable consumption and production.
- 12.2** By 2030, achieve sustainable management and efficient use of natural resources.
- 12.4** Achieve environmentally sound management of chemicals and all waste to minimise its adverse impact on human health and the environment.
- 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- 12.7** Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
- 12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

## United Nations Sustainable Development Goals



### TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACT

We are determined to accelerate the transitions needed to mitigate climate change by implementing initiatives to reduce our carbon footprint. We are rigorously reassessing priorities, monitoring and reviewing operational processes, and have aligned them to national disaster risk reduction strategies.

- 
- 13.2 Integrate climate change measures into policies and planning.
  - 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
  - 13.B Promote mechanisms for raising capacity for effective climate change-related planning and management.
- 



### CONSERVE AND SUSTAINABLY USE THE OCEANS' AND MARINE RESOURCES IN A SUSTAINABLE MANNER

We strictly adhere to regulations and orders under the Environmental Quality Act (EQA) 1974 for industrial effluent discharges to surface waters and municipal sewage treatment plants.

- 
- 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities.
  - 14.2 Sustainably manage and protect marine and coastal ecosystems to avoid adverse impact.
  - 14.3 Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.
- 



### PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

KPS tree planting projects are part of the Group's effort to turn the tide on declining forests. By fostering awareness of the interconnections between humans and nature to ensure a more balanced coexistence in communities we live and work in. The events were organised with active participation from our employees and members of local municipalities and communities. We have previously organised several cleaning up efforts of beaches, fishing jetties and surrounding areas at selected villages. KPS has also reduced its carbon footprint by reducing printed copies of Annual Reports, Sustainability Reports and other collaterals. We have started to use forest based products, conduct paperless meetings, and utilise secured email, thumb drives and cloud services as alternative means of communicative distribution instead of printed copies. As our operations and supply chains either directly or indirectly impact biodiverse ecosystems, it is imperative for us to support and integrate the sustainable and equitable use of raw materials for the conservation of the planet.

- 
- 15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems.
  - 15.2 Promote and implement sustainable management of all types of forests, halt deforestation, restore degraded forests.
  - 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, to achieve a land degradation-neutral world.
  - 15.5 Take urgent and significant action to reduce the degradation of natural habitats, and loss of biodiversity.
  - 15.6 Promote fair and equitable sharing of the benefits arising from the utilisation of genetic resources.
  - 15.9 Integrate ecosystem and biodiversity values into national and local planning and development processes.
  - 15.A Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

## United Nations Sustainable Development Goals



### PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

We inculcate a culture of honesty and integrity throughout the organisation with policies to guide and govern our employees and workers, as well as all other stakeholders. The relevance of UNSDG 16 at KPS is on how we have improved governance, transparency and accountability. We further endeavour to promote peace to counter conflicts, uphold the law and human rights with zero tolerance to bribery, corruption, and violence. We support nation-building by designing activities and programmes which propagate these values in the communities we operate in.

- 
- 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.
  - 16.5 Substantially reduce corruption and bribery in all forms.
  - 16.6 Develop effective, accountable and transparent institutions at all levels.
  - 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.
  - 16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance.
  - 16.8 Promote and enforce non-discriminatory laws and policies for sustainable development.
- 



### IMPLEMENT AND REVITALISE GLOBAL PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

We recognise that in order to achieve such motivated and aspiring goals, we need to build and strengthen meaningful partnerships with organisations, regionally and globally, that share the same vision for sustainable development that target low and middle income households.

- 
- 17.7 Promote the development and diffusion of environmentally sound technologies.
  - 17.11 To increase the exports of developing countries, to help the lesser developed countries' share of global exports.
  - 17.14 Enhance policy coherence for sustainable development.
  - 17.15 Respect each country's policy and leadership to establish and implement policies for sustainable development multi-stakeholders partnerships.
  - 17.16 Enhance the global partnership to share knowledge, expertise, technology and financial resources, to support the achievement of sustainable development goals.
  - 17.17 Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships data, monitoring and accountability.
  - 17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development in developing countries.
-

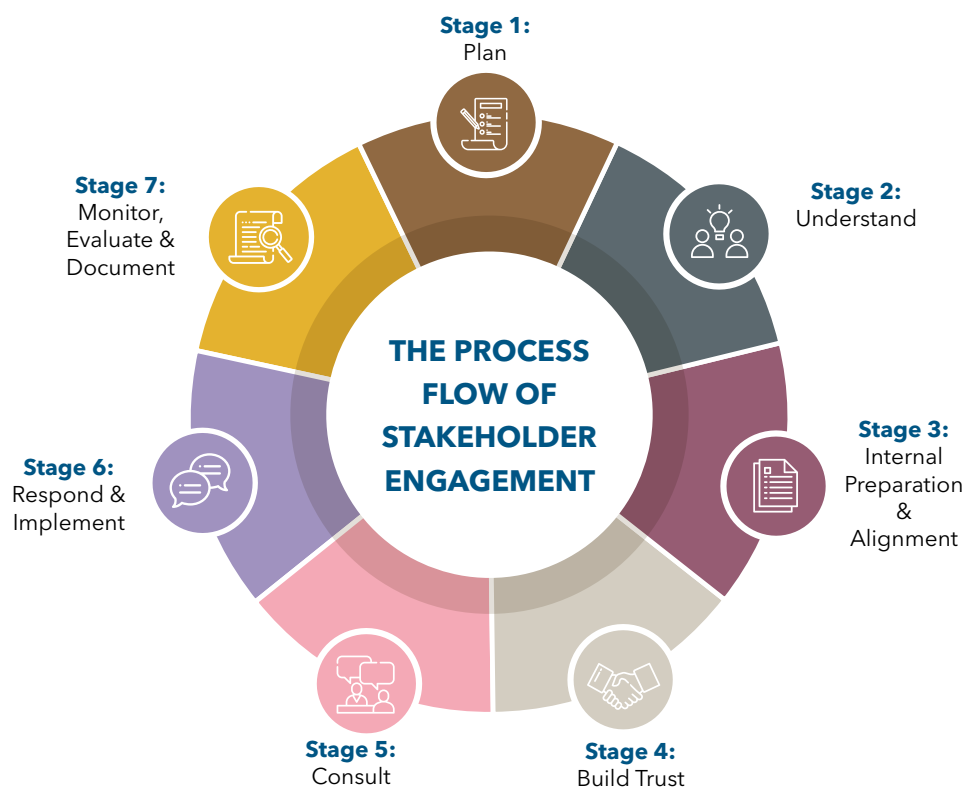
## A Road Map to Meaningful Stakeholder Engagement [GRI 102-15, 102-40, 102-42, 102-43, 102-44]

**Stakeholder engagement and communication have been a necessary component of the Group's continued long-term business success. To maintain effective engagement and establish priorities amongst our different stakeholders groups, we proactively addressed the interests and concerns of employees, customers, critical suppliers, and the broader community by using online tools to simplify engagement, communication, and the dissemination of information.**





On a broader scale, key internal and external stakeholders were kept informed of the unfolding situation, its impact, and response measures being undertaken within the Group. We ensured consistent, accurate, and timely information via the Group's official communication channels and were released when necessary by our appointed spokespersons.



## STAKEHOLDER ENGAGEMENT

	 EMPLOYEES	 CERTIFICATION BODIES	 INVESTORS & SHAREHOLDERS	 REGULATORS
VALUE DELIVERY	 <ul style="list-style-type: none"> <li>Competitive salary that is above market minimum.</li> <li>Attractive benefits.</li> <li>Training and development.</li> <li>Career growth opportunities.</li> <li>Work-life balance.</li> <li>Enhance Health, Safety, and Environment ("HSE") protocols.</li> </ul>	 <p>Compliance with laws, regulations and international quality and safety standards reflect the strong governance practices in KPS.</p>	 <p>Ensuring operational continuity, consistent returns on investment, business excellence and growth, and strong corporate governance.</p>	 <p>Monitoring compliance through contractual obligations to the Government and stakeholders, and strong corporate governance.</p>
THE IMPORTANCE OF ENGAGEMENT	An empowered, forward-thinking, progressive, and innovative workforce are instrumental towards our business success.	Ensuring the Group adheres to the highest standards by constantly improving internal processes and operations to ensure high quality product output and provide the know-how to secure customer confidence.	Our shareholders are an important source of equity capital to fund our business and growth plans.	<ul style="list-style-type: none"> <li>To control economic, health, infrastructure, security, and environmental risks.</li> <li>Ethical business practices.</li> </ul>
ENGAGEMENT CHANNELS	<ul style="list-style-type: none"> <li>Structured Training Programmes.</li> <li>Talent Development Programmes.</li> <li>Induction Exercise for New Employees.</li> <li>Town Hall Meetings.</li> <li>Lunch and Learn Programmes.</li> <li>Social, Sports, Health, and Wellness Activities.</li> <li>Circulation of Human Resource Policies.</li> </ul>	<ul style="list-style-type: none"> <li>On-site Inspections.</li> <li>Regular Meetings.</li> <li>Submission of Regulatory Documentation.</li> <li>Internal and External Audit Exercises.</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting.</li> <li>Annual Report and Sustainability Report.</li> <li>Dedicated Investor Relations Section in KPS' Website and all communication channels.</li> <li>Announcements of Quarterly Results.</li> <li>Analyst Briefing Sessions.</li> <li>One-on-one Meetings with Analysts and Business Journalists/Publications.</li> <li>Group Meetings.</li> <li>Non-deal Roadshows.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Discussions and Meetings with Authorities.</li> <li>Public Consultation with Local Authorities.</li> <li>Site Inspections.</li> <li>Seminars, Briefings, and Trainings.</li> </ul>
AREAS OF INTEREST/ DISCUSSION	<ul style="list-style-type: none"> <li>Training and Career Development.</li> <li>Diverse and Inclusive Workplace.</li> <li>Employee Well-being, Health and Safety.</li> <li>Better and Improved Working Environment.</li> <li>Internship and Industry Placements.</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to International Organisation Standardisation ("ISO") such as ISO 9001 and OHSAS 18001 Standards.</li> <li>Incentives for Manufacturing Companies:               <ul style="list-style-type: none"> <li>Investment Tax Allowance</li> <li>Pioneer Status</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Group's Business Direction and Key Corporate Developments.</li> <li>Financial Performance.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance.</li> <li>HSE.</li> <li>Social Management.</li> </ul>

## STAKEHOLDER ENGAGEMENT

	 <b>LOCAL COMMUNITIES</b>	 <b>CUSTOMERS</b>	 <b>VENDORS &amp; SUPPLIERS</b>	 <b>MEDIA</b>
<b>VALUE DELIVERY</b>	 <ul style="list-style-type: none"> <li>• Education Development.</li> <li>• Entrepreneurship Development.</li> <li>• Community Development.</li> <li>• HSE.</li> <li>• Philanthropy.</li> </ul>	 <ul style="list-style-type: none"> <li>• Quality and safety of products are an important aspect of product creation and technical solutions.</li> <li>• Supply chain security and sustainability.</li> </ul>	 <ul style="list-style-type: none"> <li>• Valuable contracts, safe procurement practices, and service improvements.</li> <li>• Supply chain security and sustainability.</li> </ul>	 <p>To be transparent in all our business operations and when reporting financial performance.</p>
<b>THE IMPORTANCE OF ENGAGEMENT</b>	<ul style="list-style-type: none"> <li>• To address waste management and other environmental issues.</li> <li>• To elevate the socio-economic status of our beneficiaries.</li> <li>• To give opportunities to underserved community members.</li> <li>• To reduce poverty levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring the quality and safety of our products and services, prevent risks to our business, and satisfy consumer demand for safer, high-valued products.</li> <li>• Achieving high customer satisfaction rate.</li> </ul>	<p>Our suppliers and vendors complete our value chain by transporting and delivering our products safely and efficiently.</p>	<p>Media platforms are important for communicating key messages to our stakeholders.</p>
<b>ENGAGEMENT CHANNELS</b>	<ul style="list-style-type: none"> <li>• <b>CSR Activities and Outreach through Education, Entrepreneurship, and Sports Development Programmes.</b></li> <li>• <b>Environmental Initiatives.</b></li> <li>• <b>Philanthropy.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Marketing and Promotional Contents.</b></li> <li>• <b>Website/Social Media.</b></li> <li>• <b>Customer Feedback Surveys.</b></li> <li>• <b>Events/Roadshows.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Vendor/Supplier Registration.</b></li> <li>• <b>Procurement Policies.</b></li> <li>• <b>Performance Evaluations.</b></li> <li>• <b>Site Visits and Meetings.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Media Interviews, Briefing Sessions, and Press Conferences.</b></li> <li>• <b>Press Releases.</b></li> </ul>
<b>AREAS OF INTEREST/ DISCUSSION</b>	<ul style="list-style-type: none"> <li>• Managing the impact of HSE, and Social Involvement.</li> <li>• Community Engagement.</li> <li>• Job and Other Income Generating Opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Service Quality.</li> <li>• Supply Chain Sustainability.</li> <li>• Product Pricing and Credit Terms.</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Service Quality.</li> <li>• Service Scope and Payment Schedule.</li> <li>• Supply Chain Sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Brand Positioning, Image, and Credibility.</li> <li>• Business Performance and Growth.</li> <li>• Ethical Business Conduct and Regulatory Compliance.</li> </ul>

Frequency of Engagement

 Weekly

 Monthly

 Quarterly

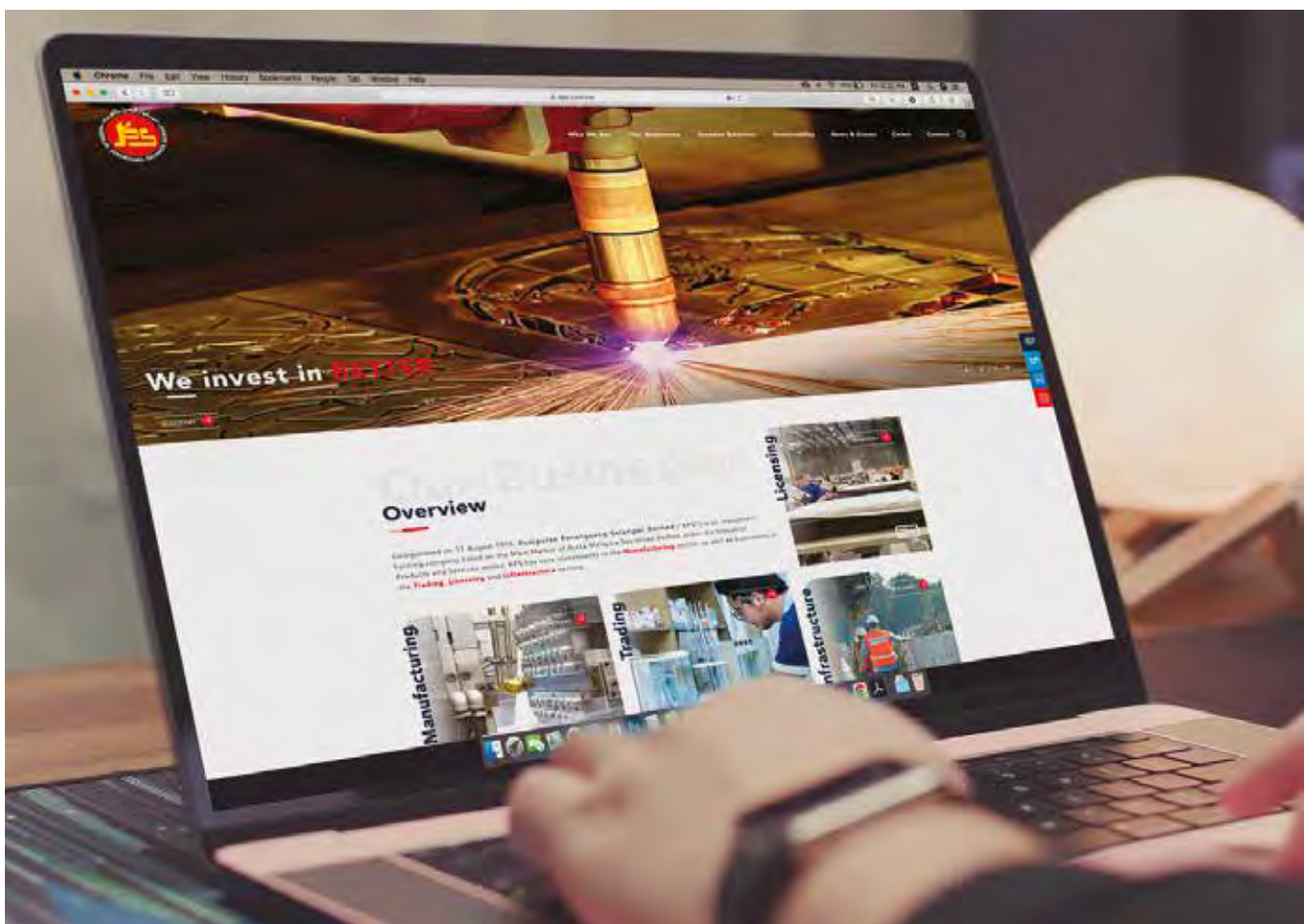
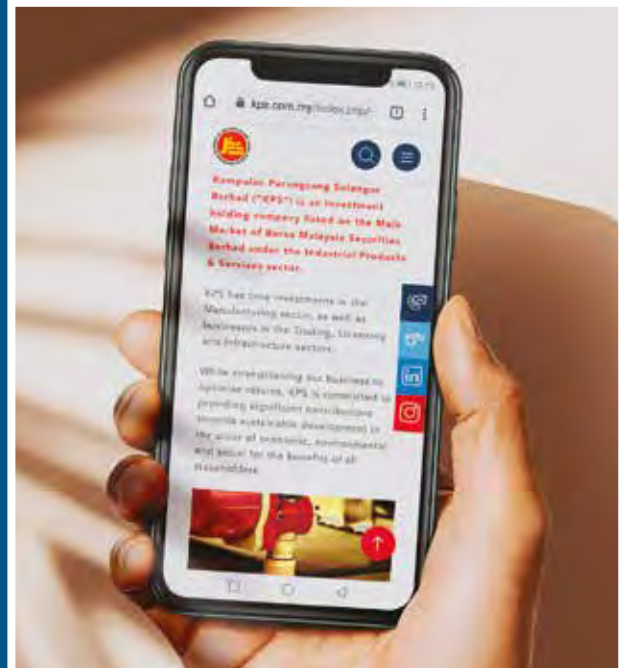
 Annually

 As and When Required

## LAUNCH OF NEW CORPORATE WEBSITE

Accurate, timely and up-to-date online content about business is today a priority as the world shifts into the digital realm, and especially as we transcend into the new norm of post COVID-19.

KPS officially launched its new website on 16 October 2020. It incorporates enhanced tools for better download speeds, compatibility, readability, and page management. We have better organised the content with professional and user-friendly tools for users to easily navigate and find relevant content.





# Materiality Matters [GRI 102-21, 102-29, 102-30, 102-31, 102-33, 102-34, 102-47, 102-48]

**Over the last two years, the results from assessments conducted in 2018 helped us pinpoint the most important data about both internal and external stakeholders. Since then, we have used our materiality process to drive the development of our sustainability initiatives and programmes, based on a framework that was endorsed by the SBC.**

For the past 45 years, since our inception in 1975, we have cast a considerable ecological footprint, which has impacted the communities and the environment we operate in. We believe all our initiatives and collective decisions made has had a bearing on both human well-being and the environment. This ecosystem is made up of many stakeholders, and their priorities or Materiality Matters in the EESG sustainability dimensions.

## Determining What Matters Most

When we first developed the framework, a materiality assessment was determined from the statistical analysis of 21 shortlisted Materiality Matters topics, and we ranked them in order of importance; taking business performance and shareholder/stakeholders materiality into consideration. We then narrowed them down to the top ten Materiality Matters and established KPIs, and targets, to track their EESG performance.

## Establishing Baselines for Sustainability Targets - Setting KPIs

For the reporting period between 1 January and 31 December 2019, the Group performed commendably, achieving targets set during the year in review. These targets were segregated by departments at the Group's headquarters and subsidiary companies.

## Improving Quality of Initiatives and Reporting

The SBC deliberated and decided that the current Materiality Matters were still relevant, and therefore not requiring another materiality assessment to be conducted. To reflect the fluidity and the ever-evolving sustainability landscape, it was recommended that efforts be made to improve the methodology and processes for each matter.

As Materiality Matters represent the primary needs and concerns of our stakeholders in areas impacted by our business operations and related activities, we understand that these material issues are based on the concept that every action leads to a reaction, and every cause has an effect; which can be positive, negative or a combination of both.

We are aware about limiting the extent of environmental degradation due to our manufacturing and other industrial activities as the depletion of renewable and non-renewable resources affects the ecology and biodiversity to all concerned, particularly in our immediate area of operations.

This drawdown and potential contamination of natural assets have implications on the quality of life for both current and future generations.

In the social realm, our list covers the responsibilities of our employees, customers and the broader community. In all our endeavours, the promotion of human rights and the application of company law must take place. We play a significant role in providing job security for our human capital, a safe working environment as well as opportunities for upgrading and up-skilling so as to help advance the careers of our people. In a similar vein, customers expect quality products and reliability in our deliverables.

Our non-business contributions serve to uplift the community, whether in the area of poverty alleviation, quality education initiatives, creation of employment, supporting entrepreneurship skills or the development of sports and recreational infrastructure.



Educating our younger generation on the importance of cleanliness in safeguarding our environment at the EcoFrenz Beach Cleaning Programme in Teluk Bayu Beach, Penang.

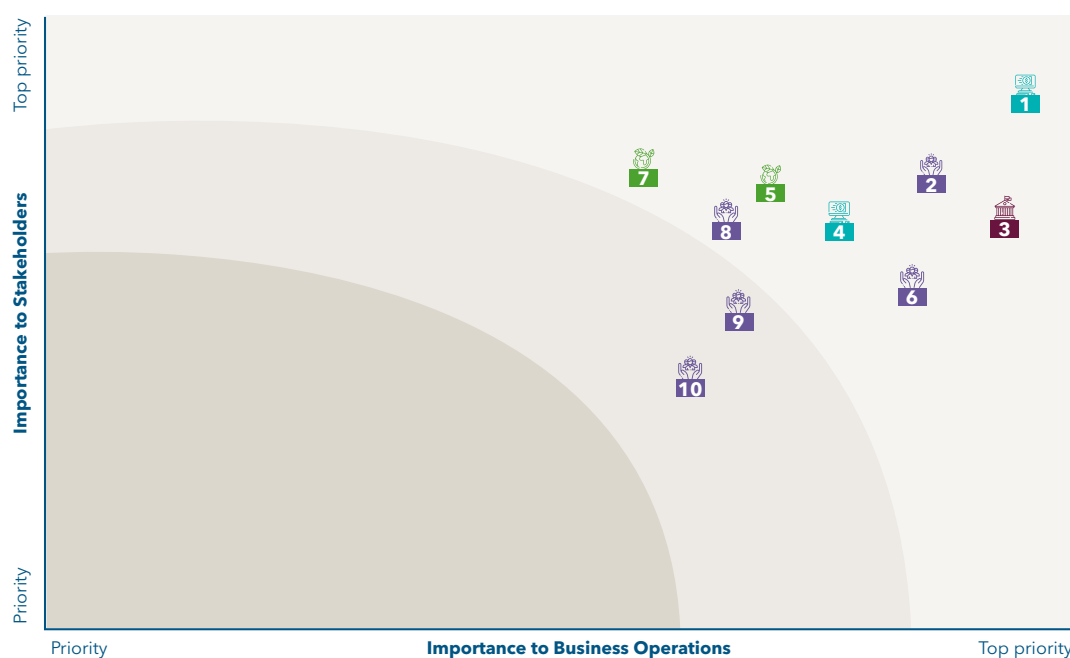
## PRIORITISING ESG INTEGRATION

Bursa Malaysia adopted the F4GBM Sustainability Reporting Framework in 2014 to measure the performance of public-listed companies demonstrating strong ESG practices. It provides guidelines for the identification of an organisation's Materiality Matters, and hence, KPS has embraced the F4GBM standards to determine which material matters most impact the Group, and all its stakeholders.

The selection of the Group's most material matters from a comprehensive list recommended by F4GBM enables us to focus our efforts and resources towards maximising the benefits we create while mitigating any negative impacts we may have caused.

As mentioned earlier, the top ten Materiality Matters, which were derived from the survey conducted in 2018 remains relevant. These include entries from each EESG category as well as any sub-categories:

## MATERIALITY MATRIX



### GOVERNANCE

3. Eliminating Bribery and Corruption



### ECONOMIC

1. Economic and Business Performance
4. Sustainable Procurement and Supplier Assessment



### ENVIRONMENTAL

5. Waste Reduction and Environmental Initiatives
7. Energy Efficiency



### SOCIAL

2. Protecting the Safety and Health of Workers
6. Training and Career Development
8. Stringent Quality Control Procedures
9. Providing Diverse and Inclusive Workplace
10. Engaging Local Communities



Employees



Certification Bodies



Investors and Shareholders



Regulators

	MATERIALITY MATTERS	DEFINITION	IMPORTANCE TO VALUE CREATION	RISK
	<b>GOVERNANCE</b> <b>Eliminating Bribery and Corruption</b>	Fighting against corruption and bribery in accordance with the Group's Policy to reflect best practices.	Addressing significant risks to business and tackling them to increase our resilience.	Accusations of bribery or corruption can destroy our company's reputation and financial standing.
	<b>ECONOMIC</b> <b>Economic and Business Performance</b>	A measurement of success in producing benefits through product innovation and efficient use of resources.	Measuring performance is a vital part of monitoring our growth and progress.	External crisis factors, global economic and geopolitical threats.
	<b>Sustainable Procurement and Supplier Assessment</b>	Procurement policies, contractor management, and supplier relationships that address material issues across the value chain.	Management of suppliers is critical to ensure reliable delivery of products and services to customers and to ensure they comply to our quality standards.	Reliability of supply chain relationships, raw material deliveries, and service disruptions.
	<b>ENVIRONMENTAL</b> <b>Waste Reduction and Environmental Initiatives</b>	Processes and practices to use less materials and natural resources to minimise and mitigate climate change.	More efficient use of products leads to reduced costs of purchasing new materials, and improved financial performance.	Serious health effects and pollution of air and water.
	<b>Energy Efficiency</b>	Processes and practices to use less energy to minimise and mitigate climate change.	<ul style="list-style-type: none"> <li>Conserving the environment and resources for future generations.</li> <li>To improve operational excellence and maintain reputation.</li> </ul>	Manufacturing operations require high-intensity usage of energy.
	<b>SOCIAL</b> <b>Stringent Quality Control Procedures</b>	Accredited and certified with international regulatory bodies on best practices.	<ul style="list-style-type: none"> <li>Quality and reliability.</li> <li>Keeping abreast of new developments.</li> <li>Improving customer retention.</li> </ul>	<ul style="list-style-type: none"> <li>Poor product quality and safety.</li> <li>Reduced sales lead to reduced revenue.</li> <li>Negative impact on company's reputation.</li> </ul>
	<b>Protecting the Safety and Health of Workers</b>	Improving and maintaining safety and health in our operations, mitigating HSE or process safety incidents.	Workplace health & safety safeguards our human asset and resources. Managing Occupational Safety and Health ("OSH") secures our license to operate.	Operational impact through damaged assets, financial impact through the cost of recovery.
	<b>Training and Career Development</b>	Attracting, developing, and retaining high-performing employees.	Investing in the workforce is essential for business success in a rapidly changing business environment.	Challenge in attracting, developing and retaining the right talents that are high performers for succession planning.
	<b>Providing a Diverse and Inclusive Workplace</b>	Non-discrimination practices, and abiding with labour laws and human rights.	Fair treatment and job opportunities.	<ul style="list-style-type: none"> <li>Cost impact for training.</li> <li>Challenge in matching talents with job requirements.</li> <li>Requires cultivating strong interpersonal skills and cultural sensitivity among existing and new employees.</li> <li>Enhancing emotional intelligence in leadership, management, and employees which require additional specialised soft-skills training.</li> </ul>
	<b>Engaging Local Communities</b>	The role of business in economic empowerment and positive social impact for local communities.	Through community engagement, for the well-being and empowerment of local communities in our area of operations.	<ul style="list-style-type: none"> <li>Challenge in measuring the impact of community engagement and programmes.</li> <li>Stagnated traditional approach that is focussed on employee volunteerism and charitable acts.</li> <li>Creating robust initiatives to identify root causes of societal issues that address the Group's business objectives; through understanding, engaging in and acting upon critical workplace, marketplace, and environmental issues.</li> </ul>



Materiality Matters [GRI 102-21, 102-29, 102-30, 102-31, 102-33, 102-34, 102-47,102-48]



Local Communities



Customers



Vendors and Suppliers



Media

OPPORTUNITIES	STAKEHOLDERS AFFECTED	KEY PERFORMANCE INDICATORS	UNSDGs
A culture where strong business values and ethical behaviour offers the competitive advantages of transparency and trustworthy business relationships.		Read more on pages 89 to 91.	
Accelerating solutions to strengthen operations, and increase competitive edge to capture larger market share.		Read more on page 67.	
Supporting local suppliers, better control of logistical management, and increasing speed of delivery to customers.		Read more on page 67.	
<ul style="list-style-type: none"> <li>Cost savings from employing the circular economy methodology.</li> <li>Preserving the health and safety of living beings and the natural environment.</li> </ul>		Read more on pages 68 and 69.	
Reduced costs and increased production efficiency in the long-term.		Read more on page 70.	
<ul style="list-style-type: none"> <li>Increasing sales volume for existing and potential customers.</li> <li>Expanding product tiering and market share.</li> </ul>		Read more on page 71.	
Emphasis on health and safety culture attracts and retains talent, supports the reliability of operations and meets customer priorities.		Read more on pages 72 and 73.	
Become a more agile, diverse and inclusive business entity through an empowering culture. Ensure skills and capabilities to deliver business strategy.		Read more on page 74.	
<ul style="list-style-type: none"> <li>Offering job opportunities to all levels of society, including the marginalised and differently-abled in society.</li> <li>Addressing poverty issues.</li> </ul>		Read more on page 74.	
Community engagement provides insights to develop impactful sustainability initiatives.		Read more on pages 75 to 78.	



# Sustainability Key Performance Indicators

[GRI 102-47] [F4GBM]

**We had set 94 sustainability targets, or KPIs, for the year in review, for which we met and exceeded 81 targets.**

The selection of the Group's material matters paved the way for KPS to improve its sustainability performance in these areas by setting targets, formulating plans, and establishing a reporting regime.

We had set 94 sustainability targets, or KPIs, for the year in review, for which we met and exceeded 81 targets. There were 12 KPIs that came in below target, due mainly to the pandemic which impacted our ability to achieve the set KPIs. There is one ongoing initiative that will be carried over into 2021.

While KPIs have been established to guide us in tracking our sustainability performance over time, we are aware that these are measures that link daily activities to the Group's success factors. Therefore, they support an alignment of sustainability effort within the Group.

We organised a series of CSC workshops between July and September 2020. They involved all business areas at the Group's headquarters and subsidiary companies. It was vital for the participants to gain a deeper understanding of the 10 Materiality Matters, resulting in a significant part of the sessions being associated with:

- Discussions on work and operational processes.
- Deliberating, realigning, reassessing, and reviewing current KPIs.

The outcome was to set KPIs with realistic goals and set new benchmarks for improvements on each matter.

2020 marks the first year that Toyoplas is reporting on its sustainability initiatives and activities, which were implemented since it joined the stable of KPS manufacturing companies in August 2019.

Toyoplas is an integrated plastics moulding manufacturing company, specialising in mould fabrication, precision injection moulding and secondary processes to a complete assembly of parts or products.

Prior to this, Toyoplas had already made significant inroads in embedding sustainability initiatives and efforts throughout its operations in the four countries it operates in; namely Shanghai, Dongguan, and Nanning in China; Muar and Senai in Johor, Malaysia; Jakarta in Indonesia and Bac Ninh in Vietnam.



On 24 August 2020, the CSC workshop was held at the CBB manufacturing plant in Senai, Johor. The employees actively participated in the sessions which emphasised on various aspects of reporting, setting KPIs, and disclosures in accordance with the GRI standards and F4GBM criteria.





## ECONOMIC KPIs

## ECONOMIC AND BUSINESS PERFORMANCE

### GROUP



To **increase** from results posted in 2019



### #1 Revenue

ACHIEVED

**RM1.1** billion

2019 : RM866.8 million

**↑ 24.2%**



### #2 EBITDA

ACHIEVED

**RM138.2** million

2019 : RM129.8 million

**↑ 6.4%**



### #3 PBT

ACHIEVED

**RM57.3** million

2019 : RM55.0 million

**↑ 4.1%**

## SUSTAINABLE PROCUREMENT AND SUPPLIER ASSESSMENT

### TOYOPLAS



#### NEW

- #1 To achieve **100% local compliance with the Suppliers Code of Conduct.**



Note: This KPI is only applicable to Toyoplas Malaysia.

### CBB



- #2 To use **90%** of forest based products for production.



2019 : 91%

- #3 To register 15% usage of **biodegradable and environmentally-friendly chemicals.**



2019 : 16.9%

### KPS-HCM



#### NEW

- #4 To receive **Interim of Payment Certificate** from client within 21 working days upon site evaluation.

**✓ ACHIEVED**

Received within time frame.



#### NEW

- #5 To **participate** in and **submit a minimum of six tenders** or **quotations** per year.

**✓ ACHIEVED**

Participated and submitted 21 tenders and quotations.





## ENVIRONMENT KPIs

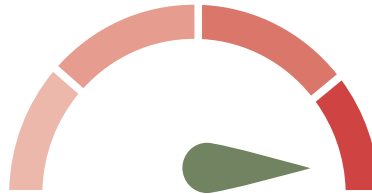
## WASTE REDUCTION AND ENVIRONMENTAL INITIATIVES

## GROUP



## Waste Management Training Programmes

**#1** To implement at **least 1**  
**waste management**  
**training.**

**TRAINING  
COMPLETED**

Full attendance by  
Sustainability Champions  
from Toyoplas, CPI and CBB.

## TOYOPLAS



## NEW

**#2** To conduct a  
**Waste Audit.**



✓ **COMPLETED**  
17 November 2020.

## NEW

**#4** To **reuse packaging** boxes  
sent by overseas suppliers.



✓ **TARGET MET**  
Savings of RM72,875.25 on  
packing materials.

## NEW

**#3** To provide bins for  
**proper waste**  
**segregation.**



✓ **COMPLETED**  
Separate bins were placed in the  
offices and production sections.

## NEW

**#5** To **reuse delivered cartons**  
**≥85% of delivered cartons**  
for local deliveries.



✓ **TARGET MET**  
100% of cartons reused  
for subsequent deliveries.

Note: These KPIs are only applicable to Toyoplas Malaysia.



## ENVIRONMENT KPIs

### WASTE REDUCTION AND ENVIRONMENTAL INITIATIVES

CPI

**CPI**

To ensure minimal disposal of scheduled waste.

#### #6 CPIP

Less than 0.065% disposal cost/revenue



#### #7 C PIE

Less than 0.060% disposal cost/revenue



NEW

To reduce the production rejection/scrap rate.

#### #8 CPIP

Less than 1.70% rejects/total production in pieces



#### #9 C PIE

Less than 0.05% rejects/sales



NEW

To achieve zero chemical spillage in preventing land, water, and air pollution.

#### #10 CPIP

#### #11 C PIE

ACHIEVED

**ZERO**

cases

NEW

To control and implement effective use of water resources (litre/revenue).

#### #12 CPIP

Less than 0.54



#### #13 C PIE

Less than 0.63



NEW

To control and implement effective use of paper resources (paper reams/sales).

#### #14 CPIP

Less than 0.01%



#### #15 C PIE

Less than 0.01%



CBB



NEW

#16 To produce moulded pulp casings  $\geq 90\%$  from carton trim waste as part of recycling efforts to achieve zero manufacturing waste.



NEW

#17 To reduce rejection rate of setting waste to maximum 5%.



NEW

#18 To purchase one waste plastic recycling machine, targetted for installation by Q1 2020.



NEW

#19 To install wastewater treatment plant by Q4 2020.





## ENVIRONMENT KPIs

## ENERGY EFFICIENCY

TOYOPLAS

7040  
TOYOPLAS

NEW

- #1 To change 100% of factory lightings from fluorescent to light-emitting diode ("LED") at production floor and at office by Q1 2021.

✓ **ACHIEVED**

Production floor:

**100%** on 25 November 2020

CPI

CPI

To control and monitor effective use of electrical energy (cost/revenue).

#2 CPIP

Less than RM0.036

#3 CPIE

Less than RM0.032



ACHIEVED

**RM0.025**

2019 : RM0.029



ACHIEVED

**RM0.020**

2019 : RM0.024

NEW

- #4 To convert 80% of lightings to LED at both plants.

✓ **ACHIEVED**  
**100%**

CBB



NEW

- #5 To replace 90% of factory lightings to LED by Q3 2020.

✓ **ACHIEVED 100%**  
**Q3 2020**

NEW

- #6 To replace boiler system from light fuel oil to LPG by Q1 2020.

✓ **TARGET MET** installed on  
**29 February 2020**

NEW

- #7 To install solar panels at manufacturing facilities.

**ON GOING**

Targeted completion in Q3 2021

KKMW

KING  
KOIL

MATTRESS CO.

NEW

- #8 TO ACHIEVE: Energy Consumption/Sales 0.019 kWh.

**NOT ACHIEVED:** 0.020 kWh

Marginal increase of energy consumption due to higher production.

**ACTION PLAN:** To conduct energy audit to identify improvement opportunities by inspecting and evaluating lighting system, heating, ventilation, air conditioning, and production line equipment.

KPS-HCM

KPS-HCM  
Sdn. Bhd.

NEW

- #9 To implement switching off of lights, computer monitors, office equipment and other appliances during break time and when not in use.

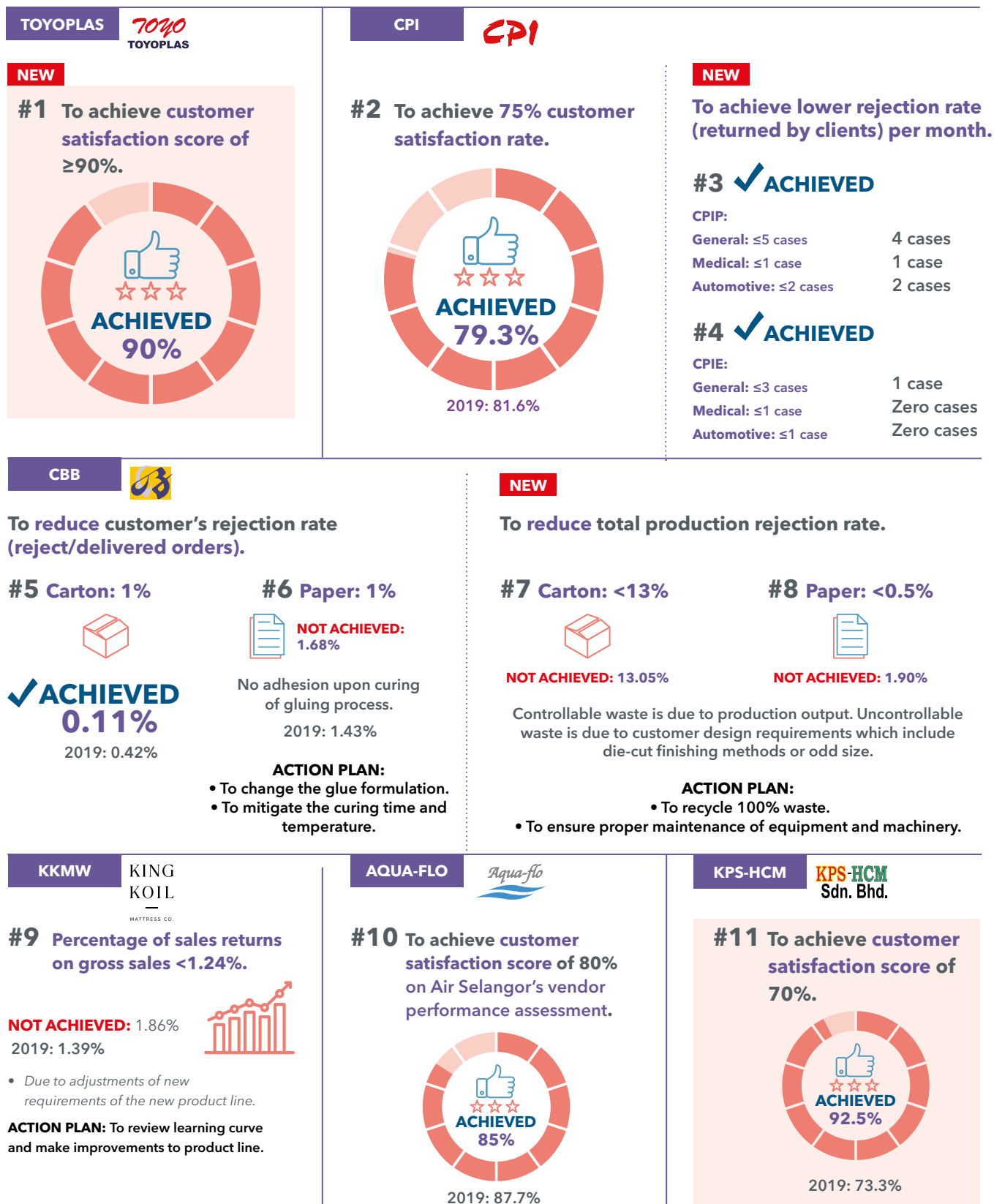
✓ **TARGET MET**





## SOCIAL KPIs

## STRINGENT QUALITY CONTROL PROCEDURES





## SOCIAL KPIs

## PROTECTING THE SAFETY AND HEALTH OF WORKERS

## GROUP



**#1** To conduct **2 safety programmes.**

✓ **ACHIEVED**

**Certified First Aid Training**  
(23-24 September 2020)

**Emergency Response Plan for Fire Safety Organisation Team**  
(23 December 2020)



## CPI

CPI

## NEW

**#2** To **improve communication channels** for employees and workers as per the Ministry of Health's procedures.

✓ **TARGET MET**

Updated **multi-language notices and posters** in printed and digital formats as recommended by the Ministry of Health.



## NEW

**#3** To provide **sick bay for employee use.**



✓ **TARGET MET**

**CPIE on August 2020**

Sick bay at CPIE was set up in 2015.

## CPI

CPI

## NEW

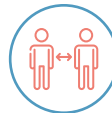
**#4** To achieve **100% Compliance with COVID-19 measures.**



Temperature checks on site.



Full Personal Protective Equipment ("PPE") for all workers.



Rearrangement of workstations for social distancing.



Conversion to online meetings.

✓ **ACHIEVED 100%**

## NEW

**#5** To establish an **Emergency, Response and Preparedness ("ERP") Team.**



✓ **TARGET MET**

## CBB



## NEW

**#6** To achieve **100% Compliance with COVID-19 measures.**



Temperature checks on site.



Full PPE for all workers.



Swab test for all employees.



Rearrangement of workstations for social distancing.



Conversion to online meetings.

✓ **ACHIEVED 100%**



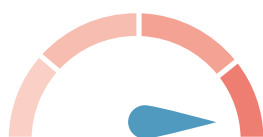
## SOCIAL KPIs

### PROTECTING THE SAFETY AND HEALTH OF WORKERS

CBB



**#7** To comply 100% with Workers' Minimum Standards of Housing & Amenities Act 2019.



✓ **ACHIEVED**  
**100%**

**NEW**

**#8** To adhere to operating guidelines with zero accidents and incidents.

**NOT ACHIEVED:** 3 Accidents.

AQUA-FLO



**#9** To achieve zero severe accidents and fatalities.



✓ **ACHIEVED**  
**ZERO** accidents and fatalities.

**NEW**

**#10** To conduct 8 safety & health training programmes

**NOT ACHIEVED:** Due to COVID-19 restrictions, only 5 programmes were conducted.

SMARTPIPE



**#11** To conduct **8** safety & health programmes and/or meetings.

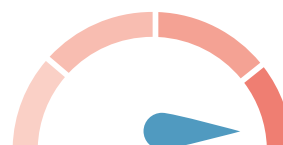
**2** review sessions on Evaluation of Legal Compliance.

**2** review sessions on Hazard Identification Risk Assessments Risk Control.

**6** Safety & Health Committee meetings.

**10** training sessions on Safety & Health.

**1** session on COVID-19 related risks and precautions.



✓ **ACHIEVED**  
Conducted 21 sessions

**#12** To achieve zero accidents and incidents.




✓ **ACHIEVED**  
**ZERO** accidents and incidents



## SOCIAL KPIs

## TRAINING AND CAREER DEVELOPMENT

<p><b>TOYOPLAS</b> </p> <p><b>NEW</b></p> <p><b>#1</b> To conduct <b>Training Needs Assessment</b> with external consultant.</p> <p></p> <p><b>✓ TARGET MET</b></p>	<p><b>CPI</b> </p> <p><b>NEW</b></p> <p>To fully utilise Human Resources Development Fund.</p> <p><b>#2 Target per year:</b> CPIP: RM127,000 CPIE: RM59,000</p> <p><b>TARGET NOT MET</b> CPIP: RM84,622.74 CPIE: RM29,221.00</p> <p>Face-to-face training programmes planned in 2020 were cancelled due to COVID-19 restrictions.</p> <p>To achieve targetted training hours.</p> <p><b>#3 Target of training hours per employee:</b> CPIP: 1.66 Hours CPIE: 2 Hours</p> <p><b>TARGET NOT MET</b> CPIP: 1.32 Hours CPIE: 1.1 Hours</p> <p>Some training sessions were cancelled due to COVID-19 restrictions.</p>
<p><b>CBB</b> </p> <p><b>NEW</b></p> <p><b>#4</b> To train and <b>promote 15 employees.</b></p> <p></p> <p><b>✓ TARGET MET</b> 16 employees.</p>	<p><b>KPS-HCM</b> </p> <p><b>NEW</b></p> <p><b>#5</b> To ensure <b>all employees attend a minimum of 3 hours of training per year.</b></p> <p></p> <p><b>✓ TARGET MET</b> 20 out of 20 employees attended training.</p>

## PROVIDING DIVERSE AND INCLUSIVE WORKPLACE

<p><b>GROUP</b> </p> <p><b>#1</b> To conduct <b>performance appraisals for 100% employees.</b></p> <p></p> <p><b>✓ TARGET MET</b> 100%</p>	<p><b>#2</b> To contribute an additional <b>4% of employer contribution to the Employees Provident Fund ("EPF")</b> from the prevailing rate of 12% to 13% for employees who have served more than five consecutive years.</p> <p></p> <p><b>✓ TARGET MET</b> 100%</p>
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## SOCIAL KPIs

## ENGAGING LOCAL COMMUNITIES

### GROUP



## KPS Educational Development Programmes



**KPS CerDik Programme ("CerDik") with SK (A) Bukit Cheding & SK (A) Bukit Kemandol**

To reduce drop out rate to 24%.

To reduce drop out rate to 10%.

#1 SK (A) Bukit Cheding

✓ **ACHIEVED**  
**16.7%**

#2 SK (A) Bukit Kemandol

✓ **ACHIEVED**  
**0%**

To achieve 80% attendance rate for the KPS CerDik Programme.

#3 SK (A) Bukit Cheding

✓ **ACHIEVED**  
**82%**

#4 SK (A) Bukit Kemandol

✓ **ACHIEVED**  
**80%**

#5 SK (A) Bukit Cheding

4 out of 18 students (22%) to pass all core subjects in final examinations.

#### NOT ACHIEVED:

1 out of 18 students (6%) passed 5 out of 6 core subjects in the first term examinations\*.

- Unable to conduct physical learning due to COVID-19. Lack of technology infrastructure and devices to conduct online classes.

#6 SK (A) Bukit Kemandol

3 out of 10 students (30%) to pass all core subjects in final examinations.

✓ **ACHIEVED**

4 out of 10 students



**40%**

**passed all core subjects in first term examinations\***

\* Due to the Movement Control Order, only first term examination results were captured.



## KPS Junior (Industrial Placement Programme)

To improve competency of working skills and knowledge with an average score of **80%** for interns.

### #7 **TARGET NOT MET:**

**Interns scored an average of 72%**

Percentage not achieved because one candidate lacked communication skills and did not meet the minimum criteria.

## KPS Entrepreneurship Development Programmes



### KPS Livestock

To train participants to **sharpen** their **technical skills** for **livestock management, nutrition, and marketing**.

#8 To target **70%** of participants to earn an income of **>RM1,000**.



✓ **ACHIEVED**  
**73%**

22 out of 30 participants

#9 To target **20%** of participants to earn an income of **>RM2,000**.



✓ **ACHIEVED**  
**63%**

19 out of 30 participants



## SOCIAL KPIs

## ENGAGING LOCAL COMMUNITIES

## GROUP



## KPS Entrepreneurship Development Programmes

## KPS Caregiver Programme



Platform to start small-scale business and improve the competitive edge of **40 participants**.

**#10** To target **70% of participants** to gain an income of **>RM1,000**.

✓ **TARGET MET**

**92.5%**

37 out of 40 participants

**#11** Target **20% of participants** to earn an income of **>RM2,000**.

**NOT ACHIEVED**

17.5%

7 out of 40 participants

- The training sessions were unable to be conducted due to COVID-19 restrictions. Caregivers are also required to be attached to agencies to gain the necessary experience before setting up their own business.

## KPS Bimbingan &amp; Latihan Usahawan Mobile Spa ("BLUMS")



**#13** To train **70% of total participants** to provide **postnatal services** and to increase their income to **>RM1,000**.

✓ **TARGET MET**

**100%**

30 out of 30 participants



**#14** To train **20% of total participants** to provide **postnatal services** and to increase their income to **>2,000**.

✓ **TARGET MET**

**37%**

11 out of 30 participants



## Community Outreach



**#12** Minimum of 10 trainees to provide caregiving services to 50 community members in train-the-trainer programme.



✓ **TARGET MET**

**15 trainees provided caregiving services to 95 community members.**



## SOCIAL KPIs

## ENGAGING LOCAL COMMUNITIES

### GROUP



### KPS Community Development Programmes

#### #15 KPS Badminton for the Hearing Impaired Development Programme



To create a platform to develop skills, techniques, and talents of differently-abled badminton players.

✓ **SPONSORED**

**2** Players

#### #16 Talent Identification for Swimmers with Special Needs



To create an opportunity for the differently-abled to enhance their swimming skills and techniques.

✓ **TRAINED**

**5** Participants

#### #17 KPS Junior Cyclist Development Programme



To enhance road safety awareness among employees and the community, and scouting for new cyclists.

✓ **COMPLETED**

**6** Sessions  
**15** Participants

#### #18 KPS Badminton Therapy Clinic with Autistic Children



To improve motor and cognitive skills, coordination, and build the confidence level of children with autism.

✓ **CONDUCTED**

**18** Sessions

**60** Participants

#### #19 KPS Lifeguard & Swimming Instructor Certification Course



To equip selected juvenile delinquents with technical and soft skills for job opportunities.

✓ **TARGET MET**

**4** juveniles completed the programme

**3** participants successfully secured employment



## SOCIAL KPIs

## ENGAGING LOCAL COMMUNITIES

## GROUP



## KPS Community Development Programmes

## #20 Junior Lifesaving Programme



To create an opportunity for underprivileged children in enhancing their swimming skills and techniques.

✓ TRAINED

**130** Participants

## #21 KPS Clever Cyclist Series



To promote a healthy lifestyle amongst and improve their quality of life community members.

✓ TRAINED

**91** Participants

## #22 Islamic Religious Programmes: Tazkirah



To promote employee engagement through weekly religious and spiritual development programmes.

✓ CONDUCTED

**22** Sessions  
**622** employees participated

## TOYOPLAS



## #23 To increase local headcount from 97 employees currently.



✓ TARGET MET

Local headcount increased to  
**120 (24%)**

## CPI



To offer internship opportunities with the possibility of full-time employment.

#24 CPIP  
1 intern

✓ TARGET MET

**1** person

#25 CPIE  
5 interns

✓ TARGET MET

**5** persons

To offer employment opportunities to Orang Asal.



## #26 CPIP

✓ TARGET MET

**17** persons

## #27 CPIE

✓ TARGET MET

**10** persons

## CBB



## #28 To distribute hand sanitisers to Primary Schools in Kulai – Target 50 schools.



✓ TARGET MET

**73** Schools





# Corporate Governance and Accountability

[GRI 102-16, 102-17, 205-1, 205-2, 205-3]

**In the wake of the global pandemic, our Board and Management Team played a key role in guiding the Group into the next normal. Suffice to say, we have been regularly reviewing and addressing governance matters to heighten focus on EESG concerns. Since the onset of the pandemic, a range of social issues have emerged; from stepping up employee safety to addressing humanitarian crises in the community, including threats to the business continuity.**

As our core business lies in manufacturing, we have responded to increasing pressures in shoring up our governance credentials, which include stabilising operations, accelerating technology, and employing innovation while safeguarding employee job security by ensuring their well-being at all times.

Integrity, the 'I' in the acronym **PRIDE** of the KPS' Core Values encompasses the essence of the Company's identity, beliefs and philosophy. Besides focussing on the technical competencies of our people, we also place an emphasis on the underlying competencies to ensure that our people conduct themselves professionally and in an ethical manner at all times. Integrity in our conduct is a top priority across all levels in KPS; where all business dealings and engagements with various stakeholders are to be conducted in a fair, honest, and transparent manner. We are governed by policies and practices that conform to the highest ethical standards and industry best practices.

We have taken a more proactive approach in improving our overall governance within the Company to guarantee compliance with governing systems and changing requirements set forth in the Malaysian Code on Corporate Governance 2017 ("MCCG"), which is issued by the Securities Commission. The overall governance also adheres to relevant governing laws and regulations.

## Ethics and Integrity [GRI 102-16, 102-17, 102-25]



### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 16.3 Promote the rule of law at national and international levels to ensure equal access to justice for all.
- 16.5 Substantially reduce corruption and bribery in all forms.
- 16.6 Develop effective, accountable and transparent practices at all levels.
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.
- 16.8 Broaden and strengthen the participation of developing countries within the foundations of global governance.
- 16.B Promote and enforce non-discriminatory laws and policies for sustainable development.

The Group has an established framework to exercise proper oversight over responsibilities and tasks at all levels, and translates the elements of the framework, and policies, into working practices within the Group.

We acknowledge the direct links between good governance and value creation and hence, we have proactively taken steps in anticipating risks and concerns as a useful hedge against our exposure to risk. To limit speculation and dispel concerns, it is critical to provide stakeholders with coherent narratives about developments within the Group and the effect it has on performance. We are careful in establishing consistent, frequent, and comprehensive updates to key stakeholders as this strengthens relations and encourages greater transparency.

All employees are briefed during onboarding sessions to ensure they perform their roles and duties in accordance to the Group's policies and core values. Announcements and updates are released via the employee portal, notice boards, and briefing sessions are organised when necessary.

## Ethics and Integrity [GRI 102-16, 102-17, 102-25]

The following are well-established policies and frameworks established at KPS to guide both internal and external stakeholders in upholding effective corporate governance practices in all dealings.

The following policies can be viewed at <https://kps.com.my/index.php/investor-relations/corporate-governance>

### KPS GROUP POLICIES

01	Conflict of Interest Policy
02	Talent Management & Succession Planning Policy
03	Performance Management Framework Policy
04	Senior Management Remuneration Policy
05	Head of Subsidiary Appointment
06	Procurement Policy
07	Credit Policy
08	Delegation of Authority Policy and Limit of Authority
09	Treasury Policy
10	Foreign Exchange Policy and Guidelines
11	Related Party Transactions Policy & Procedures
12	Dividend Policy for Subsidiary
13	External Auditors Assessment Policy
14	Policy on Appointment of External Auditors for Non-Audit Related Services
15	Information Technology Policy
16	Investor Relations Policy
17	Sustainability Policy
18	Policy for Board Representation in Kumpulan Perangsang Selangor Berhad Subsidiaries and Associates
19	Policy for Executive Appointment in Subsidiaries of Kumpulan Perangsang Selangor Berhad
20	Board Diversity Policy
21	Directors' Remuneration Policy
22	Independent Directors' Tenure Policy
23	Business Continuity Management
24	Enterprise Risk Management Policy
25	Internal Document Policy
26	Whistleblowing Policy
27	Personal Data Protection Policy
28	Compliance Policy
29	Anti-Bribery and Corruption Policy
30	Dividend Policy

### BUSINESS ETHICS AND TRANSPARENCY [F4GBM]

Good corporate governance in the form of company values, business conduct, and transparent processes go a long way towards the cultivation of trustworthy and reputable brands.

Beyond reputation, how a company conducts itself in its business affairs have implications on critical matters such as the acquisition of new customers, attractiveness to potential investors, managing companies in the supply chain, and prospective collaboration with various parties.

KPS has always adhered to the highest levels of corporate governance and is committed to compliance, accountability, and transparency that is in line with the best practices of the MCCG.

This culture is filtered down to all employees and is expected to be upheld when discharging their duties. Employees are encouraged to understand the salient points of relevant policies that have been established to steer the organisation in one unified direction.

## Ethics and Integrity [GRI 102-16, 102-17, 102-25]

### ESTABLISHMENT OF THE INTEGRITY GOVERNANCE UNIT

During the reporting period, we established an Integrity and Governance Unit ("IGU") to coordinate and oversee all matters relating to corporate governance. The formation of the IGU further reflects our commitment to consistently conduct ourselves in an honest and trustworthy manner befitting the Group's growing stature and influence in the corporate arena.

The Board approved the setting up of the IGU on 27 November 2020, and was placed under the Board's aegis. This initiative complies with the Government's new anti-corruption measures to combat fraudulence, and inspire integrity. The IGU took effect from 1 January 2021 to further strengthen internal control practices in order to prevent corruption, abuse of power, and malpractice.

All Government-Linked Companies ("GLCs") are required to establish an IGU within two years as per the directive of the Prime Minister's Department in 2018, under the Malaysian Anti-Corruption Academy ("MACA") Guidelines.

### FOUR CORE FUNCTIONS

- 1 ►  **COMPLAINT MANAGEMENT**
- 2 ►  **DETECTION AND VERIFICATION (INVESTIGATION)**
- 3 ►  **INTEGRITY STRENGTHENING**
- 4 ►  **GOVERNANCE**

The implementation of the Four Core Functions that encompass Complaint Management, Detection & Verification, Integrity Strengthening and Governance vary according to the needs and suitability of each organisation. The IGU has been set up as a standalone unit as KPS is categorised under the medium risk and large company status under MACC's assessment. The IGU is headed by the Chief Integrity and Governance Officer ("CIGO"). The CIGO reports directly to the Managing Director/Group Chief Executive Officer ("MD/GCEO"), with all reports submitted to the Board Governance Risk Committee ("BGRC") and the Agency Integrity Management Division ("BPIA"), a division in the MACC, every six months.

The demarcation of the roles and responsibilities of the IGU and the Internal Audit Department is imperative to avert replication of work and further strengthen the management of integrity, governance, and internal controls more effectively within the Group. The IGU has been tasked to plan and execute awareness programmes where all employees will be briefed on guidelines and measures on Anti-Bribery & Corruption that is in line with the provision of Section 17A of MACC Act 2009. The 'Governance' function in the IGU will also help KPS with adequate procedures to ensure that every business, administrative, and operational process decisions are made in compliance with established procedures, and in line with the said provision of Section 17A.

There were no reports of misconduct or violation of laws and regulations during the reporting period. For more information, please refer to the Corporate Governance Overview Statement in our Annual Report 2020.



## Ethics and Integrity [GRI 102-16, 102-17, 102-25]

### COMPLAINT MANAGEMENT

- To manage the inflow of information/complaints received on criminal misconduct, abuse of power, malpractice as well as violations of systematic code of conduct and ethics to ensure that action is duly taken on every complaint received.
- Establish a complaint management system (manual/online) in the organisation.
- To supervise, monitor, and manage the information/complaints which are received on criminal misconduct, corruption/bribery, abuse of power, malpractice, misappropriation, potential misconduct, and violations of organisational code and ethics.
- To table the information/complaints received to the BGRC.
- To ensure that action is taken by the IGU on any information/complaints which are related to corruption, abuse of power, and malpractice.
- To ensure that information/complaints related to administrative functions or not related to IGU action are submitted to the appropriate department in the organisation for internal action.
- To monitor and supervise records of incoming/outgoing complaints until completed.
- To analyse the trends/types/categories of complaints received.
- To provide periodic reporting complaints for monitoring.
- To cooperate with other departments in the organisation for the improvement of the complaint management system.
- To ensure the confidentiality of the information and the protection of whistleblowers as guaranteed under the Whistleblower Policy.
- To create a channel of notification to enforcement so that an individual in need of protection under MACC 2009 (Act 694) and the Whistleblower Protection Act 2010 (Act 711) can be protected, and confidentiality of information is guaranteed as provided under the two Acts.



### DETECTION AND VERIFICATION (INVESTIGATION)

- To track and verify complaints of criminal misconduct, violations of the code of conduct and ethics of the organisation received and subsequently ensure that appropriate follow-up action is taken.
- To detect and verify information which are related to criminal misconduct, corruption/bribery, abuse of power, malpractice, misappropriation, potential misconduct as well as violations of organisational code and ethics.
- To provide a complete report of the results of the verification done together with the IGO's reviews and recommendations on whether complaints should be distributed to the relevant enforcement organisations.
  - For organisational internal administration issues, the report should be reviewed by the CIGO and distributed to either the BGRC or the Human Resource Development Department for further action.
  - For criminal cases, the report of detection and verification results should be reported directly to the relevant enforcement agency.

### INTEGRITY STRENGTHENING

- An important responsibility of the IGU in every organisation is to ensure that the culture, institutionalisation and implementation of integrity in the organisation can be achieved.
  - To plan, implement and coordinate integrity strengthening programmes in enhancing the practice of values, ethics and organisational integrity.
- To monitor, coordinate, analyse performance, and report on programme implementation.
- To provide articles/input of integrity-strengthening reading materials for publishing, printing, publicity and promotion to employees.
- To collaborate with and establish a strong network with the Head of Departments/Sectors/Units in the organisation.

### GOVERNANCE

- To ensure the best governance in efforts to strengthen the integrity of officers and employees in the organisation and address issues which are related to integrity especially corruption, misappropriation, and abuse of power.
- To review and study work policies, systems, and procedures for improvements.
- To coordinate on improvements of the relevant organisational system procedures.
- To supervise and ensure the implementation of the best governance mechanisms in the organisation.

## Ethics and Integrity [GRI 102-16, 102-17, 102-25]



### RISK MANAGEMENT [F4GBM]

Already a key imperative in any company, risk management has taken on a higher level of urgency in the wake of the unprecedented disruptions which has negatively affected business operations for prolonged periods in 2020. KPS responded to the crisis by focussing efforts on managing risks in order to chart a path forward while taking into consideration the prevailing uncertainties in the market from a demand, supply, and operational perspective.

We gave greater emphasis to our assessment and reviewed the Group's risk profile, which included identifying key risk areas, and critical indicators along with the potential mitigation and development of an integrated approach to risk and threat management. In addition, the Group will remain vigilant towards any and all risks exposed to our people and business. Our Enterprise Risk Management ("ERM") framework is based on the ISO 31000: 2018 standard. Further details are provided in the Management Discussion and Analysis, as well as the Statement of Risk Management and Internal Control sections of our Annual Report 2020.

#### KEY RISK AREAS

##### CASHFLOW MONITORING

Monitoring cash and collateral obligations is crucial to supporting ongoing funding requirements. This entails coordination of various sources of available funds for business and potential investment.

##### KEY MITIGATION ACTIONS

- Establishment of Fund Management Policy to govern the process of surplus funds.
- Regular monitoring of receivable balances and follow up via stringent credit policies.
- Funding strategy to support business growth and working capital requirements for the Group.

#### KEY RISK AREAS

##### BUSINESS CONTINUITY AND CRISIS RESPONSE RISK

Robust business continuity plans and crisis communication strategies are imperative for the Group's business. These enable the Group to continue sustaining business while maintaining stakeholder confidence during stress scenarios.

##### KEY MITIGATION ACTIONS

- Establishment of Group business continuity plan, crisis communication plan, and strategy to enable consistent and robust crisis response.
- Establishment of crisis sub-committees such as crisis management team, emergency response team, disaster recovery team and Health, Safety and Environment ("HSE") team.
- Loss prevention strategy by procuring optimum insurance coverage.

## Ethics and Integrity [GRI 102-16, 102-17, 102-25]

### RISK MANAGEMENT [F4GBM]

#### KEY RISK AREAS

##### CYBERSECURITY RISK

Cybersecurity risk is an emerging and quickly evolving risk area. These include threats to confidentiality, availability and integrity of KPS digital assets, network and system security.

#### KEY MITIGATION ACTIONS

- Deployed security measures to protect confidential information against cybersecurity threats.
- Continuous monitoring review on IT security and safety.
- Continuous training on cybersecurity awareness.

#### KEY RISK AREAS

##### REGULATORY RISK

The Group has a regional presence and is subject to regulatory requirements in different jurisdictions. These require consistent monitoring and supervision to ensure continued compliance.

#### KEY MITIGATION ACTIONS

- Legal and Compliance Department retains overall responsibility for regulatory compliance. Heads of subsidiaries and assurance officers are concurrently responsible to escalate compliance issues to Legal and Compliance Department.
- Establishment of Sustainability Board Committee and Corporate Sustainability Champions to address Economic, Environmental and Social ("EES") responsibilities.

## **Ethics and Integrity** [GRI 102-16, 102-17, 102-25]

### **RISK MANAGEMENT** [F4GBM]

#### **KEY RISK AREAS**

##### **CRISIS RESPONSE RISK - COVID-19**

The COVID-19 pandemic and Movement Control Order ("MCO") enforced by various governments where the Group has presence in 2020 has resulted in close monitoring of its impact to the Group's operations. The priority is largely focussed on health, safety and working environment for our employees and customers, as well as compliance with applicable rules and regulations in different jurisdiction.

#### **KEY MITIGATION ACTIONS**

- Approved and documented Business Continuity, Crisis Response Plan and Crisis Communication to be used as guideline by all subsidiaries.
- Continuous guidance issued Group-wide by Crisis Management Team ("CMT") on latest security and health requirements.
- Strong HSE culture at all factories.
- Activation of WFH procedures for non-core activities.
- Establish strong rapport with relevant government agencies and local health authorities.
- Sanitisation, temperature screening, social distancing, travelling restriction and compulsory face mask procedures in line with the local authorities' requirement.
- Adequate insurance coverage and social insurance for employees to perform swab tests and to be warded.
- Adequate alternative suppliers if the main supplier could not meet the quantity for production demand due to MCO.

## **ANTI-COMPETITIVE BEHAVIOUR** [GRI 206-1]

KPS is not a monopoly in any of our business activities and as such, is not subject to any legal action, or otherwise, for anti-competitive behaviour or anti-trust practices.

## **TAX** [GRI 207-1]

The Group honours all of its obligations with regards to taxation according to the respective laws in Malaysia; such as the Income Tax Act 1967.

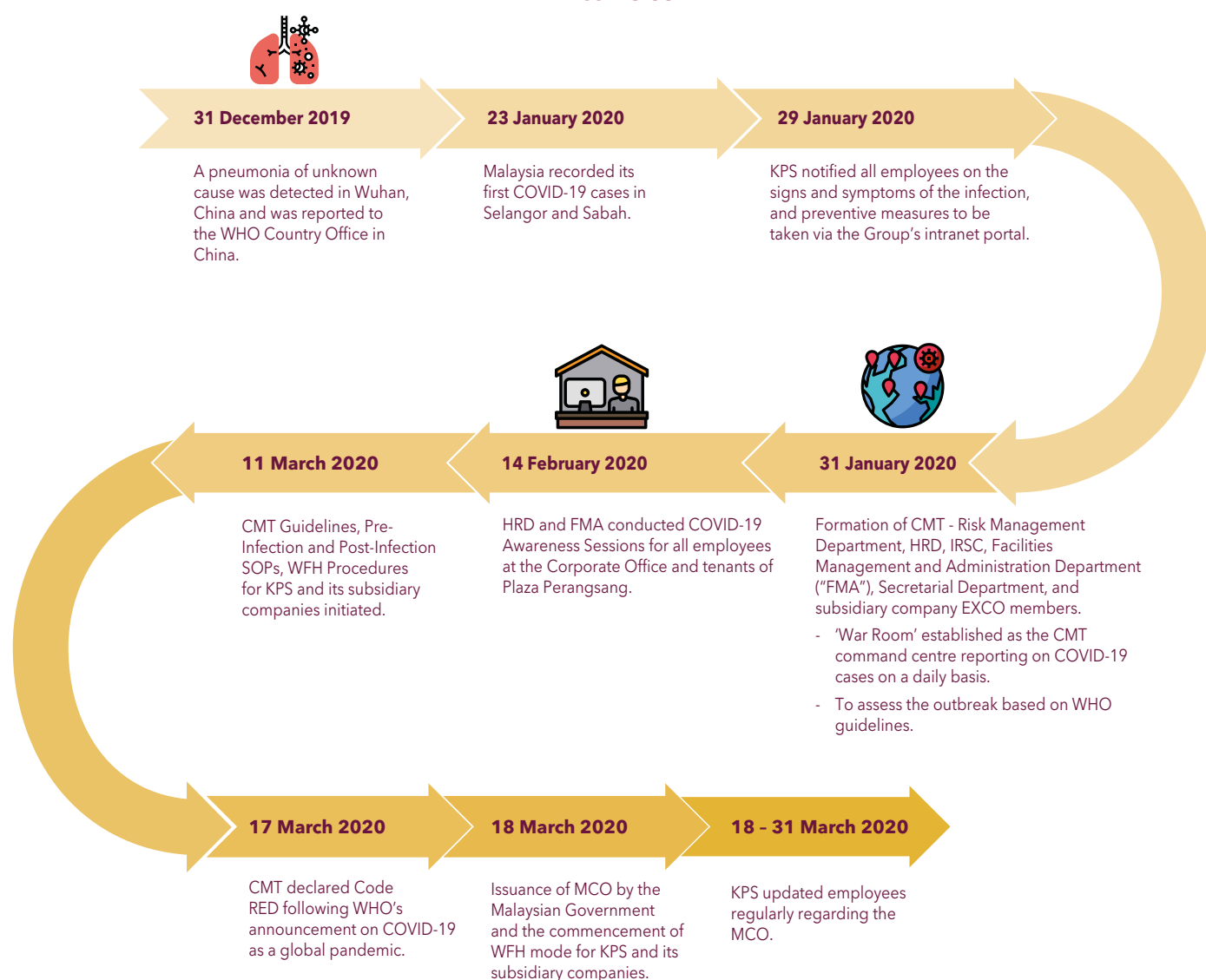


## Ethics and Integrity [GRI 102-16, 102-17, 102-25]

### MANAGING RISKS DURING THE PANDEMIC

Risk management has by default assumed greater relevance in mitigating the impact of COVID-19 and has been providing alternatives as to how to circumnavigate around obstacles to overcome business threats. The Group determined that business sustainability would be the main focus of our efforts to manage risks and chart a path forward. In this regard, we conducted comprehensive assessments, and a forward-looking analysis of our risk profile during the pandemic.

#### CRISIS MANAGEMENT TEAM ("CMT") AND BUSINESS CONTINUITY PLAN ("BCP") IN ADDRESSING COVID-19



*Note: SOPs and action plans continued up till the published date of this Report to comply with all rules and regulations imposed by authorities.*

## CRISIS MANAGEMENT TEAM ("CMT") AND BUSINESS CONTINUITY PLAN ("BCP") IN ADDRESSING COVID-19

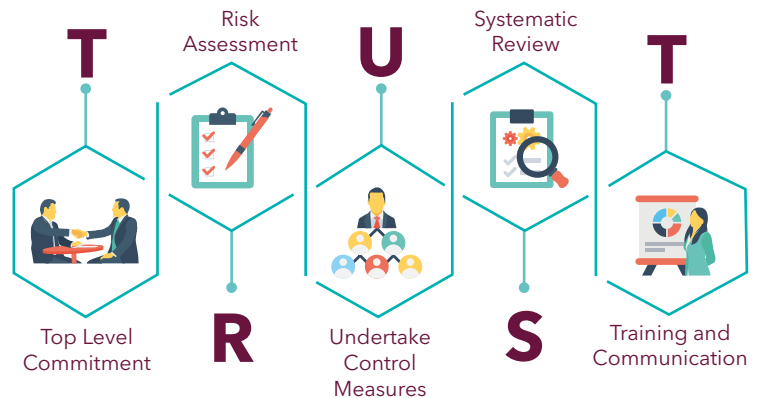


# Anti-Corruption [GRI 102-17, 205-1, 205-2, 205-3]

## Eliminating Bribery and Corruption [F4GBM]



We adhere to the TRUST principles recommended by the MACC to maintain integrity in all our business dealings and transactions.



Actions involving bribery and corruption could jeopardise the reputation of the company and can induce serious consequential risks to businesses, which may lead to punitive financial and legal consequences that can threaten operations. Bribery and corruption hamper business growth and could impede sustainability efforts in the EESG realm.

Corporate corruption is a corrosive element and can have an impact on the Company's cost control, it can affect the quality of its products or services and damage a brand, while at the same time, destroying trust in the workplace, including that of stakeholders, and the public at large.

KPS has a zero tolerance policy toward all forms of bribery and corruption and measures this in accordance with all relevant laws and regulations, including The MACC (Amendment) Act 2018 and Penal Code Act 574 (Revised 1997).

The Board approved the Group's Anti-Bribery and Corruption Policy on 28 November 2019, which all subsidiary companies subsequently adopted in March 2020. Several relevant policies, including a Whistleblowing Policy, were approved and enforced throughout the Group to maintain high standards of conduct and ensure strict compliance with all applicable laws.

We are determined to ensure our employees, at all levels of the Group and subsidiary companies, are committed to fighting corruption, and opposed to any form of bribery, in accordance with the Anti-Bribery and Corruption Policy and all other policies that promote best practices.

During the year in review, we did not record any incidents of corrupt activities within the Group or subsidiary companies.

**Anti-Corruption** [GRI 102-17, 205-1, 205-2, 205-3]  
**Eliminating Bribery and Corruption** [F4GBM]

**KPS Anti-Bribery and Corruption Policy**



**KUMPULAN PERANGSANG SELANGOR  
BERHAD**

At KPS, our employees were briefed on the Anti-Bribery Policy and its procedures during Town Hall sessions, through emails and via the KPS employee portal. During the year, we conducted and organised anti-bribery and corruption workshops to reinforce our stand on the matter, and to embed a culture of strong ethics and integrity across the Group.

The policy and other relevant documents highlight the Group's seriousness in implementing effective anti-corruption measures to reinforce its zero-tolerance policy on bribery and corruption. By playing an active role in supporting responsible practices throughout every aspect of the organisation underlines our pertinence to safeguard the premium of public trust we have built over the years.

A strong reputation for ethics and integrity also gives us the edge in the marketplace when attracting employees who place an emphasis on corporate ethical conduct.

This policy applies to all of our subsidiary companies.



In 2020, there were

**ZERO**

non-compliance incidences and cases.



**Anti-Corruption** [GRI 102-17, 205-1, 205-2, 205-3]  
**Eliminating Bribery and Corruption** [F4GBM]



**TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD**

Toyoplas has established two Control Guidance policies; namely the Code of Conduct and Ethics Control ("the Code") and the Whistleblowing Policy.

The Code is aimed to tackle ethical risk; a guideline for employees to recognise, and effectively, deal with risks arising from ethical issues. The Code provides mechanisms to report unethical conduct and helps to foster a culture of honesty and accountability. It further reiterates the importance of practising a higher legal and ethical standard, and inculcating the proper conduct expected from all employees.

The Whistleblowing Policy aims to provide an avenue for employees, and external parties, to raise concerns with the assurance that they will be protected from reprisals or victimisation.

**Toyoplas Code of Conduct & Ethics**



**CPI (PENANG) SDN BHD**

CPI has established the CPI Commandment; which outlines explicit guidelines on anti-corruption, fraud and various forms of corruption. This was introduced as an added precaution to the KPS Anti-Bribery and Corruption Policy, and to further protect the company from untoward incidences.

**100%**

of CPI's Management Team and employees have been duly informed and thoroughly briefed on the CPI Commandment via email and the company's intranet.



**CENTURY BOND BHD**

CBB takes a zero-tolerance approach toward bribery and corruption, and is committed to conducting themselves professionally, ethically, and with integrity in all business dealings and relationships. The Anti-Bribery and Corruption Policy was formulated and approved by the Board on 16 March 2020 and applies to the CBB Group, its Board of Directors, all employees, its controlled organisations, and business associates acting on CBB Group's behalf.

All employees, including those at subsidiary companies are expected to abide by the Policy's rules and regulations to counter bribery and corruption.

**CBB's Anti-Bribery and Corruption Policy**





# ECONOMIC

## KEY HIGHLIGHTS



### ECONOMIC AND BUSINESS PERFORMANCE



Revenue

**RM1.1 billion**

2019: RM866.8 million

**24.2%**


EBITDA

**RM138.2 million**

2019: RM129.8 million

**6.4%**

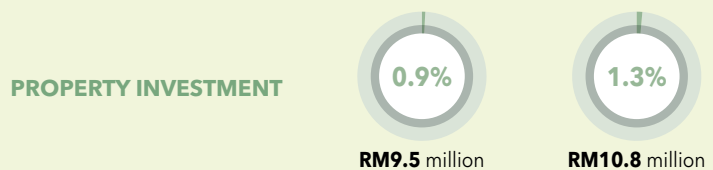
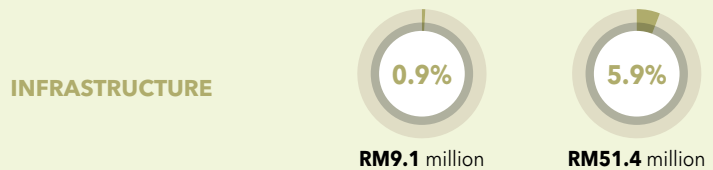
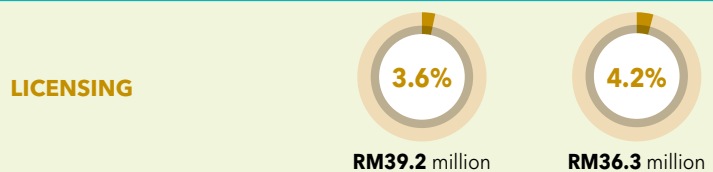
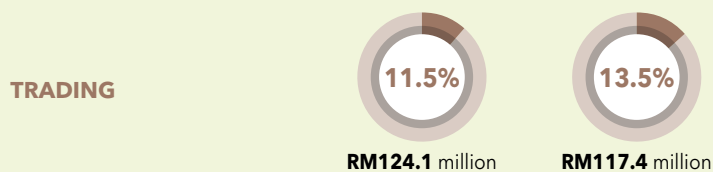
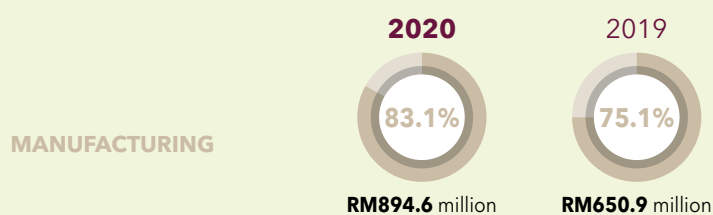

PBT

**RM57.3 million**

2019: RM55.0 million

**4.1%**

### REVENUE BREAKDOWN (RM'000)



### LOCAL VS NON-LOCAL SUPPLIERS IN 2020

**100%**

**70/10**  
TOYOPLAS

**82.5%****17.5%**

**CPI**

**60%****40%**

Direct Suppliers

**96%****4%**

Indirect Suppliers

**91%****9%**

Local Non-Local



## Economic

[GRI 102-17, 102-25, 201-1, 201-2, 203-2, 204-1]



### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 1.1 Eradicate extreme poverty.
- 4.6 To ensure that all youth and a higher number of adults achieve literacy and numeracy.
- 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- 8.1 Sustain per capita economic growth in accordance with national aspirations.
- 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.
- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic status.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, eliminating discriminatory laws, policies and practices, while promoting appropriate legislation and policies to support affirmative actions.
- 17.7 Promote the development and diffusion of environmentally sound technologies.
- 17.11 To increase the exports of developing countries, to help lesser developed nations increase their share of global exports.

**While we are fully aware of our financial commitments and obligations to our shareholders, employees, partners and all other stakeholders, we are equally focussed on our sustainability efforts. KPS today has adopted a holistic approach to business, taking into consideration the EESG risks and opportunities alongside the financial measures required to see us develop in a sustainable manner.**

This is a process of change in which the resource efficiency, the control of investments, technological developments, and institutional changes are made to be consistent with a sustainable future in mind, without forgetting present needs.

Issues such as business sustainability, financial profitability and job security became top-of-mind concerns as thousands of businesses were forced into closure or are floundering, leading to hundreds of thousands of job losses and pay cuts.

*(Source: Department of Statistics Malaysia)*

For the Economic dimension, we have aligned and engaged our sustainability development strategy and business with six UNSDGs. These are:



#### UNSDG 1: No Poverty



#### UNSDG 4: Quality Education



#### UNSDG 8: Decent Work and Economic Growth



#### UNSDG 9: Industry Innovation and Infrastructure



#### UNSDG 10: Reduced Inequalities



#### UNSDG 17: Partnerships for the Goals

In preparing and executing our sustainability reporting, linking the UNSDGs with the GRI Standards and the F4GBM criteria guide helped us map our SDGs against the standards and disclosures that apply to each indicator or parameter. Incorporating sustainability into our core business strategies enables transparent sustainability reporting which is especially important in the current environment when setting and achieving the KPIs and SDGs.

The GRI Standards and F4GBM have similar indicators and parameters for the Economic dimension.



Economic Performance (GRI), Economic and Business Performance (F4GBM)



Sustainability of the Business Strategy (F4GBM)



Market Presence (GRI/F4GBM)



Hiring from the Local Community (F4GBM)



Indirect Economic Impacts (GRI)



Procurement Practices (GRI), Sustainable Procurement and Supplier Assessment (F4GBM)



Risk Management (F4GBM)



Business Ethics and Transparency (F4GBM)



Anti-Corruption (GRI), Eliminating Bribery and Corruption (F4GBM)



Anti-Competitive Behaviour (GRI)



Tax (GRI)

This is our first attempt to structure our sustainability reporting for the EESG dimensions based on both the GRI and F4GBM frameworks.

## Economic Performance [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]

Despite earlier concerns that the pandemic would severely impact our financial performance, the Group returned encouraging results for the year in review with our core businesses driving significant growth. The steady growth in revenue, especially in the context of navigating through unprecedented headwinds to continue operating amidst disruptions Group-wide, was a testament of how we came together to rise above the challenges.

Better yet, we reached a significant milestone by increasing revenue to above the billion ringgit mark, proving the Group's ability to build resilience to ride the waves of uncertainty and generating financial performance that exceeded expectations.

### ECONOMIC AND BUSINESS PERFORMANCE

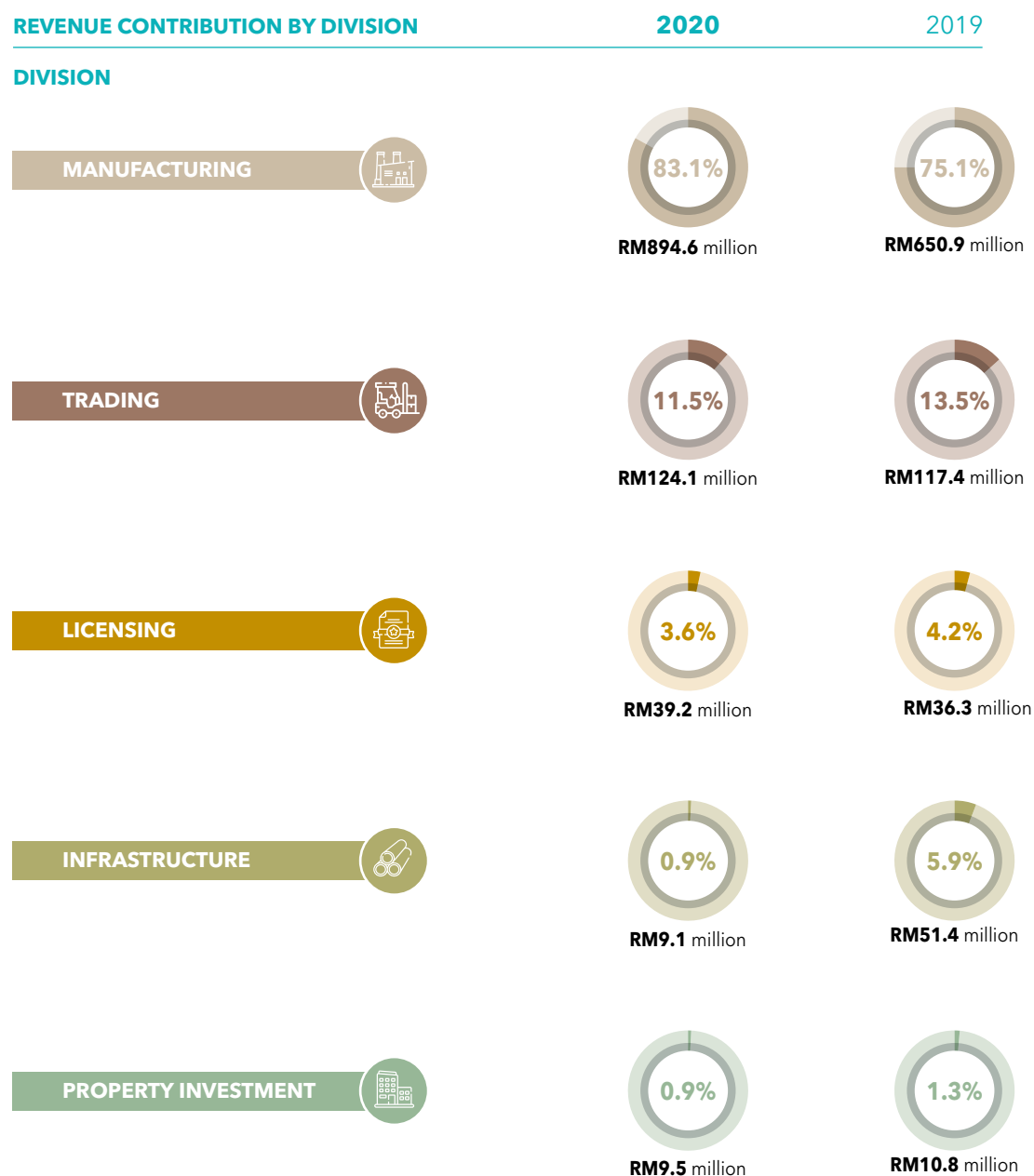
The Group's ability to maintain its economic performance is essential to our stakeholders, particularly investors and owners, as this performance eventually provides them with a return on their investment. Other stakeholders, including employees and the society at large, are also deemed to benefit from such financial benefits, albeit less directly.

Revenue for the year was RM1.1 billion, an increase of 24.2% over the previous year's RM866.8 million. The performance of our core businesses was all the more impressive considering that our operations in Malaysia, China, and the US were shut down from between nine and 55 days, notwithstanding periods when they could only operate at partial capacity.

Manufacturing contributed 83.1% to the revenue, growing by 37.4% to RM894.6 million. This was followed by Trading and Licensing, each contributed 11.5% and 3.6%, growing by 5.7% to RM124.1 million and 8.0% to RM39.2 million, respectively. Infrastructure lagged, contributing RM9.1 million or 0.9%. Property investment also contributed lower this period, contributing to the remaining RM9.5 million or 0.9%.

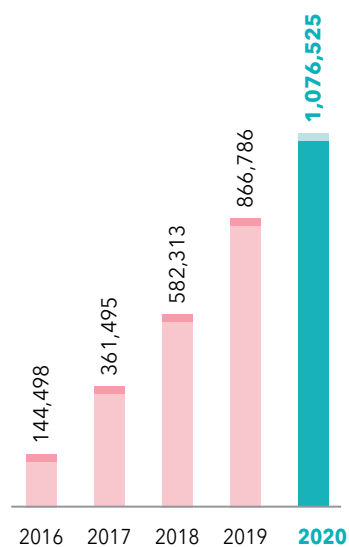


## REVENUE BREAKDOWN (RM'000)

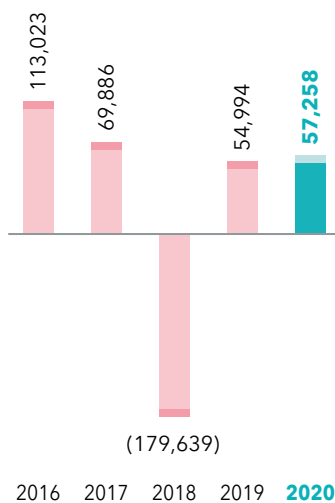


## 5-YEAR FINANCIAL HIGHLIGHTS

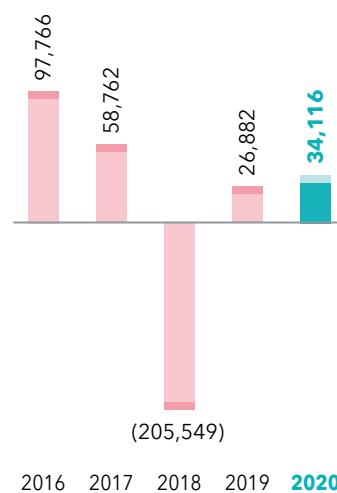
### REVENUE (RM'000)



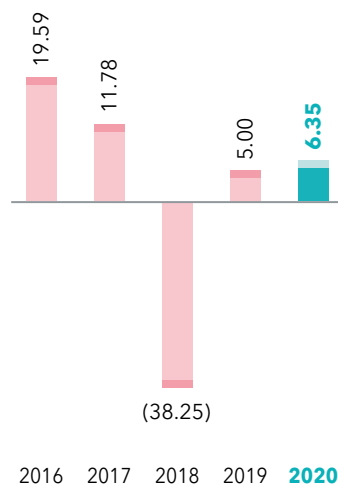
### PROFIT/(LOSS) BEFORE TAX AND ZAKAT (RM'000)



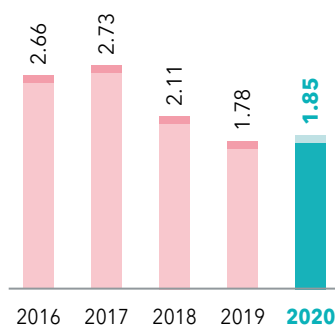
### PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)



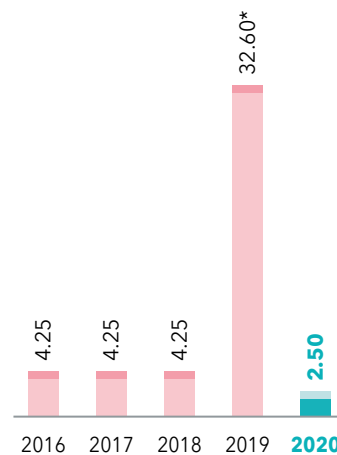
### EARNINGS/(LOSS) PER SHARE (SEN)



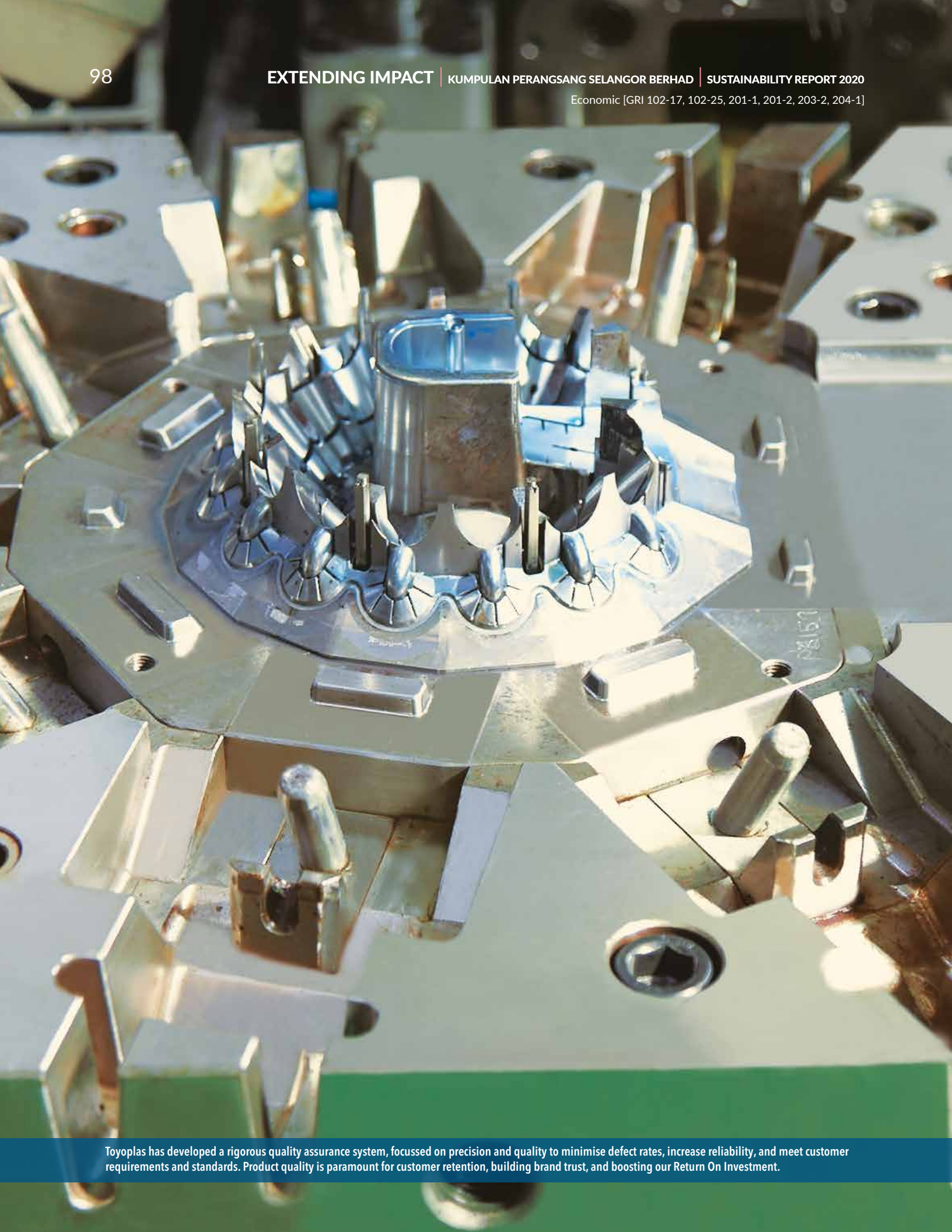
### NET ASSETS PER SHARE (RM)



### DIVIDEND PER SHARE (SEN)



\* Note: Special Dividend



Toyoplas has developed a rigorous quality assurance system, focussed on precision and quality to minimise defect rates, increase reliability, and meet customer requirements and standards. Product quality is paramount for customer retention, building brand trust, and boosting our Return On Investment.

## Economic Performance [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]

## SUSTAINABILITY OF THE BUSINESS STRATEGY [F4GBM]

The way we do business is dramatically changing in an age where innovation and new technologies are disrupting traditional industries and economic trends. Under these circumstances, corporate strategies need to be flexible, incorporating tactical approaches to adapt and either reinvent the existing or create new business models. Our focus as an investment holding company has always been to capitalise on acquisitions by harnessing new potential to achieve accelerated growth.

The Group's shift towards manufacturing as its core business was based on the resilience of the industry. The manufacturing industry is expected to continue to play a critical role in offering vital services to sectors such as healthcare, automotive, and retail. This was proven during the reporting period when our core business of manufacturing was the primary driver of revenue and profits, despite the challenges that arose from the many pandemic-hampered restrictions in operations. In tandem with our investment strategy, is the Group's five-year business strategy, which is anchored on the LEAP25 Plan.

The LEAP25 Plan was developed to drive business profitability and sustainability via four thrusts:



Supporting LEAP25 are a set of specific value creation plans for each of our subsidiary companies to improve operational synergy, expand capacity, enhance capabilities, expand markets, implement cost optimisation, and operational efficiency, and more\*.

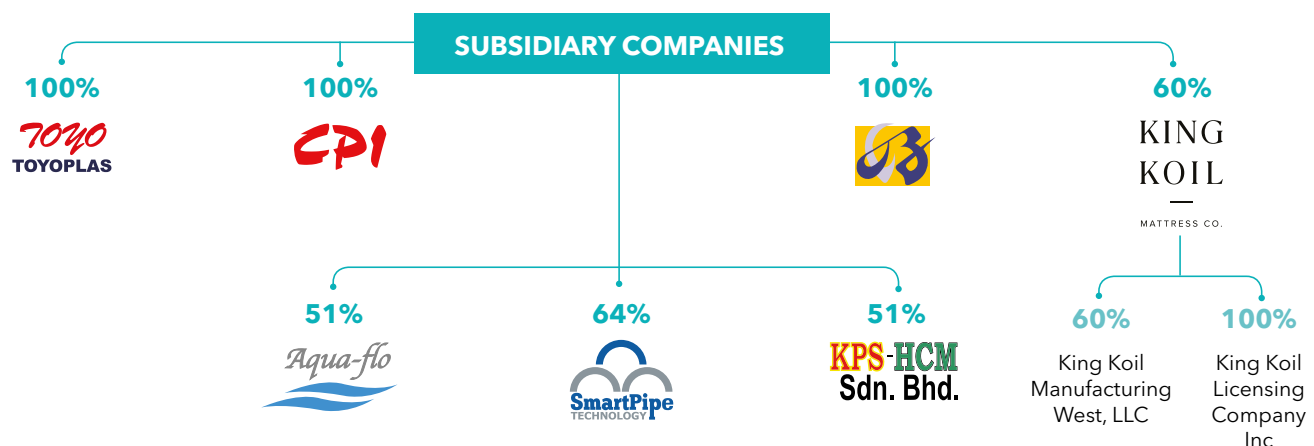
\* Further details of this business strategy is presented in the Management Discussion and Analysis section of our Annual Report 2020.

## Economic Performance [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]

### MARKET PRESENCE [GRI 202-1] [F4GBM]

Since 2016, under the Group's Business Transformation Plan ("BTP"), we have been acquiring accretive asset companies in new fields to create sustainable returns for the Group. The primary focus is on strengthening our investment portfolio, according KPS with a strong regional presence. KPS restructured its operations by disposing non-core and under-performing assets and redirecting its resources to manufacturing. Acquisitions were made selectively where complementarity was an essential aspect of every decision.

While the manufacturing division at Toyoplas, CPI, CBB, and KKMW contributed the bulk of the Group's revenue, our three other core sectors in Trading, Licensing and Infrastructure have recorded commendable growth and sustained their momentum, notwithstanding the challenging landscape of 2020.



Internationally, we own the world-renowned King Koil® brand of mattresses and sleep solutions via KKMW. We set up our first manufacturing plant in Phoenix, Arizona, in the US, and subsequently secured a spot in the stores of a major retailer in the US. KKLC operates the brand licensing business globally and licensees in 89 countries worldwide.



Intimate collection mattress manufactured by KKMW.



## Economic Performance [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]

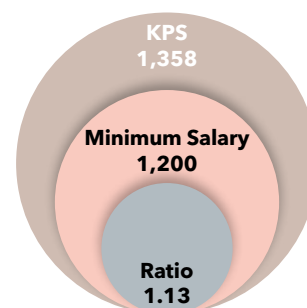
### ENHANCING EMPLOYMENT [F4GBM]

KPS was recognised as an Employer of Choice by the Malaysian Institute of Human Resource Management in 2018 for creating workplace excellence and promoting greater employee engagement. We are regarded as a preferred employer offering attractive remuneration packages for human capital that is on par, if not, above market rates for comparable investment holding companies.

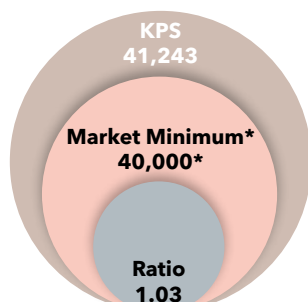
KPS was among the few public-listed companies in Malaysia to refrain from downsizing, nor put into effect pay cuts or to enforce employee no-pay leave during the COVID-19 outbreak. The Group was steadfast in safeguarding the livelihood of its employees and their respective families from the impact of the pandemic that was unfortunately felt across other businesses nationwide, and to the world at large.

We comply with the Minimum Wage Order 2020 Regulations to ensure our permanent and contract employees are paid according to the market rate. An industry comparison of our monthly salary scale for 2020 is tabled below.

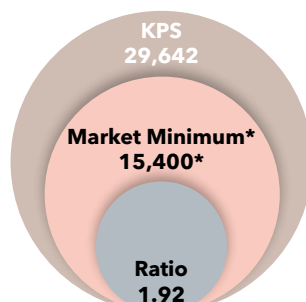
#### KPS Minimum Monthly Salary vs Minimum Monthly Wage 2020 (RM)



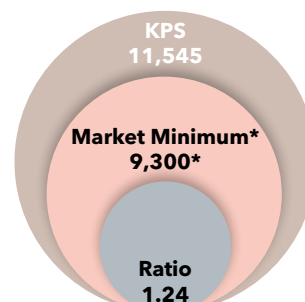
#### KPS' Monthly Salaries vs Market Minimum Monthly Salaries 2020 (RM)



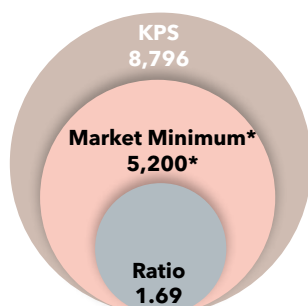
C-Level



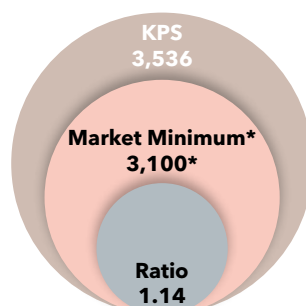
Director



Senior Manager



Manager



Executive





\* These minimum wages are based on positions in Human Resources and are general comparisons across all sectors. (Source: Malaysia 2018/19 Salary Guide by Kelly Services and Agensi Pekerjaan Capita Global)

**Economic Performance** [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]**HIRING FROM THE LOCAL COMMUNITY** [F4GBM]

Large companies, including public-listed entities, form a critical component of the economic ecosystem in local communities by providing employment. While the information provided under this disclosure covers the operations within Malaysia and our overseas operations, our reporting scope is focussed on our Malaysian operations. Although KPS endeavours to prioritise local hires at all positions across the Group, it should be noted that the pool of general workers, particularly at our manufacturing subsidiaries, have a significant proportion of migrant workers on their payroll. This is due to locals nominally opting for more attractive jobs with better pay.

Nonetheless, at the executive level, the Group is made up of predominantly Malaysians.

**COMPARISON OF LOCAL AND FOREIGN EMPLOYMENT**

	MALAYSIAN		NON-MALAYSIAN	
	Executive	Non-Executive	Executive	Non-Executive
				
	Total 1,156		Total 3,057	
KPS	62	9	-	-
*TOYOPLAS	75	111	215	2,145
CPI	131	318	-	309
CBB	95	315	8	288
*KAISERKORP	-	-	14	78
AQUA-FLO	13	2	-	-
SMARTPIPE	4	0	-	-
KPS-HCM	17	4	-	-
<b>SUB-TOTAL</b>	<b>397</b>	<b>759</b>	<b>237</b>	<b>2,820</b>

\* The headcount for Toyoplas incorporates its overseas operations while KaiserCorp is based in the US.  
For more information on the Employee Demographics please refer to pages 186 and 187 of this Report.

## Economic Performance [GRI 102-6, 201-1, 201-2, 201-3] [F4GBM]

### INDIRECT ECONOMIC IMPACTS [GRI 203-2]

The activities of large companies invariably result in various forms of ancillary economic and other benefits for local businesses and communities. These cover infrastructural projects developed to support operations, service related activities that benefit the public, and funding for educational or other programmes.

The ripple effects of our economic impact in our communities have been far-reaching, apart from sustaining the direct employees of our company and the various taxes we remit to the Government and other regulatory bodies. KPS has a robust community empowerment programme under its four CSR Pillars, which include development programmes in Education, Entrepreneurship, Community, and Environmental, Safety & Health. Details of these programmes are provided on pages 150 to 261 in the Social section of this report.

## Procurement Practices [GRI 102-9, 204-1]

### SUSTAINABLE PROCUREMENT AND SUPPLIER ASSESSMENT [F4GBM]

Often relegated as a secondary process, behind demand-side functions to generate revenue and profits, procurement is in fact a strategic consideration that has a significant impact on the bottomline.

Good procurement practices within a company serve to build a solid foundation to develop, and sustain, a reliable and resilient supply chain. It also enhances product quality, has benefits in cost optimisation, and improves compliance with regulations and standards governing materials and their respective sources.

KPS has an established Procurement Policy in place with SOPs covering all aspects of the process: from vendor assessment to evaluation; quality of products or services, reliability of service delivery, competitive pricing, bidding for contracts, invoicing, inventory responsibility, and other relevant factors.

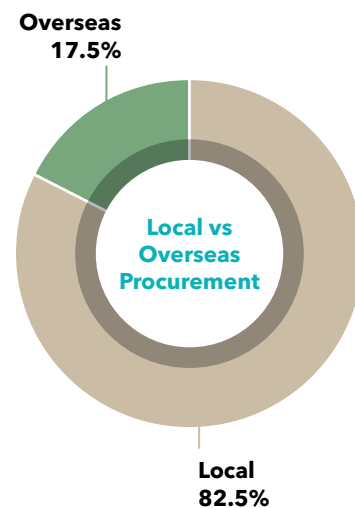
Such policies and SOPs cover the procurement practices of all our subsidiary companies, and are mandated to further improve the processes according to the changing demands of their business operations.

During the reporting period, the total cost for procurement of services and products at the Company level was RM9,270,210; which were granted to local suppliers only.

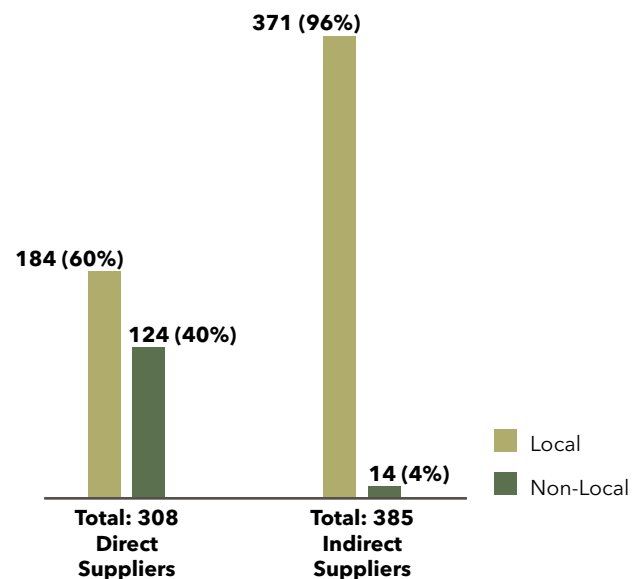
**Procurement Practices** [GRI 102-9, 204-1]**Sustainable Procurement and Supplier Assessment** [F4GBM]**TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD**

In a bid to build a more resilient supply chain and provide opportunities to local businesses, Toyoplas is expanding its list of local suppliers. Sourcing goods and services from local businesses are economically more viable, qualitatively compatible and technically feasible in building supply chain resilience. During the year in review, local procurement reached 82.5% against 17.5% for overseas procurements.

Toyoplas has always been committed to conducting its business in an ethical, legal, and socially responsible manner. To ensure similar conduct from everyone with whom Toyoplas has commercial dealings with, the Supplier Code of Conduct was established. This document lists the requirements expected of Toyoplas' suppliers and vendors regarding compliance with laws and regulations, corruption and bribery, social and working conditions, child labour, and the environment.

**CPI (PENANG) SDN BHD**

CPI prioritises local over non-local suppliers for procuring of raw materials and services from both direct and indirect suppliers. During the year in review, local sources accounted for almost 60% of its 308 direct suppliers of raw materials and more than 96% of the 385 indirect suppliers.



2020 is the baseline year for this initiative.

## Procurement Practices [GRI 102-9, 204-1]

### Sustainable Procurement and Supplier Assessment [F4GBM]



Toyoplas specialises in mould fabrication, precision injection moulding, secondary processes, and assembly.

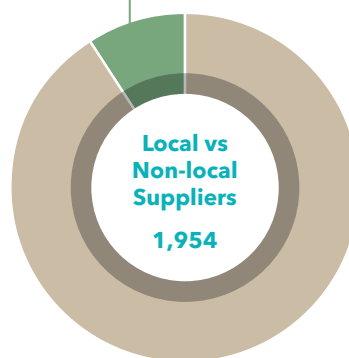


## CENTURY BOND BHD

CBB provides integrated packaging solutions, manufactures, and supplies cement bag products, non-cement bags and box cartons to companies in Malaysia and abroad. The Supplier Initial Assessment evaluates new suppliers on their quality system, product marking, price, delivery capability and payment terms.

On an annual basis, CBB evaluates its suppliers based on these criteria: services, quality, delivery capability and payment terms. CBB favours engaging with local suppliers, which accounts for 91% or 1,771 suppliers as compared to 9% or 183 non-local suppliers out of its 1,954 suppliers.

**Non-local Suppliers**  
**183**  
**(9%)**



**Local Suppliers**  
**1,771**  
**(91%)**





# ENVIRONMENT

## KEY HIGHLIGHTS

### SUSTAINABLE MATERIALS

**CPI**

Main suppliers are required to be **certified** with the **ISO 9001:2015 Quality Management System** and **adhere to the Restrictions of Hazardous Substances ("RoHS")**; and **Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH")**.



**90%** of its raw paper materials are **forest based products**.

### EMISSIONS

**CPI**

**Certified** with the **ISO 14644-1:2015 Cleanrooms and Associated Controlled Environments**.

Monitoring of indoor air quality in production areas at both CPIP and CPE.

### ENERGY EFFICIENCY

**7040 TOYOPLAS**

**NEW**

**100%** **Lightings at production floors** changed to **energy-saving LED**.



**NEW**



**Installed** up to **90% LED lightings** at its manufacturing facilities.

**NEW**



**Replaced** light fuel oil boilers with **LPG** to reduce carbon dioxide emissions.

**NEW**



To **install solar panels** by 2021.

**CPI**

**NEW**

**100%** **Installation of LED lightings** at both manufacturing facilities.



Improved cost of electricity consumption per revenue.



Installed Roof Insulation to save on heating and cooling energy cost.



Installed Evaporative Air Coolers ("EAC").

**KING KOIL**

MATTRESS CO.



Installed High-Volume Low Speed ("HVLS") Ceiling Fans to reduce thermal loads, electricity use, and mechanically heating and cooling times.

## KEY HIGHLIGHTS

## WASTE MANAGEMENT TRAINING



NEW

To implement at least **1 waste management training** session related to regulations and laws.



## TRAINING COMPLETED

Full attendance by Sustainability Champions from **Toyoplas, CPI, and CBB**.

7040

**TOYOPLAS** Waste Audit conducted and completed on **17 November 2020**.

**449.4 kg** of Secondary Waste:  
Plastics, paper and other mixed materials



Plastics (Hard)  
**154.9 kg**



Paper (B&W)  
**64.3 kg**



Other mixed materials  
**202.2 kg**



Rubber  
**28.0 kg**

**167.7 kg** of Canteen Waste:  
Food waste, plastics, paper and other mixed materials.



Food waste  
**164.5 kg**



Plastics (Hard)  
**1.4 kg**



Paper (mixed)  
**0.8 kg**



Aluminium  
**1.0 kg**



**100% Recycling** of carton trim waste to produce moulded pulp casings.



Installed **new plastics recycling** machine in February 2020 to recycle high quality plastics pellets waste.







Local schoolchildren actively participated in the EcoFrenz Beach Cleaning Programme to collect waste and debris that were strewn along the beach in Teluk Bayu beach, Penang.



# Environmental Stewardship

[GRI 102-15, 301-1, 302-1, 302-3, 302-4, 303-4, 303-5, 305, 306-1, 306-2, 307-1, 308-1]



## OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 3.9 To reduce death and illness from hazardous chemicals, environmental pollution and contamination.
- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the rate of untreated wastewater, increasing recycling and safe reuse.
- 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.
- 7.8 By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services.
- 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.
- 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors.
- 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying attention to waste management.
- 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
- 12.4 Achieve environmentally sound management of chemicals and all waste to minimise its adverse impact on human health and the environment.
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 13.2 Integrate climate change measures into policies and planning.
- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
- 13.8 Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries focussing on women, youth and local and marginalised communities.
- 14.2 Sustainably manage and protect marine and coastal ecosystems to avoid adverse impact.
- 15.2 Promote and implement sustainable management of all types of forests, halt deforestation, restore degraded forests.

**The issue of industrial waste and pollution has become more pressing as Malaysia rapidly continues to develop and expand its economy. As our core business is in Manufacturing, we continue to play an active role in spurring the interest and awareness levels amongst our employees and the community where we operate to fully realise the benefits of co-existing harmoniously with Mother Nature.**

We further reinforce the message that we all have to consciously act responsibly towards the preservation of the environment, including continuously educating our employees and future generations to do the same.



The global pandemic underlines the ramifications of neglecting sustainability practices if we turn a blind eye on the environment.

It should be noted that before COVID-19, the most pressing concern to humankind was the ability to meet the targets set by the Paris Climate Agreement signed in 2015 to address climate change. The Agreement required nations to balance output and consumption by establishing parameters to protect the planet.

While our attention has been focussed on the COVID-19 crisis, various organisations have issued warnings on many failing to meet the Agreement's 2050 targets, which could result in parts of the planet being inhospitable in addition to experiencing a greater frequency in hurricanes, tropical storms, draughts and flooding; and a surge in known diseases and emergence of more deadly new viruses.

*(Sources: CNN, Time Magazine, and The Guardian)*

Faced with these possibilities, it is imperative that we take a proactive stance in the absence of more punitive and prohibitive legislation and regulations governing the environmental impact caused by business and industrial activities.

We fully recognise this agenda and understand the role we play in mitigating the effects we have on the environment through our manufacturing, day-to-day business operations, and corporate activities.

We remain committed to striking a balance between business aspirations and the importance of safeguarding the environment. We have aligned our approach with the UNSDGs, by currently implementing seven of the 17 UNSDGs, which relate to Environment protection.

These revolve around:



#### UNSDG 6: Clean Water and Sanitation



#### UNSDG 7: Affordable and Clean Energy



#### UNSDG 11: Sustainable Cities



#### UNSDG 12: Communities, Responsible Consumption and Production as well as the protection of all sentient life.



#### UNSDG 13: Climate Action, to limit global warming to 1.5 Celsius as called for in the Paris Agreement, greenhouse gas ("GHG") emissions must begin falling by 7.6% each year starting 2020.



#### UNSDG 14: Life Below Water



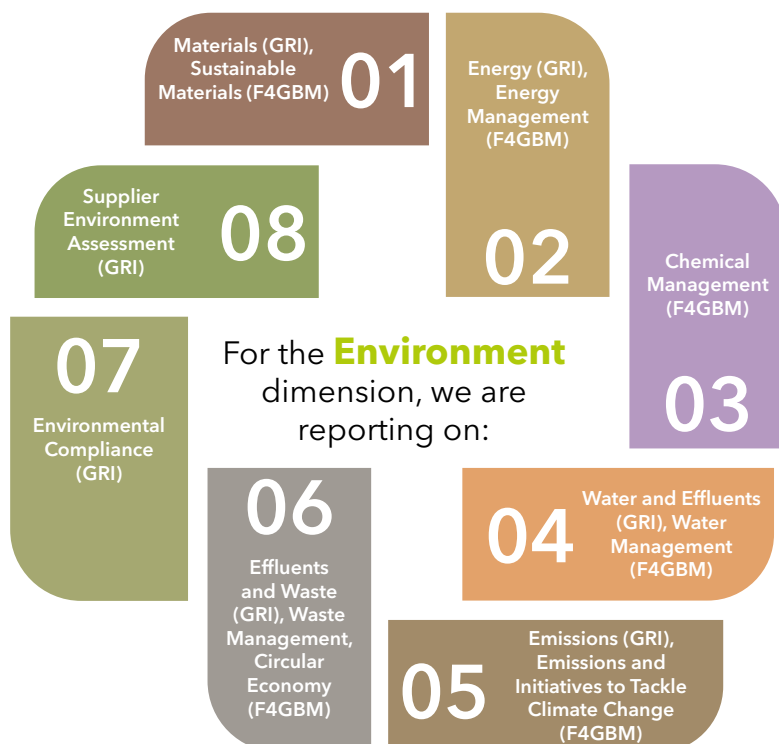
#### UNSDG 15: Life on Land.





KPS employees joined hands in collecting recyclable waste for recycling.

Apart from the principles of the UNSDGs, KPS also practises and reports on corporate sustainability based on the GRI and F4GBM guidelines.



We are deferring reporting on F4GBM's Green Building and Related Environmental Initiatives for this reporting period. While our Corporate Office at Plaza Perangsang, Shah Alam, Selangor and as the manufacturing facilities incorporate elements of green buildings, we will only coalesce our efforts and report these initiatives in the new financial year.

# Materials [GRI 301-1]

## SUSTAINABLE MATERIALS [F4GBM]

The Group's manufacturing companies are involved in plastics injection moulding, electronic components, and packaging solutions where the raw materials include resin for conversion to plastics and paper for carton manufacturing. In addition to these primary materials are a range of secondary component parts, which are chemicals that are used in the production process and the respective packaging which these components are contained within when delivered.

At this stage, we are focussed on optimising the use of all materials in accordance to the 3R guidelines of **Reduce, Reuse, Recycle** of which are certified by local and international requirements.



## CARBON FOOTPRINT

A specific budget is allocated to every department at our Corporate Office with each department head responsible for the reduction in the Group's overall carbon footprint, and to make sure wastage is minimised. We have reduced our carbon footprint by discontinuing the production of CD-ROMs and in 2019, we incorporated QR codes for shareholders and stakeholders to access digital versions of the Annual Report and Sustainability Report.

However, a small number of hard copies are printed, utilising environmentally-friendly paper. This is still a statutory requirement should shareholders request a hard copy.

We have also migrated to digital touch screen devices, tools, and gadgets for meetings while information is transmitted electronically for easy reviewing on laptops, tablets, or smartphones. To reduce our physical filing, smartphone apps now allow us to administer a paperless office. Operating in the new norm, we have substantially reduced travelling time and costs for holding meetings and business visits with the migration to video and voice conferencing. By adopting and implementing these practices, we strive to create a greener, healthier, and more sustainable workplace.

### Annual and Sustainability Reports 2020



### Annual and Sustainability Reports 2019



## MATERIALS [GRI 301-1]

### SUSTAINABLE MATERIALS [F4GBM]



To ensure that materials procured are of the highest quality, Toyoplas adheres to the International Standards Organisation ("ISO") 9001:2015, Quality Management System ("QMS"). As a producer of plastics injection moulding solutions, Toyoplas uses resin as the base material for its plastic products and other materials used in production. From January to December 2020, Toyoplas utilised almost 86% of the raw materials purchased, with the balance in storage for reuse, and the rejected scrapped completely, as shown below:

#### RAW MATERIAL CONSUMPTION/RECYCLED JANUARY - DECEMBER 2020 (KG)

MATERIAL CONSUMPTION	AMOUNT (KG)
Consumed	2,626,780
Rejected	55,380
Reused/Recycled	368,360
<b>Total Raw Materials</b>	<b>3,050,520</b>

2020 is the benchmark year for this initiative.

To enhance material optimisation at all levels of production, all our subsidiary companies will embark on the GRI indicators shown below:

<b>01</b>	Weight or volume of raw materials used in production and packaging (GRI 301-1)
<b>02</b>	Amount of recycled materials used (GRI 301-2)
<b>03</b>	Proportion of reclaimed products and their respective packaging (GRI 301-3)



CPI requires its raw material suppliers to adhere to its policies on quality and environmentally-friendly practices. Its main suppliers are required to be certified with the ISO 9001:2015, QMS and adhere to the Restrictions of Hazardous Substances ("RoHS"); and Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"). In addition, suppliers have to submit the Safety Data Sheet, which provides summarised information about the proper usage and hazards of each product, and to recommend safety precautions when handling the said products.



#### CENTURY BOND BHD

CBB is an innovative integrated packaging solutions provider that ensures at least 90% of the raw paper used for production come from responsibly-managed forests that provide EES benefits to their stakeholders. CBB successfully achieved this KPI under its most material matters during the year in review.

Another initiative was to increase the use of environmentally-friendly chemicals in the manufacturing process to reduce environmental pollution. CBB exceeded this KPI with its biodegradable chemicals usage, which accounted for 18% of total usage.



# Energy

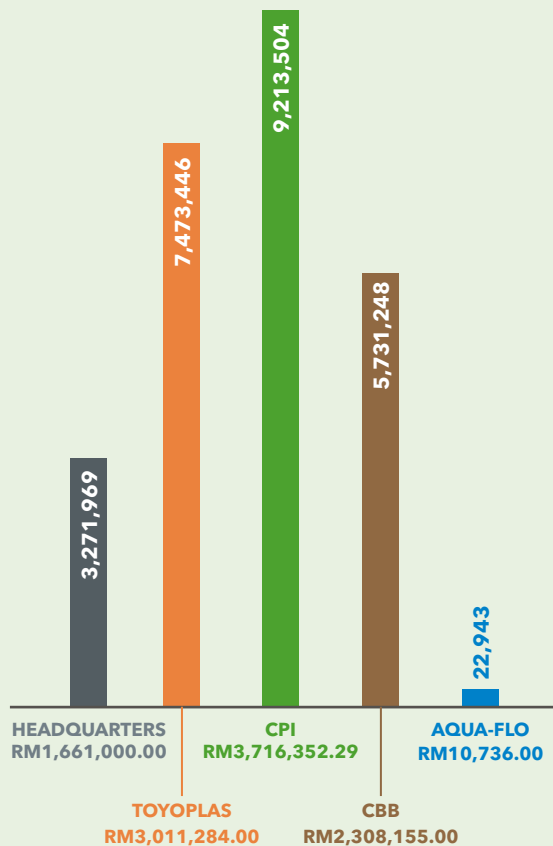
[GRI 302-1, 302-3, 302-4]

## ENERGY MANAGEMENT [F4GBM]

Energy management is the process of tracking and optimising energy consumption to conserve usage. There are few steps for the process of energy management: collecting and analysing continuous data, identifying optimisations in equipment inventory, and setting of points and flow ratings to improve energy efficiency. We are conscious of our carbon emissions and enthusiastic about improving efficiencies to meet internal sustainability goals and regulatory requirements. The more energy we consume the higher the costs, but with proper energy management systems, we can reduce this risk by making it more predictable.

The Group sources the bulk of its energy needs from the national electricity grid to power buildings and manufacturing operations. We have introduced various initiatives aimed at saving energy while at the same time exploring alternative and renewable sources such as solar. Electricity consumption at the Group level is featured in the table below:

### ELECTRICITY CONSUMPTION 2020 (kWh)



Due to the pandemic-related operational stoppages, a comparison of electricity consumption between 2019 and 2020 will not provide an accurate assessment of the energy management initiatives employed.

**7040**  
**TOYOPLAS**

**TOYOPLAS MANUFACTURING  
(MALAYSIA) SDN BHD**

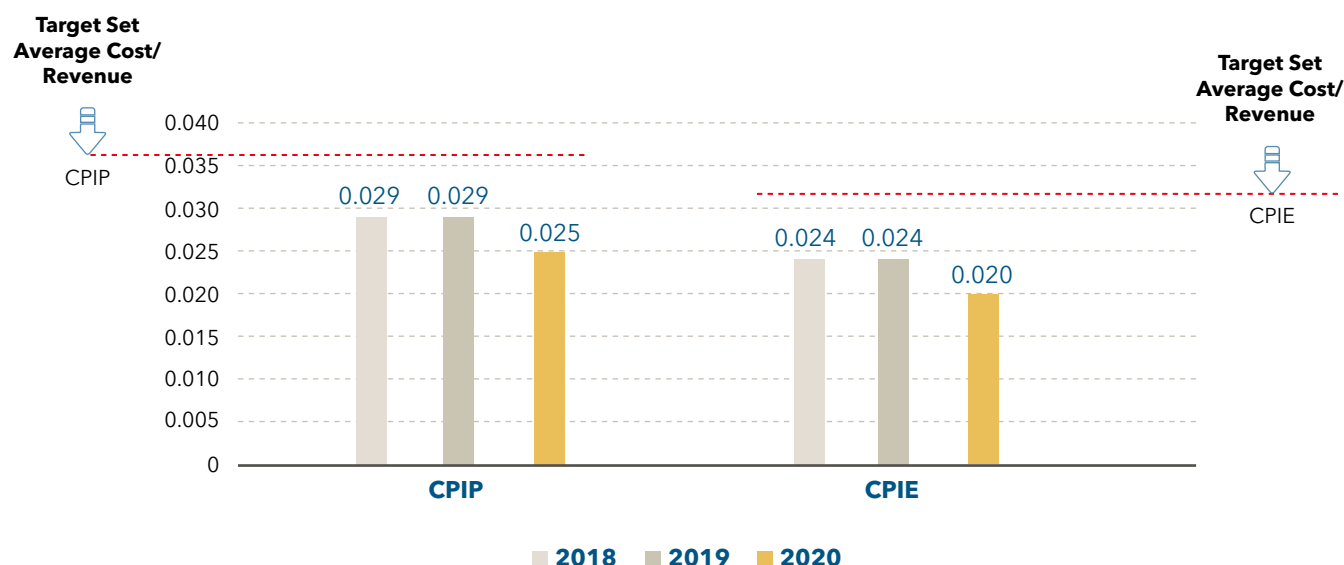
Toyoplas is turning towards renewable energy sources to lower its consumption of electricity by exploring the potential of solar energy. During the reporting period, it identified solar panels as a good option for significant energy cost savings. In the meantime, Toyoplas replaced its entire lighting system with energy-saving LED arrays at all its production floors which were completed in Q4 2020.

In addition, Toyoplas has kicked off a campaign to reduce the use of air-conditioning at all its facilities in Malaysia, Indonesia, China, Hong Kong, Singapore, and Vietnam with the installation of programmable thermostats to control temperatures. In tandem, the resting areas for workers were also relocated to provide sufficient ventilation with the use of fans and natural airflow to effectively eliminate the use of air-conditioning. Another initiative for 2021 will be the installation of auto-light solutions to reduce energy wastage.

**ENERGY** [GRI 302-1, 302-3, 302-4]  
**ENERGY MANAGEMENT** [F4GBM]



Similar to the other subsidiary companies, CPI shifted to LED lights and is now 100% LED efficient at both its manufacturing facilities. It has also inculcated the culture of turning off lights, including shutting down office equipment and non-essential appliances during break times. As part of its KPIs under the most material matters, CPI was fully committed to improving its energy efficiency during the year in review and successfully lowered its energy consumption at both CPIP and CPIE, which are shown below:



CPPI achieved an average cost/revenue of 0.025, surpassing the target of less than 0.036.

CPIE achieved an average cost/revenue of 0.020, surpassing the target of less than 0.032.

*Note: The National Quality Assurance has recommended the changes of unit measurement in 2019 to ease the understanding and direct reflection of energy value consumption vs sales.*

We are currently reviewing the reporting requirements for GRI 302-3 (energy intensity) with the intention of including them in the next Sustainability Report. The Group is formulating an Energy Audit metrology and is deferring the reporting of GRI indicators; namely, 302-2 (energy consumption outside the organisation) and 302-5 (reductions in energy requirements of products and services) until its value and risk are appraised, i.e. after considering all the energy and non-energy benefits.



**ENERGY** [GRI 302-1, 302-3, 302-4]**ENERGY MANAGEMENT** [F4GBM]**CENTURY BOND BHD**

The packaging solutions provider introduced two initiatives during the year in review. The first was to replace 90% of its lighting to LED systems by Q3 2020, and the second was to replace light fuel oil boilers with LPG, at its Nilai plant in Negeri Sembilan, which was fully outfitted in Q1 2020. The energy cost savings of the more efficient LPG burners have direct environmental benefits with an immediate reduction in GHG emissions.

To further reduce consumption, CBB plans to install solar panels to provide ancillary power to improve energy efficiency for non-production consumption such as lightings. This is slated for completion by Q3 2021.



CBB intends to install solar panels to reduce energy consumption .

**ENERGY** [GRI 302-1, 302-3, 302-4]**ENERGY MANAGEMENT** [F4GBM]**KING  
KOIL****KING KOIL MANUFACTURING WEST, LLC**

MATTRESS CO.

KKMW has identified its climate control system as one of its primary energy-efficient initiatives given the fact that summers in Arizona, temperatures can reach up to 40°C. The facility, which started operating in May 2018, is outfitted with the following to regulate the indoor climate:

**ROOF INSULATION****ENERGY-EFFICIENCY CHARACTERISTICS**

Insulation creates a barrier to heat gain and loss through the roof, thus reducing the amount of energy required for cooling in summer and heating in winter.

**HIGH-VOLUME LOW SPEED CEILING FANS****ENERGY-EFFICIENCY CHARACTERISTICS**

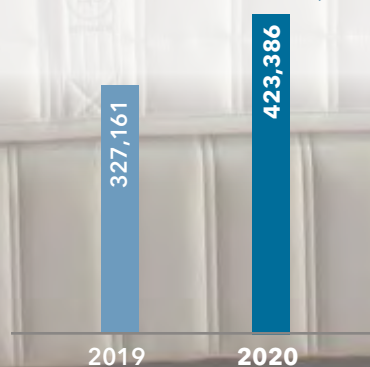
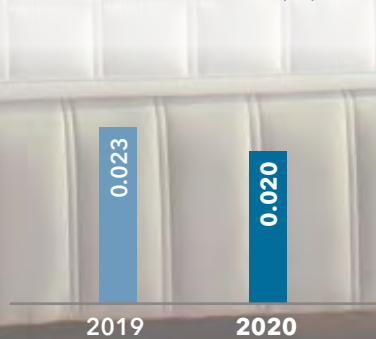
HVLS fans gently move large volumes of air down, thus helping to circulate cool air from roof-mounted EAC fans on the production floor. This improves overall ventilation with minimal energy consumption per square foot.

**EVAPORATIVE AIR COOLERS****ENERGY-EFFICIENCY CHARACTERISTICS**

EAC works by harnessing the power of evaporation to cool air temperatures. When water evaporates, it turns from liquid to gas. As it does so, the highest-energy particles leave the water first, and this leads to a drop in temperature. In addition, the use of water instead of refrigerant eliminates chlorofluorocarbon ("CFC") and other GHG emissions.

**ENERGY SAVINGS****INSTALLATION OF LED LIGHTINGS AND MOTION SENSOR SWITCHES**

The facility is also fitted with LED lightings, which only uses a quarter of the energy required by incandescent lights of comparable quality, and motion sensor switches to minimise energy waste.

**ENERGY CONSUMPTION (kWh)****ENERGY CONSUMPTION COST/REVENUE (%)**

In 2020, KKMW's electricity consumption was 423,386 kWh, an increase from 327,161 kWh in 2019.

The gross sales of manufacturing for 2020 was 46.7% more than 2019. Therefore, the increase in energy consumption was due to an increase of production.

# Chemical Management [F4GBM]

A Chemical Management System is a process that ensures proper compliance with local and international safety, environmental, and food safety policies. The method includes maintaining a comprehensive chemical inventory and system to manage Material Safety Data Sheets. Various chemicals are used in the manufacturing processes of our plastics injection moulding, electronic components and packaging solutions.

Since improper management leading to spillage can cause contamination of ground and water sources apart from the dangers posed to employee safety and health, our subsidiary companies have existing procedures on how to properly and safely move and store chemicals. CBB, Toyoplas, CPI, and Aqua-Flo have stringent procedures in place to ensure zero chemical spillage at all their premises.

In this regard, our subsidiary companies conduct periodic training sessions for their employees, such as the four-day training session held between 28 September and 1 October 2020 on safe handling of chemicals by Aqua-Flo, the water treatment chemicals provider. Additionally, all subsidiary companies have a designated Emergency Response Team ("ERT") to deal with any accidents and chemical spillage incidents.

We will be reporting on the Group's chemical usage and wastage in the next reporting period.



## CENTURY BOND BHD

In 2020, CBB utilised 65 various chemicals in its manufacturing operations. Of these, 12 are classified as biodegradable chemicals. Chemical waste is classified as scheduled waste and is safely stored for disposal by licensed third-party contractors.

CBB continuously looks at new options to increase its usage of biodegradable chemicals. The advantages of chemicals and products that contain more natural ingredients reduce the potential of health hazards among workers exposed to these substances daily and for others in the workplace. Typically, biodegradable chemicals are much safer as they do not contain chemicals that can cause significant air or water pollution.

Biodegradable materials are generally plant-based (e.g. wood, vegetable oil), animal-based (e.g. manure) or natural mineral-based products (e.g. carbon fibre polymers). In general, materials derived from nature retain some of their original chemical properties, which provides a mechanism for microbes that can be chemically decomposed (broken down to simpler components) by natural biological processes (e.g. soil bacteria, weather, plants, animals).

### Biodegradable Chemicals

1. Apple Green
2. Caramel
3. Coltide HPVP
4. Forestall
5. Linear Alkylbenzenes ("LABS")
6. Miranol C2M Conc NP
7. Proxel GXL
8. Salt
9. Sodium Laureth Sulfate ("SLES")
10. Sodium Citrate
11. Tergitol 26
12. Yellow No 5





# Water and Effluents [GRI 303-4, 303-5]

## WATER MANAGEMENT [F4GBM]

Water is the single most valuable commodity on this planet. Despite its abundance, regular and clean water supply has been under threat in many parts of the world, including in Malaysia, where the recent spate of water cuts has resulted from contamination at catchment areas such as reservoirs and rivers.

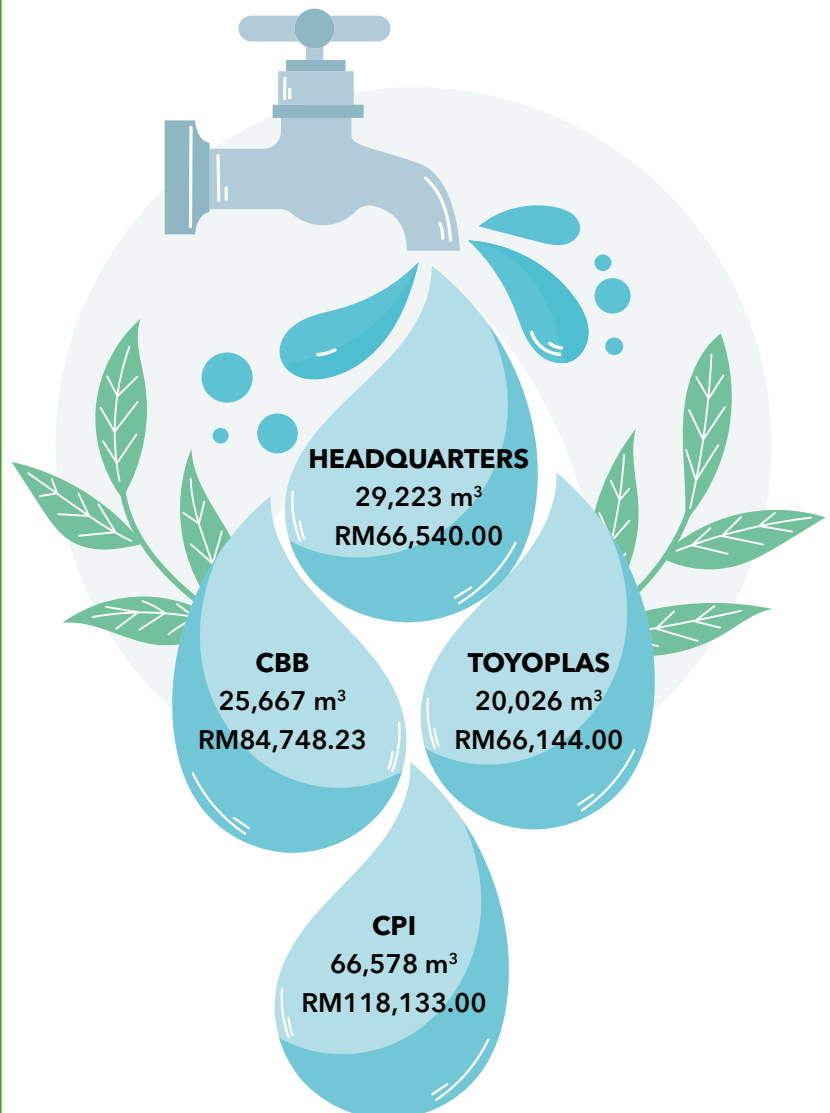
Water management is crucial in manufacturing. In order to produce goods, businesses must have a reliable means of sourcing clean water, monitoring water quality, and disposing of wastewater - one of the most significant byproducts of manufacturing. Almost every product we use today requires massive amounts of water for production. On an elementary level, the process of refining and producing raw materials such as metal, fuel, oil, lumber, chemicals, paper, and plastics demand water.

KPS is fully aware of the need to husband water resources to preserve an uninterrupted supply, which is critical to our manufacturing operations and other corporate activities. Beyond water conservation efforts such as rainwater harvesting and other innovations to recycle and reuse water, we are meticulous in managing our discharge of effluent to ensure they comply with relevant environmental standards such as the Environmental Quality (Industrial Effluents) Regulations 2009.

Similar to electricity consumption, we will hold off any comparison of water consumption between the reporting period and the previous year since the results of our water conservation efforts would be skewed by the stop-work period in 2020.

We will begin compiling data on water discharge (GRI 303-4) from our manufacturing companies in the next financial year. The other indicators (GRI 303-1, 303-2, 303-3) are not applicable to us.

### WATER CONSUMPTION 2020



## WATER AND EFFLUENTS [GRI 303-4, 303-5]

## WATER MANAGEMENT [F4GBM]



TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

## COMPLIANCE WITH ENVIRONMENT QUALITY REGULATIONS

Beyond water conservation, our subsidiary companies also ensure that any discharge of effluent from the use of water conforms with relevant environmental regulations and standards such as the Environment Quality (Industrial Effluents) Regulations 2009.

In 2020, Toyoplas appointed an external party to conduct periodic testing of its effluent discharge, the results of which are shown below:

## ANALYSIS OF EFFLUENT DISCHARGE AT TOYOPLAS

**SPECTRUM LABORATORIES (JOHORE) SDN. BHD.**  
(Company No. 276225-B)  
18A, Jalan Mutiara 2/5, Taman Mutiara, 81000 Johor Bahru, Johor Darul Ta'lim  
Tel: 07-3539249, 3539249, 3539249 Fax: 07-3539249

**CERTIFICATE OF ANALYSIS** Page 1 of 1

Company: WAN YI ENGINEERING SDN BHD  
Lab No.: W/2008/23047  
Date Sample Received: 27/08/2020  
Date Sample Reported: 05/09/2020  
Sample Description: Received One (1) Sample Labelled As Sewage  
Sample Marking: Toyo Plus Sewal - STP (27/08/2020)

Parameters	Methods	Results	STD II	Detection Limit
Temperature	Deg.C APHA 2550 B	32	40	-
pH at 25°C	APHA 4500-H <sup>+</sup> B	6.9	5.5 - 9.0	-
BOD*5 days at 20°C	mg/L APHA 4500-O <sub>2</sub> G, 5210 B	5	50	1
COD	mg/L APHA 5220 D	24	200	1
Suspended Solids	mg/L APHA 5250 D	10	100	1
Oil & Grease	mg/L APHA 5520 B	1	10.0	1
Ammoniacal Nitrogen	mg/L APHA 4500-NH <sub>3</sub> B.C.	14.70	20.0	0.01
Nitrate as N	mg/L USEPA 353.2	7.38	50.0	0.01
Phosphorus as P	mg/L APHA 4500-P in F	2.29	10.0	0.01

Notes:  
APHA means Standard Methods for the examination of the Water and Waste-Water (American Public Health Association), 21st edition, 2005.  
USEPA means United States Environmental Protection Agency.  
STD II means Malaysian Environmental Quality Act 1974 (Second Schedule), Environmental Quality (Sewage) Regulations 2009, Standard II Limits.  
\* means Sample for BOD was preserved at <4° C and tested on 27/08/2020

Analyst: WAN YI ENGINEERING SDN BHD

CHEM. SIEW YOKO LAN  
B.Sc., LMIC  
JKM No.: L/0747/1771/06  
Chemist

**SPECTRUM LABORATORIES (JOHORE) SDN. BHD.**  
(Company No. 276225-B)  
18A, Jalan Mutiara 2/5, Taman Mutiara, 81000 Johor Bahru, Johor Darul Ta'lim  
Tel: 07-3539249, 3539249, 3539249 Fax: 07-3539249

**CERTIFICATE OF ANALYSIS** Page 1 of 2

Company: WAN YI ENGINEERING SDN BHD  
Lab No.: W/2008/23046  
Date Sample Received: 27/08/2020  
Date Sample Reported: 05/09/2020  
Sample Description: Received One (1) Sample Labelled As Effluent  
Sample Marking: Toyo Plus Sewal - First Discharge (27/08/2020)

Parameters	Methods	Results	STD II	Detection Limit
Temperature	Deg.C APHA 2550 B	32	40	-
pH at 25°C	APHA 4500-H <sup>+</sup> B	6.2	5.5 - 9.0	-
BOD*5 days at 20°C	mg/L APHA 4500-O <sub>2</sub> G, 5210 B	5	50	1
COD	mg/L APHA 5220 D	21	200	1
Suspended Solids	mg/L APHA 5250 D	17	100	1
Mercury as Hg	mg/L In House Method No.24 based on APHA 3120 B	<0.001	0.05	0.001
Cadmium as Cd	mg/L APHA 3030 F, 3120 B	<0.001	0.02	0.001
Hexa-Chlorine as Cl <sup>-</sup>	mg/L APHA 3500-Cr B	<0.01	0.05	0.01
Tri-Chlorine as Cr <sup>3+</sup>	mg/L In House Method No.19 based on APHA 3500-Cr B	<0.01	1.0	0.01
Arsenic as As	mg/L APHA 3030 F, 3120 B	<0.001	0.10	0.001
Cyanide as CN	mg/L OSRMA-PG 456	<0.002	0.10	0.002
Lead as Pb	mg/L APHA 3030 F, 3120 B	<0.001	0.5	0.001
Copper as Cu	mg/L APHA 3030 F, 3120 B	0.001	1.0	0.001
Manganese as Mn	mg/L APHA 3030 F, 3120 B	0.004	1.0	0.001
Nickel as Ni	mg/L APHA 3030 F, 3120 B	<0.001	1.0	0.001
Tin as Sn	mg/L In House Method No.25 based on APHA 3120 B	0.018	1.0	0.001
Zinc as Zn	mg/L APHA 3030 F, 3120 B	0.586	2.0	0.001
Boron as B	mg/L APHA 3030 F, 3120 B	0.051	4.0	0.001
Iron as Fe	mg/L APHA 3030 F, 3120 B	0.067	5.0	0.001
Silver as Ag	mg/L APHA 3030 F, 3120 B	0.001	1.0	0.001
Aluminium as Al	mg/L APHA 3030 F, 3120 B	0.108	15	0.001
Selenium as Se	mg/L APHA 3030 F, 3120 B	0.005	0.5	0.001

Analyst: CHEM. SIEW YOKO LAN  
B.Sc., LMIC  
JKM No.: L/0747/1771/06  
Chemist

All other subsidiary companies have been briefed and are encouraged to test, monitor, and report on their respective operations' effluent discharge in the next reporting period. KPIs and action plans are being formulated for this initiative.



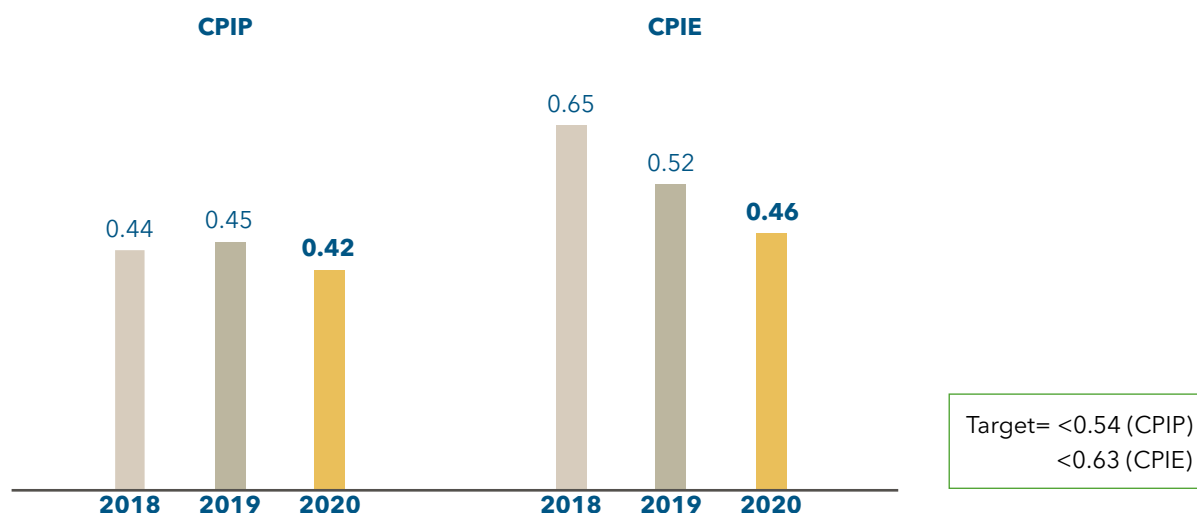
## WATER AND EFFLUENTS [GRI 303-4, 303-5] WATER MANAGEMENT [F4GBM]

### WATER MANAGEMENT



CPI had set KPIs under the most material matters to effectively use water resources during the reporting period, and successfully met its goals. CPIP and CPIE were able to meet the targets to reduce water intensity, which averaged 0.42 litre/revenue and 0.46 litre/revenue respectively. In 2020, CPIP's water consumption decreased 6.7% from 0.45 litre/revenue in 2019. CPIE registered an 11.5% decrease from 0.52 litre/revenue recorded in 2019.

### WATER CONSUMPTION (LITRES) PER REVENUE (RM)



### WASTEWATER MANAGEMENT



#### CENTURY BOND BHD

In its effort to ensure its effluent discharge meets the minimum standards set by the Department of Environment ("DOE"), CBB installed a wastewater treatment plant in Q4 2020. This initiative was one of the company's KPIs for the most material matter of Waste Reduction and Environmental Initiatives. We target to incorporate data on the effectiveness of wastewater treatment in the next reporting year.

# Emissions [GRI 305]

## EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE [F4GBM]

Carbon dioxide and other GHG are primary factors of climate change. It has a range of potential ecological, physical and health impacts, including extreme weather events, sea-level rise, altered crop growth and disrupted water systems.

To reduce GHG emissions in the atmosphere, the world needs to reach net-zero emissions. This requires significant reductions in emissions by governments and corporations worldwide, if we are to reach the 2050 targets set by the Paris Climate Agreement.

Emissions are primarily driven by four fundamental factors, which are categorised under population, per capita impact, energy intensity, and carbon intensity. Efforts are being intensified at all levels at KPS to adhere to the requirements for industrial emissions, as well as initiating a reduction in carbon emissions by our employees.

As this area requires a detailed framework for data compilation, we will defer reporting on the following to the next financial year:

### GRI 305-1

Emissions from waste generated, business travel, employee commuting and others. Direct GHG emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all), including biogenic CO<sub>2</sub> emissions (Scope 1).

### GRI 305-2

GHG emissions from location-based energy usage that produce indirect emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all) that include electricity, heating, cooling and others (Scope 2).

### GRI 305-3

Other indirect GHG emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all) from outside the company that involve upstream and downstream activities (Scope 3).

### GRI 305-4

GHG emissions intensity; these are the emissions intensity ratio for the Group.

### GRI 305-5

Emissions reduced as a direct result of the Group's reduction initiatives; and these include direct and in-direct emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all).

We are currently reviewing all relevant reporting requirements with the regulatory authorities and our sustainability consultants in preparing the steps required to plan and implement the necessary measures and reporting regime.

## EMISSIONS [GRI 305]

### EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE [F4GBM]



#### CPI (PENANG) SDN BHD

CPI monitors the indoor air quality in its production area in accordance with the Cleanroom Standard of ISO 14644-1. Periodic monitoring of air quality is carried out at both CPIP and CPIE.

We conducted two monitoring sessions at CPIP on 2 September 2020 (Chimney 9 and 10) and 2 November (Chimney 1 to 6) during the reporting period. On both occasions, the level of contaminants in the air was within the limits prescribed by the Environmental Quality (Clean Air) Regulations 2014. A separate exercise at CPIE on 3 September 2020 (Chimney 1) also yielded satisfactory results.

As part of efforts to ensure reasonable air quality in the production areas, CPI's personnel adhere to a set of practices to control emissions. These include:

Prohibited use of mould release substances.

Latex prohibition.

Scheduled bin cleaning.

Air particulate monitoring.

Air filtering system.

Workers to don gowns and hair nets.

#### CPIP

2 September 2020



Chimney 9 & 10

**Results:** Below limits as required by the Environmental Quality (Clean Air) Regulations 2014.

2 November 2020



Chimney 1 to 6

**Results:** Well adequate to control emitted contaminants.

#### CPIE

3 September 2020



Chimney 1

**Results:** Well adequate to control emitted contaminants.



#### CENTURY BOND BHD

CBB regularly monitors the emissions from its heat and power generation to measure emissions as per guidelines under the Environmental Quality (Clean Air) Regulations 2014. During the reporting period, air monitoring at Chimney of Boiler No. 1 verified that CBB complied with the regulations.



Chimney of Boiler No. 1

**Results:** Complied with Environmental Quality (Clean Air) Regulations 2014.

# Waste

[GRI 306-1, 306-2]

## WASTE MANAGEMENT CIRCULAR ECONOMY IF4GBM1



Sources of waste can be broadly classified into four types: Industrial, Commercial, Domestic, and Agricultural. Waste management includes the activities and actions required to manage waste from its inception to its final disposal.

A circular economy model, which employs not only waste management, but reuse, recycling and responsible manufacturing can support the development of new industries and create green jobs, while reducing emissions and increasing the efficient use of natural resources.

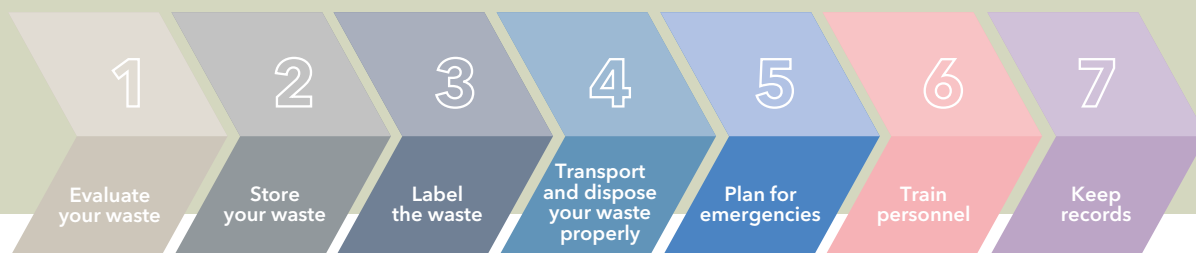
The adoption of a circular economy in business management and operations promotes the reduction of waste by continuously reusing resources. The circular economy is fast replacing the linear economic model where products are manufactured, used, and disposed.

We are on track with our 3R programmes, including practising responsible waste management at our manufacturing operations. This direction has been filtered down to our subsidiary companies whereby initiatives have already been undertaken to reduce GHG emissions and to introduce more 3R programmes to propagate inputs into the economy, whether through material or energy recovery.



Waste reduction initiatives at our manufacturing plants include the return of carton packaging for reuse (top) and recycling waste plastic into high quality plastic pellets, which are essentially the middle line between waste plastic and the manufacturing of finished goods.

### 7 STEPS IN HANDLING WASTE ACCORDING TO ISO 14001



**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]

# Taking **Action** Against **Climate Change**

## HOW WASTE MANAGEMENT AND ENERGY EFFICIENCY ADDRESS CLIMATE CHANGE

**In September 2020, we conducted training awareness programmes on waste management at our manufacturing subsidiary companies in Senai, Johor and Bayan Lepas, Penang via a collaboration between the Sustainability Unit and respective subsidiary companies' Human Resource Department.**

Having clear and measurable goals to accomplish this initiative helped us prioritise activities for preventing waste and expanding recycling programmes. With the framework having been laid in 2019, we have implemented a structured approach to handling waste at our manufacturing facilities in 2020. On this note, our subsidiary companies under the manufacturing arm had previously determined and evaluated waste from their facilities and we expect to see considerable progress on the implementation of these practices.

There are immense benefits for establishing a waste management programme throughout our operations, which can lead to achieve the following:



**Generates Revenue** - Recycling generates revenue through the adoption of a circular economy.



**Saves Money** - Recycling reduces disposal costs and improves the bottomline.



**Knowledge is Key** - By understanding the amount and types of waste we produce puts us in a better position to find ways to reduce hauling costs and negotiate for waste and recycling services that fit our needs.



**Enhances Sustainability** - Managing waste, water, and energy more efficiently are core components of sustainability. Improving the organisation's sustainability helps boost its corporate image, attract new customers, appeal to quality talents, and positively engage employees at a subliminal level.



**Reduces GHG Emissions** - Waste prevention and recycling offer significant potential for reducing GHG emissions.



**Conserves Resources** - Reusing and recycling to conserve natural resources, including trees, metals, and water.





**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]

## 7040 TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

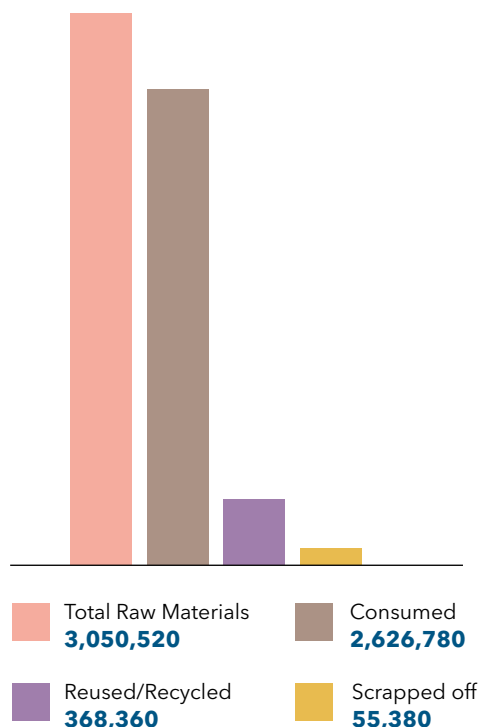
### TOYOPLAS

A firm believer in the circular economy concept, Toyoplas prioritises waste segregation as a key step towards recycling. At the heart of this is an ongoing campaign to educate employees on the 3R concept, like the provision of waste separation bins in common areas. It is worth noting that this initiative resulted in cost savings of RM72,875.25 for packaging purchases as the packaging from overseas suppliers were either returned and reused.

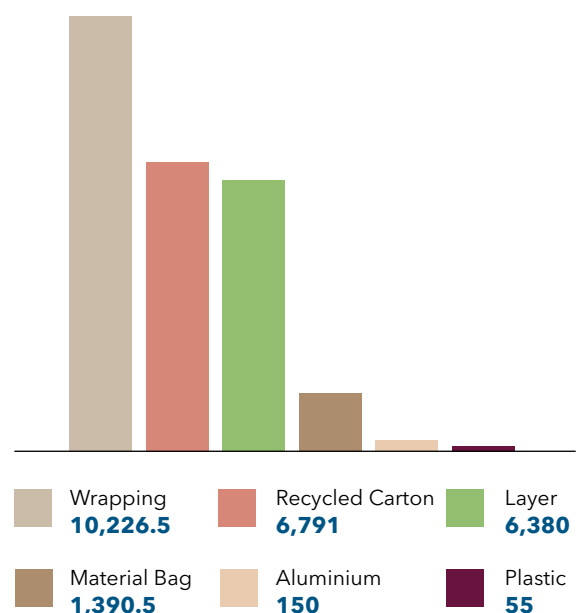
As a producer of plastics injection moulding solutions, Toyoplas uses resin as the base material for its plastic products besides other materials, which are used in production.

From January to December 2020, Toyoplas utilised almost 86% of the raw materials it purchased, with the balance being either reused or recycled for other purposes. The remaining materials that could not be recycled or reused, were scrapped off completely.

#### RAW MATERIAL CONSUMPTION/RECYCLED JANUARY - DECEMBER 2020 (KG)



#### RECYCLED MATERIALS 2020 (KG) TOTAL: 24,993 KG



2020 is the baseline year for this initiative.



Toyoplas prioritises waste segregation as a key step towards recycling and employees are continuously briefed on 3R practices to effectively manage waste.

**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]

TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

**WASTE AUDIT**

Toyoplas also conducted a waste audit from January to November 2020, to determine where it can increase recycling and reduce costs. Toyoplas undertook this initiative before the Group's drive to initiate good waste management practices in 2020. Conducting a waste audit allows for a more thorough understanding of a company's complex waste profile as waste is divided into several categories.

Where cost savings are concerned, a waste audit can help determine the effectiveness of our operations and activities by monitoring trends. The audit results can determine if re-evaluation is required to purchase less of what is being wasted or identify recyclables that can be sold.

We can also benchmark the audit results against future improvements by analysing trends and identifying for improvement. Recommendations are being made to all subsidiary companies to adopt waste segregation to facilitate recycling efforts. This exercise augurs well for the Group's sustainability agenda to improve our recycling efforts.

**WASTE GENERATED (NON-PRODUCTION WASTE) (KG)****SECONDARY**

Plastics (Hard)  
**154.9**



Paper (B&W)  
**64.3**



Other mixed materials  
**202.2**



Rubber  
**28.0**

**Total 449.4****CANTEEN**

Food waste  
**164.5**



Plastics (Hard)  
**1.4**



Paper (mixed)  
**0.8**



Aluminium  
**1.0**

**Total 167.7**

*2020 is the baseline year for this initiative.*

## WASTE [GRI 306-1, 306-2]

### WASTE MANAGEMENT CIRCULAR ECONOMY [F4GBM]



TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD



Puan Stacey Lim, the Chief Executive Officer of Toyoplas leads her team into a new era of sustainability efforts.



Toyoplas' employees were involved in in-depth discussions on best practices of waste management. The training was conducted at Toyoplas Senai, Johor on 23 September 2020.



**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]**TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD****WASTE DISPOSAL**

In the area of waste disposal, Toyoplas has been stringently treating scheduled and hazardous waste according to the relevant authorities' requirements such as the DOE. Hazardous waste is at all times stored in a designated safe environment before being disposed off by licensed third-party contractors. This ensures we minimise the impact on the environment and local communities.

Scheduled waste is removed from the premise once every six months. The total waste collected in 2020 was more than 1,000 kg.

**SCHEDULED WASTE (KG)**

**SW 409** - Contaminated Containers  
**881.66**

**SW 410** - Contaminated Bags  
**130.20**

*2020 is the baseline year for this initiative.*





**WASTE** [GRI 306-1, 306-2]

**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]



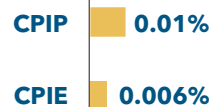
**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]**CPI (PENANG) SDN BHD**

Similar to the other subsidiary companies, CPI has embraced the principles of a circular economy, with the introduction of recycling initiatives to optimise the use of its materials and other resources.

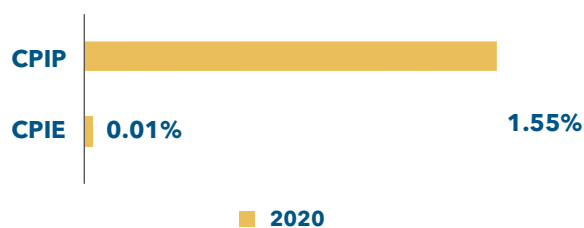
During the reporting period, CPI also carried out two initiatives to ensure the effective use of paper resources and to reduce the scrap rate from production rejects. The subsidiary achieved its KPIs for its most material matter of Waste Reduction and Environmental initiatives. Furthermore, CPI intends to control and implement the effective use of paper resources, with the target set at <0.01% for paper reams/total sales. CPIP and CPIE have achieved 0.006% and 0.01% respectively of the set targets.

**PAPER REAMS/TOTAL SALES**

Target= <0.01% (CPIP)  
<0.01% (CPIE)

**SCRAP REJECT/TOTAL SALES**

Target= <1.70% (CPIP)  
<0.05% (CPIE)



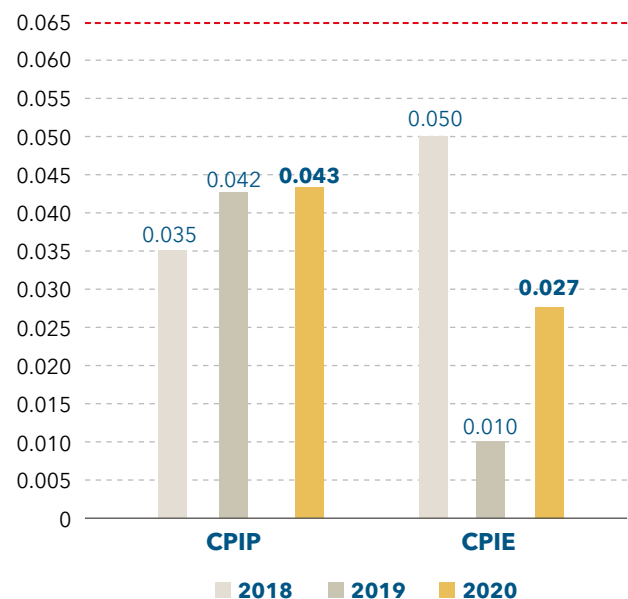
2020 is the baseline year for this initiative.

In addition, CPI has successfully reduced the amount of scheduled waste from its manufacturing operations and achieved another KPI.

**DISPOSAL COST PER REVENUE**

KPI= <0.065%

**Achieved KPI**  
**<0.065%**



## WASTE [GRI 306-1, 306-2]

### WASTE MANAGEMENT CIRCULAR ECONOMY [F4GBM]

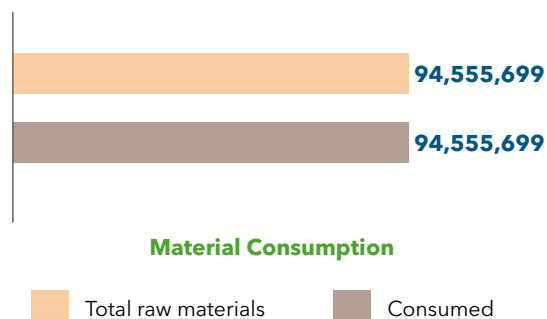


CPI (PENANG) SDN BHD



### RAW MATERIAL CONSUMPTION/ RECYCLED 2020 (KG)

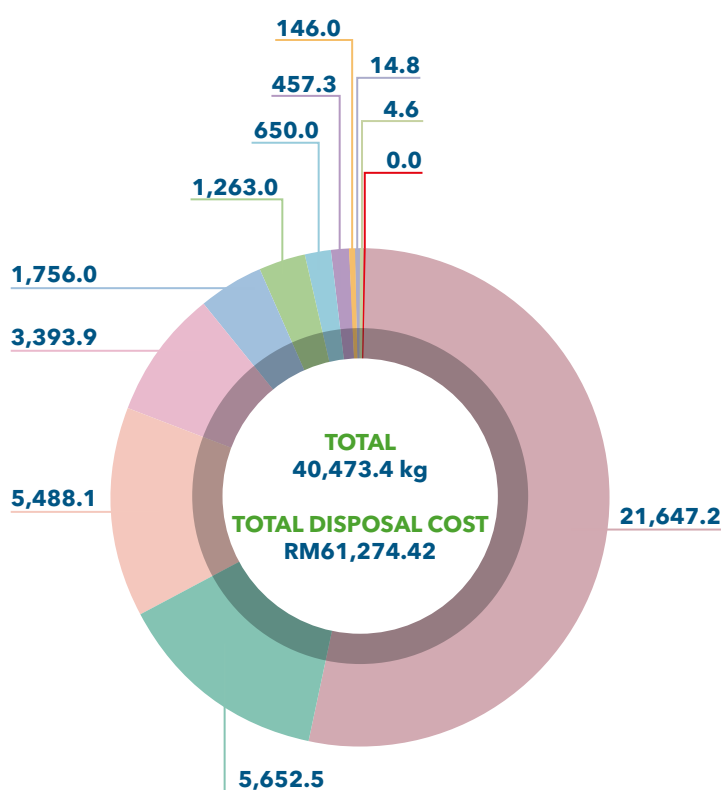
Total raw material consumption for 2020 was 94,555,699 kg.



2020 is the baseline year for this initiative.

### TOTAL SCHEDULED WASTE FOR DISPOSAL COST 2020 (KG)

In 2020, CPI disposed 40,473.4 kg of waste, compared to 31,310 kg in 2019 and 24,160 kg in 2018. The increase was due to higher production output for the year.



- SW 416 - Waste Paint
- SW 110 - E-Waste
- SW 409 - Waste Empty Container
- SW 410 - Contaminated Rags & Filters
- SW 306 - Hydraulic Oil
- SW 322 - Waste Solvent
- SW 307 - Waste Coolant
- SW 418 - Expired Paint
- SW 104 - Solder Dross
- SW 305 - Spent Lubricant Oil
- SW 325 - Uncured Resin Waste
- SW 109 - Fluorescent Lamp

Note: All charts are scaled separately.



**WASTE** [GRI 306-1, 306-2]**WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]**CENTURY BOND BHD**

CBB practises zero waste in its paper-based production, reflecting its total adoption of a circular economy in optimising resources. All raw or input materials are either used in production, recycled for internal use or sent to an external recycling company.

As part of its KPIs under the Group's most material matters, CBB, in 2018, set out to recycle 100% of its trim waste from its carton box production to manufacture moulded pulp casings.

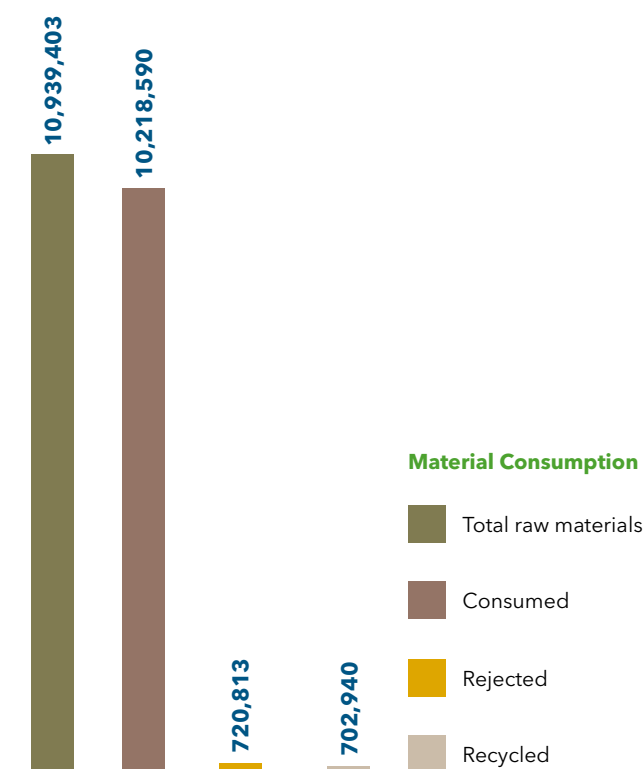
In 2020, 741,849 kg of carton trim waste was recycled and turned into moulded pulp casings. This generated a revenue of RM5,627,208.13 compared with 491,760 kg, which generated a revenue of RM2,625,107.81 in 2019.

Nevertheless, CBB has always been committed to recycle all production waste and will ensure proper maintenance of equipment and machinery. This represents CBB's seriousness and concerns in integrating the 3Rs and engaging competent waste management services to reduce and further avoid the amount of waste being sent to landfills or incinerators. CBB also installed a new plastic recycling machine in February 2020, enabling the company to recycle high quality plastic pellets from wastage and in doing so, improving cost efficiencies and production lead times. Previously, the recycling of plastic waste was outsourced, resulting in low quality plastic pallets at much higher costs.

## WASTE [GRI 306-1, 306-2]

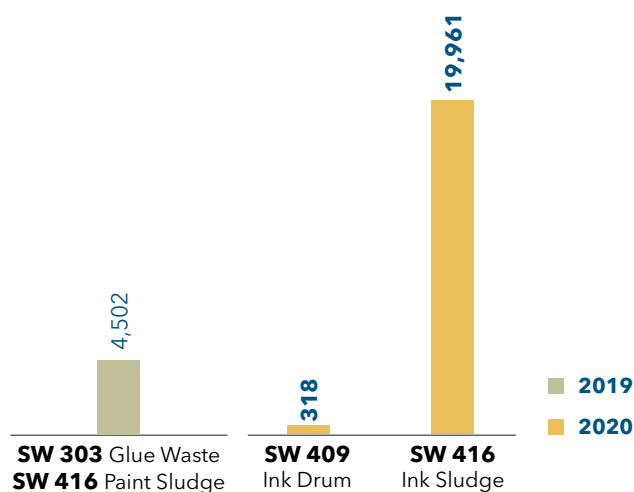
### WASTE MANAGEMENT CIRCULAR ECONOMY [F4GBM]

#### RAW MATERIAL CONSUMPTION/RECYCLED 2020 (KG)



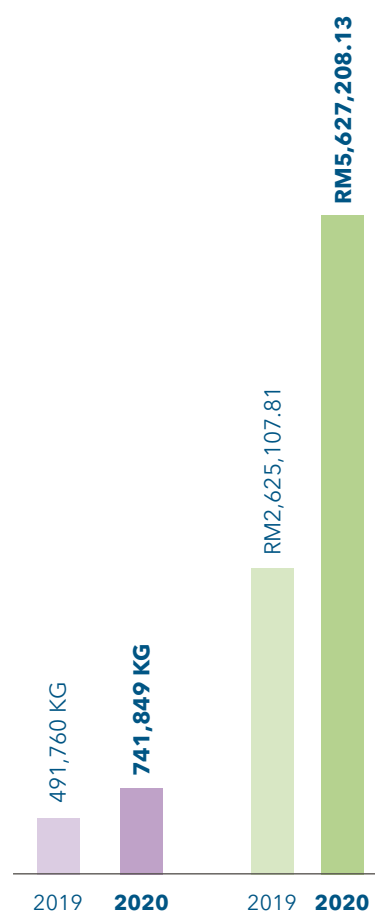
2020 is the baseline year for this initiative.

#### TOTAL SCHEDULED WASTE FOR DISPOSAL IN 2019 & 2020 (KG)



In 2019, the total weight stated was based on these two scheduled waste types. From 2021, we will be recording data according to waste type.

#### PULP MOULDING FROM RECYCLED CARTON TRIM WASTE 2019 & 2020 (KG/REVENUE)





## **WASTE** [GRI 306-1, 306-2]

### **WASTE MANAGEMENT CIRCULAR ECONOMY** [F4GBM]

#### **WASTE MANAGEMENT TRAINING PROGRAMMES**

Responding to the Government's call to reduce industrial waste generated from manufacturing activities, we organised a series of Waste Management Training Programmes for all our manufacturing subsidiary companies. Dr Theng Lee Chong, an environment and waste specialist from SoluWaste Management Consultants, highlighted the facets of municipal solid wastes and scheduled wastes. Employees from Toyoplas, CBB and CPI attended the sessions on 21, 22 and 29 September 2020 respectively at their factory premises in Senai, Johor and Bayan Lepas, Penang.

Participants were also briefed on new laws, regulations and enforcement measures in the context of the manufacturing sector and the Government's current initiatives on the subject matter.

Dr Theng had on-site tours of all manufacturing operations and in-depth discussions were focussed on existing waste management practices, potential issues, and risk factors.

Thereafter, the manufacturing subsidiary companies drew up strategies to execute action plans on improving waste management practices and efforts to achieve long-term targets of reducing the amount of waste produced and minimising their environmental footprint.



Participants of the waste management training at CBB Senai, Johor held on 22 September 2020 with Dr Theng Lee Chong seated third from right.

## Environmental Compliance [GRI 307-1] [F4GBM]

KPS and our subsidiary companies stringently adhere to all applicable laws, regulations and standards related to the environment. We have a Compliance Register that identifies, assesses and ensures compliance to all legal and other requirements.

During the year in review, there were no incidents of non-compliance with any environmental laws or regulations.

To comply with the relevant regulations on wastewater, CPI improved its water filtration system by installing three sets of grease traps at the chiller room, compressor room and canteen in May 2020.

These laws include:

**Environment Quality Act 1974**

**Environment Quality (Industrial Effluents) Regulations 2009**

**Environment Quality (Sewage) Regulations 2009**

**Environment Quality (Scheduled Wastes) (Amendment) Regulations 2007**

**Environment Quality (Clean Air) Regulations 2014**



In an effort to improve its wastewater filtration system, CPI has installed new grease trap equipment.

## Supplier Environmental Assessment [GRI 308-1] [F4GBM]

In line with our aspiration of being an agent of change for sustainability, the Group is moving towards formally assessing and selecting suppliers, vendors and service providers based on their adoption of environmental standards. We hope to inspire small and medium sized enterprises in Malaysia to embrace and implement environmentally-friendly practices in their operations via such requirements.



During the year in review, Toyoplas included various environmental standards in its Supplier Code of Conduct. The company subjects all vendors to a declaration regarding their compliance to this code, which includes a section on environment.

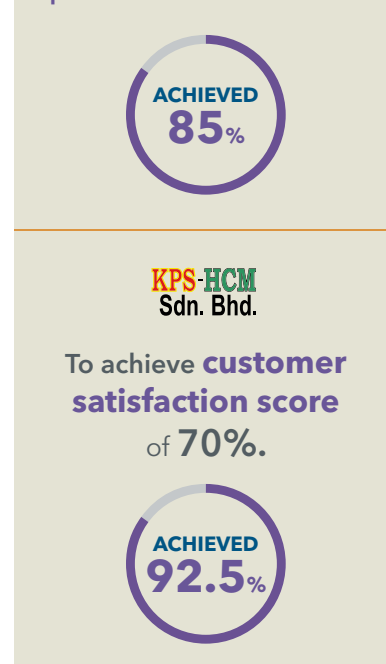
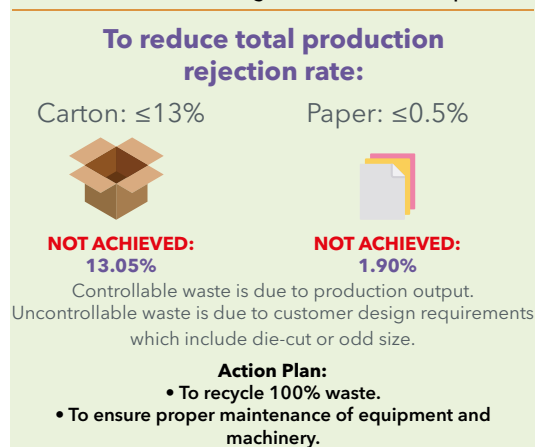
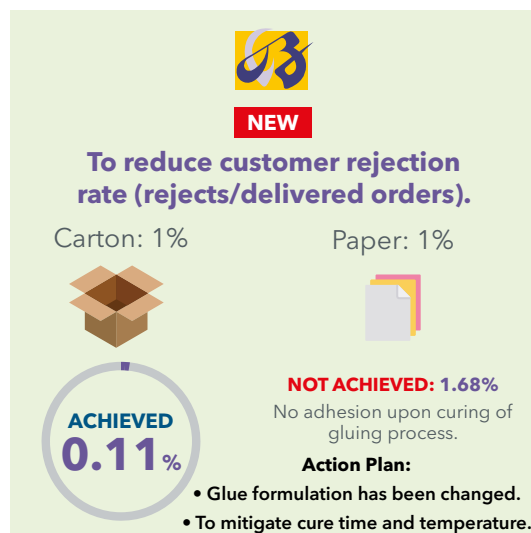
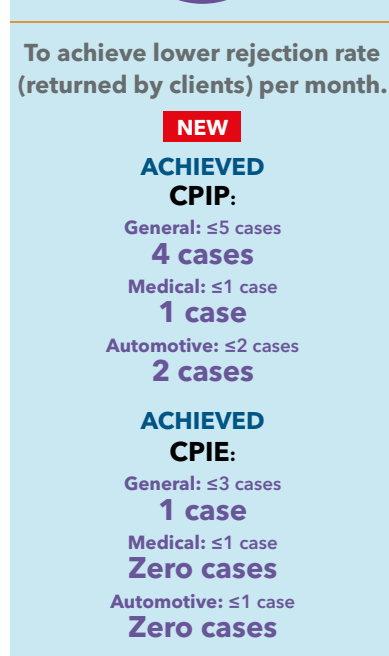
### TOYOPLAS SUPPLIERS CODE OF CONDUCT



# SOCIAL

## KEY HIGHLIGHTS

### STRINGENT QUALITY CONTROL PROCEDURES







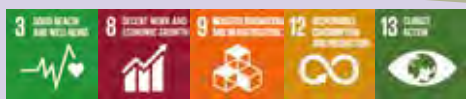
## Scaling Up Social Impact

**KPS' subsidiary companies offer a diverse array of products and services in close to 90 countries worldwide. Each subsidiary adheres to high quality standards because it directly supports our social responsibility initiatives.**





## Stringent Quality Control Procedures [GRI 102-43, 102-44] [F4GBM]



### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality, and affordable medicines and vaccines for all.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.
- 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors.
- 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
- 13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

**Pursuing best practices in sustainability performance is the pursuit of product performance across the value chain. Quality is an integral part of our culture and is embedded into all our work processes as we continuously improve the quality and safety of our products and services, while ensuring adherence to the highest standards.**

Improving product and service quality is paramount to the Group's bottomline, hence we are constantly on the path of continuous improvements. Every facet within our operations is properly reviewed and assessed to ensure that we meet the stringent criteria required, not only by regulatory authorities but in raising the benchmark of our performance.

With a focus on product and service quality, our rigorous quality systems have been implemented to improve customer retention, build brand trust and boost the return of investment. By providing high quality products and services, we have built the trust with our customers and engage with them frequently to gain valuable feedback on improvements.

While upholding our reputation for quality and reliability, we keep abreast of new developments, and conduct analyses and research to help us gain a deeper understanding of the industry and markets we serve. As the level of competition will continue its upswing with technological advancements, we are aware that adopting and capitalising on technology are the levers to heighten productivity, sustainable profit generation and retain our competitive edge.

### Stringent Quality Control Procedures [GRI 102-43, 102-44] [F4GBM]

## TOYOPLAS TOYOPLAS MANUFACTURING (MALAYSIA) SDN BHD

#### CERTIFICATIONS



##### Malaysia

#### ISO 9001:2015

Quality Management System

#### ISO 13485:2016

Medical Devices Quality Management System

#### ISO 14001:2015

Environment Management System



##### China

**ISO 9001:2015** (Shanghai)  
Quality Management System

**ISO 14001:2015** (Shanghai)  
Environment Management System

**ISO 9001:2015** (Dong Guan)  
Quality Management System

**ISO 9001:2015** (Nanning)  
Quality Management System



##### Indonesia

#### ISO 9001:2015

Quality Management System

#### ISO 14001:2015

Environment Management System



##### Vietnam

#### ISO 9001:2015

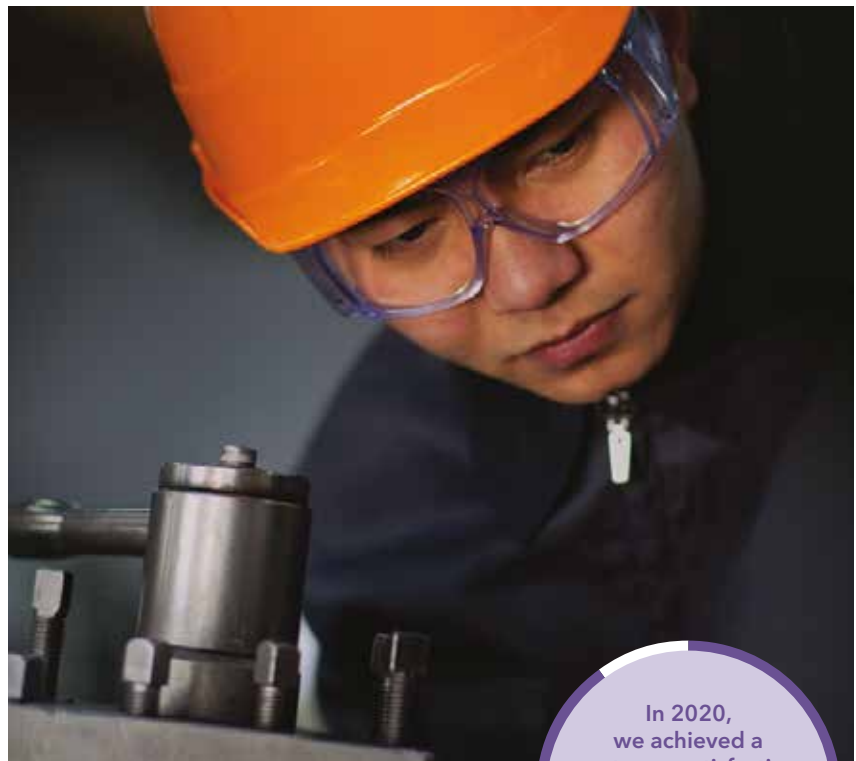
Quality Management System



Toyoplas strives to continuously improve sustainability of its operations and products, and encourage suppliers to participate in this effort by adopting sustainable practices in their operations as well. The goal is to work together with suppliers to assure full compliance with these requirements as they, in turn, cascade the requirements and criteria required to their employees, agents, subcontractors, and suppliers within their supply chain for the delivery of goods and services.

All of Toyoplas' manufacturing facilities have achieved the respective statutory certifications according to the countries' jurisdiction.

Toyoplas' QMS, provides valuable metrics, which includes on-time delivery to commit, throughput, and overall equipment effectiveness to accurately reflect its QMS' performance.



Inspection is a major component of quality control ("QC") at Toyoplas to the extend where physical products are examined visually for imperfections at its manufacturing plant in Senai, Johor.

In 2020,  
we achieved a  
customer satisfaction  
score of

# 90%

**Stringent Quality Control Procedures** [GRI 102-43, 102-44] [F4GBM]**CERTIFICATIONS****CPI****ISO 9001:2015**

Quality Management System

**ISO 13485:2016**

Medical Devices Quality Management System

**ISO 14001:2015**

Environment Management System

**IATF 16949:2016**Quality Management System  
(Clause 8.3 product design of IATF 16949 : 2016 is justifiably excluded)**CPIE****ISO 9001:2015**

Quality Management System

**ISO 13485:2016**

Medical Devices Quality Management System

**ISO 14001:2015**

Environment Management System

**IATF 16949:2016**Quality Management System  
(Exclusion of chapter 8.3 of the technical specification)**Good Manufacturing Practices**

GMP-WHO



During the year under review, CPI successfully renewed all its certifications due to its commitment to quality and adoption of industry best practices. Regular surveillance audits, both internally and by a third party are conducted to ensure that we adhere to the stringent criteria required by various certifications.

Customer feedback is key to our operations as we value the information provided and opinions of our customers. A Customer Satisfaction Survey is conducted annually by the Marketing Department, which covers topics on Quality, Delivery, Responsiveness, Communication, and Customer Service. From the feedback collated, we are able to gauge, assess and where necessary, adjust to fit their specific requirements and needs more accurately.

These surveys provide insight into areas that may be lacking, allowing us to address concerns, contribute to new ideas or innovation, and improve our customer retention rate. In the reporting period, we developed a new comprehensive Customer Satisfaction Survey format to better assess and benchmark our performance. We had set a target to achieve a satisfaction rate of at least 75%. In 2020, as of March 2020, we achieved a score of 79.3% compared with an 81.6% scoring in 2019.



QC inspection for electronic boards are an important step in the manufacturing line to consistently provide products and services that meet customer and regulatory requirements.

### Stringent Quality Control Procedures [GRI 102-43, 102-44] [F4GBM]



Pulp moulded trays are manufactured from carton trim waste at CBB Senai, Johor, which are used as packaging for consumer electronic products.



CENTURY BOND BHD

#### CERTIFICATIONS

##### **QA-D/MYS/GMP/0011**

Good Manufacturing Practices  
(WHO-GMP)

##### **QA-D/MYS/GMP/0014**

Good Manufacturing Practices  
(WHO-GMP)

##### **ISO 9001:2015**

Quality Management System

##### **ISO 14001:2015**

Environmental Management System



Based on the stringent Quality Assurance/ Quality Control ("QA/QC") procedures, CBB oversees that all stages of the manufacturing process is handled correctly and diligently. This is to ensure that quality objectives and goals are met by strictly following all of the outlined action plans.

Through proper execution of the action plans and various evaluation methods, which included the measuring of monthly delivery performance, inspection forms and records, and risk analyses, CBB continued to increase its lot acceptance rate and successfully reduced the rejection rate of products as well as customer complaints.



**Stringent Quality Control Procedures** [GRI 102-43, 102-44] [F4GBM]**KING  
KOIL**

MATTRESS CO.

**KING KOIL MANUFACTURING WEST, LLC**

The King Koil® brand ethos centres around the importance of the quality of sleep, given its positive correlation with the quality of one's life. This ethos drives our commitment in designing and producing sleep solutions that meet consumers' needs at multiple levels of affordability.

For KKMW, building best-in-class mattresses begins with the selection of quality materials to provide the desired level of comfort and support. King Koil® also incorporates materials with value-added properties, including anti-microbial, dust mite-resistant, and non-allergenic.

The missed Sales Return target in 2020 was primarily due to the iterative process, which involved all areas of manufacturing, sales and marketing, and customer service of the high-end SmartLife and Intimate LS mattress lines.

Over 50% of the sales return were from KKMW's retailer-partner and were returned from their distribution centre before they were shipped to end customers. These products were from the high-end category, for which the quality standards are very stringent. Over 90% of the returned products were reworked and reused to fulfil subsequent orders to the customers.



A worker assembling mattress at KKMW's manufacturing plant in Arizona, the US.



King Koil's Zenergy Mattress is engineered to maximise therapeutic health benefits.



### Stringent Quality Control Procedures [GRI 102-43, 102-44] [F4GBM]

An alternative measure for product quality is the Repeat Customer Rate for products that we are in control of, which shows that returning customers indicate their satisfaction with the quality of the goods shipped. Using this measure, it was reported that 93% of KKMW's customers had repeated orders in 2020.

In this reporting period, our sales returns as a percentage of gross sales were at 1.86%, exceeding our set KPI of 1.24%.

The current line of beds produced by KKMW includes the following components:

#### Tencel™ Fabric

Used in most King Koil® beds in the US market, the soft and breathable fabric is made from plant-based materials and provides a smooth surface that aids with pressure relief. Tencel™ is an eco-friendly alternative to cotton due to less energy and water required in its production.

#### CertiPUR Certified Foams

Includes the latex-like HypurGel memory foam used in the Mhybrid line. CertiPUR certified foams are made without harmful chemicals such as formaldehyde, heavy metals and ozone-depleting substances, among others.

#### Organic Wool

Wool is a luxurious, renewable resource that is flame resistant, water repellent and non-allergenic, which is used in the iMattress line.



Quilting machine for mattress border panels.

**Stringent Quality Control Procedures** [GRI 102-43, 102-44] [F4GBM]

Aqua-Flo conducts testing on its water chemicals at its high-tech water laboratory.

**AQUA-FLO SDN BHD**

Over the past 20 years, Aqua-Flo has always had the vote of confidence from water concessionaires in terms of providing potable water that meets stringent standards. Armed by Aqua-Flo's reputation in ensuring safe water management systems, our laboratories are fully equipped to analyse the full spectrum of parameters required in the Malaysia Drinking Water Standard and Malaysia Effluent Standard.

For the year under review, Aqua-Flo achieved an average customer satisfaction score for 85% from the survey conducted, which covered its performance in the following areas:

- |           |                                      |
|-----------|--------------------------------------|
| <b>01</b> | Timeliness & Reliability of Delivery |
| <b>02</b> | Quality of Products & Services       |
| <b>03</b> | Responsiveness to Customer's Needs   |
| <b>04</b> | Communication with Customers         |

Aqua-Flo achieved on average customer satisfaction score of 87.7% in 2019. This slight decrease of 2.7% was mainly due to low stock supplies at the supplier's warehouse and logistical challenges, which resulted in late delivery of raw materials and supplies.

In the year under review, there were zero reports of non-compliance, nor were there any fines imposed.



**Stringent Quality Control Procedures** [GRI 102-43, 102-44] [F4GBM]**SMARTPIPE TECHNOLOGY SDN BHD****CERTIFICATIONS****MS ISO 9001:2015**

Quality Management System



As the need to manage NRW better and protect precious water resources have become increasingly important, NRW management allows utility providers to expand and improve their service. Specialising in pipeline rehabilitation and trenchless construction systems, Smartpipe offers integrated solutions to water, sewerage and other utility companies for the maintenance of their pipeline assets.

The solutions provided enabled improved water management and cost-effective options, which reduce the risk of water losses that translate into financial losses. Smartpipe's NRW reduction strategy to conserve water, minimise damage to the environment and lower NRW rates include innovative methodologies and technologies.

During the year in review, Smartpipe installed an estimated 14 km of pipes in seven locations under its ongoing Air Selangor Pipe Replacement Programme Package 12. Smartpipe has successfully renewed the ISO 9001:2015 certification for civil engineering contract works to ensure product quality and continuous improvement.

This accreditation was a transition from the previous, which was accorded to the company in 2018. Guided by stringent QA/QC procedures and guidelines, Smartpipe employed the Plan-Do-Check-Act ("PDCA") processes, which involved enhanced risk-based thinking to better assess the risks present in its business operations.





## Stringent Quality Control Procedures [GRI 102-43, 102-44] [F4GBM]

**KPS-HCM**  
Sdn. Bhd.

KPS-HCM SDN BHD

### CERTIFICATION

**ISO 9001:2015**

Quality Management System



KPI target achieved

**92.5%**

in Customer Satisfaction Survey

KPS-HCM is certified with the QMS ISO 9001:2015, which covers the provision of civil and infrastructure works. The certification endorses the company's commitment in producing quality based work processes and products for its customers.

A Project Quality Plan was formulated for each project undertaken, which was part of an ongoing compliance to the QMS. This Project Quality Plan encapsulates the execution of construction processes, project management and includes the monitoring of works until project closure.

In June 2020, KPS-HCM conducted a Customer Satisfaction Survey with a target to achieve a satisfaction score of above 70%. The purpose of this survey was to gain an understanding and assess customer satisfaction towards its services. KPS-HCM achieved a score of 92.5%, which surpassed the set KPI target. For 2019, the satisfaction score was 73.3%. This indicated a 20.7% increase, a testament to the company's provision of quality service.

### Criteria in KPS-HCM Customer Satisfaction Survey



**Product Quality**



**Process Quality**



**Environmental Measures**



**Service Quality**





# SOCIAL KEY HIGHLIGHTS

## Corporate Social Responsibility

BUDGET 2020 **RM2,000,000**



### Education Development

**RM128,818.40**



### KPS CerDik

**RM100,000**



**28** Students



### KPS Junior (Industrial Placement)

**RM28,818.40**

**5**

interns in Industrial  
Placement Programme

**1**

graduate in Graduate  
Attainment Programme  
("GAP")



### Entrepreneurship Development

**RM494,600**



**Livestock  
Management**  
**RM135,000**

**30**

participants



**Postnatal**  
**RM144,000**

**30**

participants



**Caregiver**  
**RM197,600**

**40**

participants



**Caregiver-KPS  
Community Outreach**  
**RM18,000**

**15**

trainees

**95**

community  
members



### Environment, Safety and Health

**RM293,880**



**KPS Clever Cyclist**  
(Road Safety Awareness Programme)

**RM98,000**

**91**

participants



**Swimming & Water Safety  
Campaign**  
(Junior Lifesaving Programme)

**RM154,200**

**130**

participants



## SOCIAL KEY HIGHLIGHTS

Corporate Social Responsibility

### Community Development



# RM343,200

KPS SPORTS FOR ALL:



**Badminton Therapy Clinics for Autistic Children:**

## RM145,400

**60** children



**KPS Badminton for the Hearing Impaired Development Programme**

## RM66,000

SPONSORED

**2** hearing impaired players below 25 years old

### Sports Development



**Swimming**

## RM43,800

**Talent Identification for Swimmers with Special Needs**

# 5

participants



KPS

**Lifeguarding & Swimming Instructor Certification Course**

# 4

juveniles certified

# 3

successfully employed



**KPS Junior Cyclist Development Programme**

## RM68,000

SPONSORED

**15** cyclists below 15 years old



### Philanthropy

## RM20,000

**21** Associations, NGOs and Schools

## RM10,000

**Waqf Dialysis Center**

## RM200,000

**Distribution of Korban meats to community members in Selangor State**

## RM44,550



**PPE donated to Klinik Kesihatan Kelana Jaya**

## RM100,000



**Contribution to State of Selangor's COVID-19 Special Assistance Fund**

Donations to **56** non-Muslim families affected by COVID-19

## RM3,640

**RM65** each to **56** community members



## RM10,000

**Surau Al-Firdaus** at Taman Banting Baru, Banting, Selangor



## 500

hand sanitisers worth **RM15,000** distributed to Pejabat Pendidikan Daerah ("PPD") Petaling Perdana



## RM10,000

for **free** internet access and **desktop computers** contributed to SJK (C) Chen Moh, Petaling Jaya



## RM29,316

worth of PPE to **6** medical clinics in the Klang District



**Employee Emergency Assistance Fund: RM10,000**



## RM9,800

**230** bottles of hand sanitisers to **73** schools in Johor



KPS CerDik under the purview of the Education Development Programmes enable Orang Asal children to access quality education and to reduce the disparity in the community.



## Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1][F4GBM]



### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 1.A Ensure significant mobilisation of resources from a variety of sources and to implement programmes and policies to end poverty.
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality healthcare services and access to safe, effective, and affordable medicines and vaccines for all.
- 4.4 To increase the number of youth and adults to have relevant skills for employment, decent jobs and entrepreneurship opportunities.
- 4.B Substantially expand the number of scholarships available to developing countries, or enrolment in higher education, in developed countries and other developing countries.
- 5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and property, financial services, inheritance and natural resources.
- 5.B Enhance the use of enabling technology, to promote the empowerment of women.
- 6.A By 2030, expand international cooperation and capacity-building support to developing countries in water-and sanitation-related activities and programmes.
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of enterprises.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, eliminating discriminatory laws, policies and practices and promoting
- 11.A Support positive economic, social and environmental links between urban, and rural areas by strengthening national and regional development planning. appropriate legislation, policies and action.

**We ensure a conducive, healthy, and safe workplace environment to support and nurture a high-performance culture within KPS. It is vitally important for our employees to leverage our Core Values to actively engage in our community development and CSR programmes as part of their personal and career growth trajectories in strengthening social skills.**

## Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1] [F4GBM]



**OUR EMPLOYEES:** Addressing the new norm at the workplace: Our 4,213 employees spread over five countries are the pillars that have ensured KPS' sustainable growth. We have pulled through a crucial period in 2020, and the synergistic strength amongst all employees was the determiner for our better-than-expected performance.

We have put together new protocols to address health and mental well-being concerns of our employees and workers, especially with the new work-life situation.

In encouraging exceptional performance among employees, we have specially curated training programmes and opportunities for career advancement to support their professional growth and personal goals in propagating a dynamic talent pool.



**KPS EDUCATION DEVELOPMENT PROGRAMMES:** KPS has stepped in to analyse, intervene and provide solutions to address the challenges faced by Malaysia's Orang Asal and the less fortunate in our community. We have achieved great strides with our education programmes that offer them access to education in tandem with the national education policies and programmes designed for these children. Our success lies in their achievements as they grow and develop into productive adults.



### **KPS ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES:**

KPS has trained and developed social entrepreneurs amongst our community members. Our beneficiaries have gained from specially tailored programmes that are designed to enable them to explore a multitude of business opportunities. We also focussed on empowering women, especially those from challenged backgrounds, including single mothers.

In 2020, 110 participants completed training programmes in livestock breeding and management, caregiving services, and postnatal services. Since 2017, the majority of participants from these programmes have gone on to become successful entrepreneurs. We are proud to be associated with them and salute their willpower to improve their lives and those of their families.



## Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1] [F4GBM]



**KPS COMMUNITY DEVELOPMENT PROGRAMMES:** Our beneficiaries have benefitted from the various community development programmes and initiatives we have organised and carried out since 2014. KPS is recognised for its philanthropic efforts in alleviating the burden of the impoverished in communities where it operates. We have extended humanitarian aid to assist members in our communities who may have been victims of natural disasters or unfortunate incidents, impoverished families, and the chronically infirmed.

We have been actively involved in local religious and cultural programmes and have extended humanitarian assistance in times of crises. We work closely with Government agencies and NGOs to lend our support through cash or in-kind donations.

**KPS SPORTS DEVELOPMENT AND SPORTS FOR ALL**

**PROGRAMMES:** We have invested RM8 million from 2014 to 2020 to enable 46,775 participants, the majority of whom are from the lower-income groups. Our programmes include various sports activities, including football, badminton, swimming, and cycling.

In promoting social equality, our programmes are planned to encourage and increase participation from both the abled and differently-abled. The objective is to unearth and nurture the talents of budding and potential professional athletes.



**ENVIRONMENT, SAFETY AND HEALTH:** KPS has undertaken several environment, safety and health initiatives such as 'gotong-royong' cleaning up efforts of beaches and villages, tree-planting, and creating awareness programmes on the importance of environmental preservation, including health and safety aspects. These programmes are extended to the younger generation in our communities, with the underlying effort of nurturing their awareness on improving their future prospects and safeguarding the environment.

## Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1] [F4GBM]

**The Group's sustainability agenda has not veered from the main aim of progressively developing our communities and societies. This is a long-term commitment, which is deeply ingrained in its culture to make meaningful contributions for the greater good of society as a whole.**

**The implementation and execution of our CSR initiatives are grounded in value-creation potential, which are backed by our commitment to tackle societal challenges and effect positive changes in the lives of our beneficiaries.**

At a time when many companies were facing eroding business demand and were either forced to downsize or cease operations, our business units were aggressively pushing through existing limitations in pursuit of new opportunities to stabilise, if not grow, our market presence, albeit being in a challenging and competitive business climate brought on by the ripple effects of the COVID-19 pandemic. This reflects our high-performance culture amongst our employees, who stimulate change and inspire progress, who continuously improve and enhance their capabilities, to move KPS up the value chain.

In the spheres of community engagement and promoting social cohesion, KPS aspires to be the epicentre of dynamic growth and diverse social activities. Our CSR chronicles speak volumes of the various community development initiatives, that have helped thousands of people in our communities over three years (2018 to 2020). The programmes and activities, which mainly target the underserved in the community, were organised under the four core CSR Pillars, namely **Education Development; Entrepreneurship Development; Community Development;** and **Environment, Safety & Health.**

By helping the disadvantaged, discouraged, and impoverished in our society, our overarching desire is for them to improve their chances of being gainfully employed, or for them to start their businesses in order to strengthen their economic standing as well as their physical and mental well-being. Our initiatives have veered towards contributing effectively to nation-building as valuable members of society.

KPS has grown exponentially, reporting revenue in the last four years, which was largely contributed by new business acquisitions. In a strategic move under the BTP established in 2016, its solid numbers and investment portfolio has elevated the Group's profile. Together with a regional business reach, and alongside its financial success, our CSR model has provided low income earners, the poor and differently-abled opportunities in education, job prospects, entrepreneurship and at the same time, enabling talent in competitive sports.

Our business performance and CSR are inextricably linked to the EESG dimensions as we believe that healthier corporations make a healthier society. It further urges us to continuously improve by not only setting ambitious goals but repeatedly stretch to do even better by exceeding existing goals and setting new goals. In this manner, we are consciously maximising good practices and habits, while minimising the severity of impacts from our operations and activities.

## Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1] [F4GBM]

What this translates into for our sustainability and CSR practices is about how we have been **Scaling Up Social Impact** by carrying out meaningful initiatives rather than superficial for publicity's sake. The Group's sustainability and CSR objectives have clearly matured as over the years, as we have intensified our role by balancing the **5Ps of People, Planet, Prosperity, Peace, and Partnerships**.



### COMMITTING TO PEOPLE-FIRST FOR PLANET AND PROSPERITY

As part of the UN Crisis Preparedness and Response Plan, and to help Malaysia recover from the pandemic, build resilience and a sustainable future; UNDP Malaysia created response packages for both short and long-term interventions in the following areas:



Effort to uplift the underprivileged in our society has never been easy but through effective collaborative partnerships our collective efforts encourage our employees, stakeholders and especially those from deprived backgrounds in our community to get together and make a difference. Concerned about the ramifications of the abrupt shifts in markets, we effectively responded to key threats where emphasis was on the need for everyone to work together to manage risks and enhance resilience. The vulnerable in our communities potentially have higher health and financial risks and as an organisation with operations in five countries, we fully recognise that creating positive social value is one of our main tasks.

As part of the Group's mid-term and long-term business continuity strategies in the workplace, we have focussed on allocating more resources toward raising awareness in addressing risks and issues pertaining to labour practices, health and safety of workers, employee diversity and inclusivity, as well as talent development and empowerment.

Our community-oriented efforts are primarily carried out to address the poverty issue in our own backyard. Even during economic decline, we found ways to strengthen our commitment to CSR, rather than moderate it. While we had to roll back or cancel certain programmes, we pressed on with our community engagements to offer participants opportunities in advancing their knowledge, skill sets, and livelihoods. More importantly, it was an impetus for them to climb above the poverty threshold, contribute effectively towards economic growth and set a precedence for others to follow.

### Scaling Up Social Impact: Corporate Social Responsibility [GRI 413-1] [F4GBM]

We encourage our employees to actively participate in our community programmes and in 2020, much of our indirect economic impact was provided through humanitarian relief and volunteering activities. Their invaluable contribution was a much welcomed relief to assist those in need, at a time when Government agencies and the national healthcare system were under tremendous strain. It was also an opportunity for our employees to have purposeful engagement and to deflect the isolated nature of working from home during the pandemic.

#### EVOLVING AND PROGRESSIVELY IMPROVING

Since the start of our sustainability journey in 2017, our efforts have expanded from merely focussing on philanthropy and compliance to a level where we are seeing more substantial commitment from all our employees in ensuring that our CSR strategy positively influences perceptions in the workplace, marketplace, environment, and community with favourable outcomes.

Social sustainability has always revolved around how we identify and subsequently manage our business impacts on the communities we operate in. We essentially take a multi-stakeholder perspective when drawing up our social sustainability plans and programmes, as stakeholders demands are on the rise for more measurable EESG sustainability practices. In creating value for the community, we have stepped up efforts in continuously collecting feedback to assess and address the needs of our employees and communities.

Underpinned by the targets and vision of our Sustainability Policy, and in supporting the objectives of the UNSDGs, our CSR initiatives encompass solutions, designed to build resilient local communities and enhance the quality of their lives.



Participants of the KPS Caregiver Programme were trained on the proper techniques and skills in caregiving services for the aged in our communities.



# Enabling and Empowering Our Human Resource

## EMPLOYMENT [GRI 401]

“ **Our 4,213 employees based in five countries are our most important asset and we continue to prioritise their well-being and the importance of keeping employee morale high by maintaining open engagement at all times.** ”

Strategic investments in human capital development, which include technical and soft skill programmes, are part of our approach in driving a high-performance culture within the Group and in ensuring the retention of a quality workforce.

Empowering our employees not only opens up career opportunities, as it motivates and inspires them to achieve and attain their own personal career goals, which inevitably contributes to higher productivity levels, and improvements to the Company's bottomline. Empowered employees understand their role in supporting customer needs, in managing expectations, and improving the quality of products and services.

It is important for KPS to focus on building a connected sustainable workforce and to ensure that productivity is always at optimal levels, we put a high emphasis on protecting the health and safety, as well as the well-being of our employees.

While retention is a cornerstone of a successful and healthy work culture, it is equally important to realise that the cultivation of sustainable employees protects the longevity of a business, and is a catalyst to driving it toward future success.



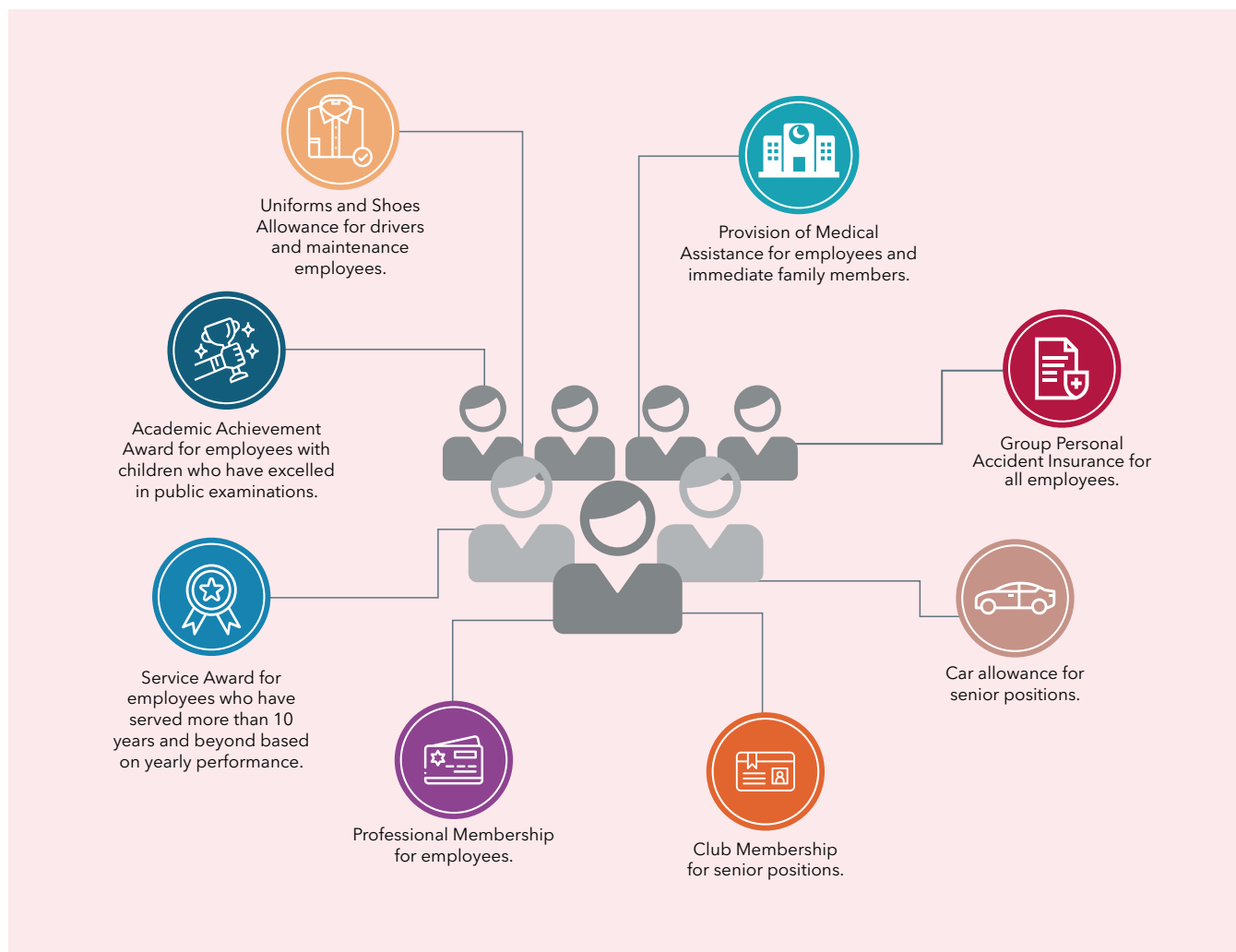
Employees of the Group attend one of the Corporate Sustainability Workshops at KPS Headquarters in Shah Alam. Interactive training methods enabled participants to actively engage in discussions and gain insights into better managing the Group's sustainability initiatives.

## Enabling and Empowering Our Human Resource Employment [GRI 401]

### EMPLOYEE COMPENSATION AND BENEFITS

In addition to their fixed base salary at the Group level, employees are also eligible for other forms of compensation, which includes an additional 4% of employer contribution to the EPF, over and above the prevailing rate of 12% to 13% for employees who have served more than five consecutive years with KPS. We also paid out 13 months salary to eligible employees in 2020.

In addition, we offer the following benefits to our employees:



## Enabling and Empowering Our Human Resource Employment [GRI 401]

### PROVIDING GOOD EMPLOYMENT [F4GBM]

We are committed to protect the rights and interests of our employees. This involves ensuring workplace safety and security, social protection, providing prospects for career development, fair income and social integration.

The gross wage per month we offer employees at entry level complies with Malaysia's Minimum Wages Order 2020. We offer fair remuneration and do not discriminate against individuals on the basis of race, gender, age, national origin, religion, sexual orientation, gender identity or expression, marital status, citizenship, disability, veteran status, or any other legally protected factor.



#### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGS

- 8.1 Sustain per capita economic growth in accordance with national circumstances.
- 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of enterprises.
- 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production.
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.6 Substantially reduce the proportion of youth not in employment, education or training.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.

The fundamental responsibility we have towards our employees is to comply with Malaysian laws and regulations relating to employment, work environment, human rights, and other relevant legislative requirements, as listed below:

ACT 265	Employment Act 1955	ACT 2018	Employment Insurance System Act 2017
ACT 177	Industrial Relations Act 1967	ACT 709	Personal Data Protection Act 2010
ACT 514	Occupational Safety and Health Act 1994	ACT 753	Minimum Retirement Age Act 2012
ACT 452	Employees Provident Fund Act 1991	ACT 732	National Wages Consultative Council Act 2011
ACT 4	Employees' Social Security Act 1969	ACT 350	Children and Young Persons (Employment) (Amendment) Act 2019
ACT 53	Income Tax Act 1967		

The workplace culture embedded at Group level and across all subsidiaries is designed to foster creativity and teamwork, and help boost employee morale and job satisfaction.

## Enabling and Empowering Our Human Resource Employment [GRI 401]

### LEADING THE WAY IN PROFESSIONAL EXCELLENCE

We demand excellence in our people by firstly providing a compelling vision with clear set goals. Our multi-disciplinary team comprises a diverse group of professionals that have complementary skills, qualifications, and experience, each bringing a different perspective in generating ideas and solutions to enhance the value of our business operations.

## CERTIFIED PROFESSIONALS IN KPS

<b>Malaysian Institute of Accountants ("MIA")</b> 	<b>The Malaysian Institute of Certified Public Accountants ("MICPA")</b> 	<b>The Association of Chartered Certified Accountants ("ACCA")</b> 	<b>Malaysian Institute of Human Resource Management ("MIHRM")</b> 
<b>Malaysian Institute of Management ("MIM")</b> 	<b>The Institute of Internal Auditors Malaysia ("IIAM")</b> 	<b>Certified IR Practitioner, UK IR Society ("CIR,UK")</b> 	<b>Institute of Enterprise Risk Practitioners ("IERP")</b> 
<b>Malaysian Association of Risk and Insurance Management ("MARIM")</b> 	<b>The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")</b> 	<b>The Chartered Institute of Management Accountants ("CIMA")</b> 	<b>Certified Environmental Professional In Scheduled Waste Management ("CePSWaM")</b> 
	<b>Malaysian Association of Company Secretaries ("MACS")</b> 		



# Employee Engagement

## LABOUR/MANAGEMENT RELATIONS [GRI 402]

**Our Management Team and employees believe in constant and consistent engagement to achieve better understanding and high empathy of challenges faced by the respective parties. As such, we have put in place a comprehensive structure to promote and facilitate a two-way exchange of views and ideas.**

### 1<sup>ST</sup> TOWN HALL - 20 JANUARY 2020



The Human Resource Development Department ("HRD") organised the first Town Hall in 2020 where Encik Ahmad Fariz bin Hassan, MD/GCEO, presented the results of Corporate Key Initiatives ("CKIs") and KPIs with 65 employees in attendance.

### 2<sup>ND</sup> TOWN HALL - 6 MARCH 2020



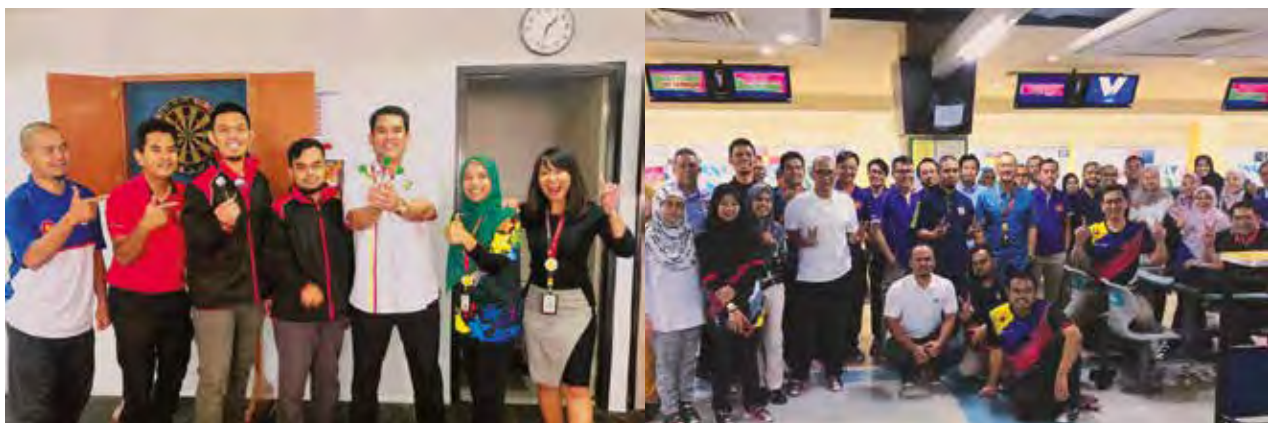
During the second Town Hall, our MD/GCEO presented the approved 2019 Performance Bonus and 2020 Performance Increment. In his address, he conveyed his gratitude for their contributions and commitment throughout 2019.

**Employee Engagement**

Labour/Management Relations [GRI 402]

**MINI INDOOR OLYMPIC GAMES 2020**

Perangsang Selangor Sports and Recreation Club ("KELAB") organised the first Mini Indoor Olympic Games from January to May 2020 and the second between mid-November and end-November 2020. While some of the games were rescheduled due to the MCO, some were scheduled virtually. Employees participated and competed in bowling, ping-pong, caroms, darts, volleyball, and FIFA 2020 e-sports on the PlayStation 4.

**MINI INDOOR OLYMPIC GAMES 2020**

Building camaraderie amongst employees in friendly competitive sports.

## Employee Engagement

Labour/Management Relations [GRI 402]

### KPIs SETTING - 10 FEBRUARY 2020

The HRD organised refresher sessions for 2020 KPIs Setting. During the programme, the external appointed HR facilitator, Puan Aminah binti Abdullah guided and coached participants on how to identify and prepare effective KPIs, that are in line with the Company's objectives and business goals. These were based on the following steps:

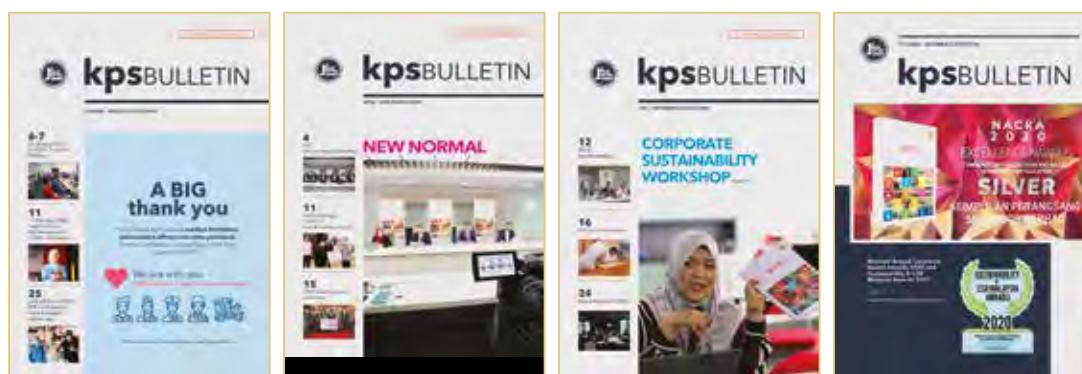
**Clarification** To clarify the current position of each business aspect and performance expectations.

**Benchmarking** To provide a point of reference for making future or past comparisons.

**Focus** Outline the important aspects of each business within the Group for immediate attention.



### INTERNAL QUARTERLY BULLETINS 2020



KPS quarterly Bulletins captured the Group's highlights and employee activities. Published by the IRSC department, the Bulletins also featured informative articles such as HR aspects, health and safety, and general knowledge. Since 2018, the Bulletins have been digitised and circulated to our employees via the intranet as part of our sustainability initiatives to obliterate the usage of paper for printing.



## Employee Engagement

Labour/Management Relations [GRI 402]

### IR4.0 TRAINING AWARENESS - 4 MARCH 2020

The HRD organised the Industrial Revolution 4.0 ("IR4.0") Training Awareness Programme which was facilitated by Encik Azhar bin Md Nayan, Master Consultant and Trainer from Smart Digital Network Sdn Bhd. He explained the context of the National Policy on IR4.0 in detail, which entails infusing higher value-added processes for manufacturing through the application of advanced manufacturing technologies and efficient resource utilisation.

IR4.0 is expected to address many issues concerning manufacturing with regards to hazardous environments, health and safety of human labour, efficiency in managing supply chains, waste reduction, obtaining savings through efficient time management of delivery systems.





## Employee Engagement

Labour/Management Relations [GRI 402]

## CARING FOR OUR EMPLOYEES

## ISLAMIC RELIGIOUS PROGRAMMES: TAZKIRAH

In seeking to achieve a balanced life, KPS encourages religious and spiritual development among its employees with properly curated religious activities and programmes. During the MCO and Conditional Movement Control Order ("CMCO") periods, Tazkirah sessions were conducted as usual by leveraging digital tools which proved to be an effective channel. Throughout 2020, 22 sessions were conducted, eight of which were executed physically while the remaining 14 were done virtually.

Digitalisation has allowed employees to continue engaging with each other and helped ease the challenges of adapting in a changed environment.

By taking proactive action in managing changes effectively, the continuation of these religious programmes throughout the year contributed towards strengthening bonds between our employees despite working remotely. In total, RM11,260 was spent in organising the sessions, where 622 participants attended all 22 sessions.



# RM11,260

was spent on conducting 22 Tazkirah sessions, which were attended by 622 employees.

## KPS BACK TO SCHOOL PROGRAMME

As a concerned employer, we are aware of financial difficulties our employees face with the rising cost of living and children's education. To lighten their burden in adapting to the new norm as well as preparing for their children's education needs, KPS sponsored a total sum of RM8,720 for the Back To School Programme in 2020.

Financial aid was distributed to 41 recipients with school-going children between the ages of five to 17 years old. RM250 was allocated to each child aged between seven and 17 years old, while pre-school children aged between five and six years old received RM80 each.



KPS Sponsored

# RM8,720

for the Back to School Programme.

# RM250

for each child aged between seven and 17 years old.

# RM80

for each pre-school children aged between five and six years old.

# Managing Occupational Safety and Health

[GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

Pursuant to the issuance of the MCO by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and Police Act 1969 on 18 March 2020, all government and private entities were ordered to be closed except those providing essential services.

Rigorous OSH controls were taken to protect our employees in the workplace. The well-being and safety of all our employees, which includes permanent employees and contract workers took precedence as OSH is embedded in our business principles and strategies. Throughout 2020, we were vigilant in strictly adhering to and complying with HSE regulations, code of practice and standards. The HSE Management System in place, streamlines processes and enhances policies as well as systems.



## OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 3.6 Reduce half the number of global deaths and injuries from road traffic accidents.
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable medicines and vaccines for all.
- 3.9 To reduce death and illness from hazardous chemicals, environmental pollution, and contamination.

## KPS SUBSIDIARY COMPANIES' OPERATIONAL FLOW DURING MCO

TOYOPLAS	CPI	OB	KING KOIL MATTRESS CO.	Aqua-flo	SmartPipe TECHNOLOGY
<b>18 March to 8 April 2020</b> Total shut down for 3 weeks during MCO  <b>15 April 2020:</b> Senai and Muar plants in Johor operated at 50% manpower.  <b>28 April 2020:</b> Resumed operating at full capacity of 377 manpower.	<b>18 to 26 March 2020</b> Total shutdown for 9 days during MCO.  <b>27 March 2020:</b> Commenced operations with 240 manpower.  <b>17 April 2020:</b> Operated with 50% manpower.  <b>29 April 2020:</b> Resumed at full manpower.	<b>18 March to 28 April 2020</b> 9 subsidiary companies operated at 50% manpower during the MCO Phases 1, 2 and 3.  <b>29 April 2020:</b> 100% manpower on production floors.  <b>4 May 2020:</b> All companies resumed operations.	<b>23 March to 17 May 2020</b> Shut down all operations.  <b>18 May 2020:</b> Resumed operations.	Deemed as essential services, Aqua-Flo continued to operate during the MCO period.	<b>Package 12</b> operations were halted for 2 months beginning 18 March 2020.  <b>End May 2020:</b> Resumed works at all sites.

## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

### EMBRACING THE NEW NORM AT KPS

At the onset of the COVID-19 pandemic, all employees excluding those on the production floor of our manufacturing bases, observed the company's WFH directive. A WFH Policy was defined and disseminated to all affected employees which set clear expectations and guidelines in order to ensure business continuity.

The quick adoption of digital technologies became a critical enabler to keep employees connected and informed, especially during the lockdown period.

Stringent adherence to COVID-19 SOPs at the workplace were enforced where roles and responsibilities were clearly defined for both employer and employees.

This included procedures before entering the workplace, where screening and body temperature measurements were mandatory. The Management ensured that all necessary equipment and consumables were made available in compliance with legal requirements and safe work procedures. COVID-19 screening tests were also conducted on all employees and workers at KPS Corporate Office and all work sites.

Those who were tested positive were duly handled according to the Ministry of Health's guidelines and SOPs, and reported to the relevant authorities for further medical attention.

### WORKPLACE TECHNOLOGY TO THE FORE

Implementation of digitalisation for official documents and records, which included secure encrypted digital e-signatures.

Pivoting from physical meetings to virtual meetings and events.



e-Learning and webinars were organised and conducted to replace physical training programmes.

Video Conference for conducting interviews with potential employees were employed.

## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

## GUIDELINES AND PROCEDURES TO ADDRESS COVID-19

# MOVEMENT CONTROL ORDER ("MCO")





## 1. Closure of Premises from 18 to 31 March 2020

- Forwarded to the Director of the Movement Control Order ("MCO") by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and Police Act 1967, all government and private entities would be closed except those providing essential services. In line with the MCO, CAT now officially declares **"COVID RED"** for all businesses companies in Malaysia.
- All IPO, religious institutions, NGOs, NPOs, community centres, schools, clubs, sports fields, swimming pools, and other recreational facilities are closed. Christmas Day and Chinese New Year will also be observed as public holidays. All employees must remain at home. However, normal business operations provided by the MCO issued will continue to operate, such as food and beverage, transportation, health care, and retail outlets like the MCG.
- NPO industry operations outside Malaysia will continue to conduct their business activities at usual compliance to the respective countries' guidelines. 

## 2. Employment Matter

- CAT wants that all workers to adhere to the relevant laws and regulations in regards to employment.
- CAT is a member of Malaysian Employers Federation (MEF) and would like to share the notice provided by MEF.

## 3. Work from Home

All communication with regards to WFH should be communicated via company's email address, website or group. Microsoft Teams will also assist remote work.

All meetings will be conducted via online conferencing using Webex application.

## 4. Communication with Suppliers and Customers

Heads of Sales, Finance and Systems Management Team need to communicate with external parties, which include suppliers, customers, franchisees/partners and transportation companies on potential delays experienced from the MCO.

## 6. Contractual Obligations

- All contractual issues in manufacturing and supply agreements need to be carefully reviewed by legal and general, legal and finance.
- We should monitor further losses that could befall from the MCO.

## 5. Implication on reporting and other deadlines

- Surat Keluaran Pejabat Malaysia ("SKM") has issued a pass release in 17 March 2020 which permitted manufacturers can apply for extension if period to hold annual general meeting for a few periods longer than 6 months from their financial year end.
- United Nations Human Rights ("UNHR") has also extended the grace period from the due date of the submission of two reports.

## 7. Travelling & Self Quarantine

- The MCO makes specific provision on the overall restriction of movement and gathering throughout the country. All overseas travels are prohibited. Returning employee after it MCO takes effect must be aware self quarantine by **14 days** and isolation mode of screening.
- All employees should be in compliance with local outside Malaysia's domestic passport.



**MCO Entry Detail:**  
 All Workers  
 All Residents  
 All Visitors  
 All Travelers  
 All Foreigners  
 All Non-Residents

**"SAFETY OF OUR STAFF AND SHAREHOLDERS IS OUR UTMOST PRIORITY"**

# NOVEL CORONAVIRUS

Coronavirus (CoV) is a common virus that causes a variety of diseases from colds to more severe illnesses such as MERS-CoV and SARS-CoV.

## Novel Coronavirus

Identified as a new type of virus encountered by humans.

The virus can be **transmitted** through direct and close contact with an infected person.

NOVEL CORONAVIRUS in China is different from influenza virus in Malaysia.

## PREVENTIVE MEASURES

Always practice good hygiene, wash your hands after work and eating.

Always wear face mask.

Avoid close contact with people who are sick.

Avoid visiting crowded places including markets.

Avoid consuming raw or partially cooked animal-based food products.

Avoid visiting live and slaughter houses.

## SIGNS AND SYMPTOMS OF NOVEL CORONAVIRUS

Runny nose (congestion)

Headache

Prolonged coughing

Sore throat

High Fever (exceeding 38°C)

Breathing difficulty and body feeling weak / unresponsive

Source: Ministry of Health Malaysia (MOH)

## IMPORTANT

### Step 1

If you have any of the above symptoms, please seek medical attention at the nearest clinic / hospital. Inform the medical officer about your travel history.

### Step 2

If you are suspected of having a Novel Coronavirus infection by the clinic / hospital, please notify the Human Resource Development Department and seek further medical advice.

### Step 3

If you are not infected by the Novel Coronavirus but experiencing the above symptoms, please seek medical officer's advice on whether you are fit to work or seek at home.

DEPARTMENT OF HUMAN RESOURCE DEVELOPMENT  
KUMPULAN PERANGKANS BERKUALITI BERKAD



## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

### EXISTING COVID-19 HEALTH AND SAFETY PROTOCOLS



Stringent adherence of COVID-19 SOPs at workplace.



All offices and factories are registered with MySejahtera.



Implementation of verified and secured digital signatures for official documents.

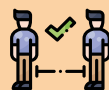


Migration from physical meetings to video conferencing/online meeting platforms.

Self-monitoring/assessment of health conditions by all employees, whether at site or at home.



Employees are to self-isolate if symptoms are detected, and to notify medical professionals immediately.



Mandatory medical screening prior to entry at work sites (including full COVID-19 screening organised by the Company). Enforced social distancing at all offices and factories aimed at limiting group gatherings.



Mandatory wearing of masks in all areas where social distancing is either not possible or there is limited space.



Enforcing proper hygiene-related practices, including frequently washing hands and the use of hand sanitisers.



Mandatory temperature scans before entering any office or factory.



Increased frequency of cleaning and sanitising work areas and equipment at all locations, including accommodation of workers and cafeterias at all factories.



Improved food safety protocols were observed with self-serve options removed and all food required to be individually wrapped and packed at factory cafeterias. Sharing of food is discouraged and physical distancing is to be observed at all dining areas and office pantries.



Establishing proper medical procedures for the assessment, testing, isolation, care, and transportation of anyone who has developed symptoms that may indicate infection.

WFH remain in effect for all employees who are able to continue being productive.



Travel restrictions imposed on all employees to avoid unnecessary travel and mandatory self-quarantine must be observed by anyone returning from international trips, and must be consistent with the Government's COVID-19 SOPs.



Job protection remains in place for employees in quarantine or self-isolation due to COVID-19 or those needing to miss work to care for children as a result of school or nursery closures.



Conducting e-learning/webinars to replace physical training programmes.

## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

### IMPROVING EMPLOYEE SAFETY, PHYSICAL HEALTH AND MENTAL WELL-BEING

In addressing the health and mental well-being concerns of our employees and workers, we have put in place support mechanisms for employees to adjust and cope in a new work-life situation. Our HR personnel provided employee assistance programmes through talks, counselling and one-on-one sessions where required to assist employees overcome any challenges.

### OUR PEOPLE TO THE FORE

We were already on alert when the COVID-19 outbreak was spreading rapidly in early 2020. We put our employees' health and safety as the top priority, and enforced appropriate SOPs and immediately put safety measures in place to deter the spread of the virus at all our work sites.

Adequate health and safety procedures, and guidelines have always been in place, governed by policies and regulations, local standards, and stringent SOPs.

All employees were duly informed and required to adhere to the rules and regulations imposed by the authorities. These included using PPE, enhanced cleansing, sanitising at all our premises, and rearrangement of office layouts to enable social distancing. Mass screening was also conducted on all employees at our manufacturing facilities and at the Corporate Office. The majority of employees at all other subsidiaries also underwent screening, and everyone was advised and encouraged to strictly follow the guidelines issued by the Management on the MCO, WFH, and health and safety protocols.

We distributed PPE, medical equipment, disinfection liquids, and hand sanitisers to all employees as safety and preventive measures to safeguard them as much as possible.

#### Face Masks



**13,300**  
to all employees  
at all sites

#### Hand Sanitisers



**253 litres**

#### Disinfectant Liquid



**45 litres**

#### Non-Contact Thermometers



**4 units**

#### Thermal Scanners





**2 units**


## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]


### EFFORTS AND STANDARD OPERATING PROCEDURES UNDERTAKEN TO FLATTEN THE COVID-19 CURVE


- 1. 14 February 2020:** Representatives from Jabatan Kesihatan Negeri Selangor conducted a talk to create awareness and encourage employers and employees to take the necessary precautions to safeguard workers health and safety during the pandemic.



- 2. March 2020:** Face masks and hand sanitisers were distributed to all employees at all work sites to step up precautionary safety measures.



- 3. 18 March 2020:** The Management implemented and enforced the **WFH** policy for all employees as mandatory social distancing was imposed during the MCO.



- 4. The Building Management Services ("BMS") team** conducted frequent sanitisation sweeps at Plaza Perangsang, Shah Alam, Selangor at Level 16 and Level 17 in efforts to curb the spread of the virus. The lobby area was also sanitised daily. In 2021, the sanitisation operations will be undertaken three times weekly.


- 5. 23 March 2020:** RM500 was allocated from employees' "outpatient benefits" to the employees for the purchase of face masks and hand sanitisers.


- 6. The HRD** conducts monthly tracking of employee health status.


- 7. 23 June 2020:** A Mental Health e-learning/webinar entitled Workplace Mental Health conducted by PM Care Sdn Bhd. It featured valuable insights on how to combat the fear, uncertainty and anxiety caused by the pandemic and how to settle into the new normal.
- 8. 13 November 2020:** COVID-19 on-site testing was conducted for employees under the Social Security Organisation's ("SOCSO") Program Saringan Prihatin at KPS' headquarters.
- 9. 30 November 2020:** TEAMHUNT, a Virtual Treasure Hunt was organised as a Team Building event. Despite strict SOPs and social distancing norms, we were determined to continue with employee engagement by employing innovative contactless activities.
- 10. December 2020:** Sport activities were conducted virtually under the Virtual Healthy Sports initiative for employees.


- 11 1 December 2020:** Recognition of BMS team, KPS' frontliners by the Management, which took place in Plaza Perangsang. These employees were given homecare items, hand sanitisers, and facemasks.



Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

COVID-19 SANITISATION OF PLAZA PERANGSANG

In response to COVID-19, KPS implemented a range of precautionary measures at Plaza Perangsang, which houses our corporate headquarters and other tenants. As the owner and management of the building, we installed temperature readers, carried out record-keeping and placed social distancing markers at all common areas.

Routine premise disinfection is still ongoing and undertaken by the BMS team that follow strict guidelines and procedures set by the Ministry of Health.



Sanitisation process administered by the BMS department at Plaza Perangsang in Shah Alam, Selangor.

SANITISATION SERVICES COST: PLAZA PERANGSANG, SHAH ALAM, SELANGOR.

**RM1,058**  
5,290 sq feet  
Lift lobby, Levels 2 to 8

**RM18,942**  
94,710 sq feet  
LHDN, Levels 2, 9 - 14  
including lift lobby and  
common areas

**No Cost Incurred**  
30,000 sq feet  
Ground floor lobby  
including Level 1A  
(Slekea and BMS offices)

**Total RM20,000**  
130,000 sq feet



## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]



The BMS Team follow the appropriate guidelines for the proper sanitisation and disinfection to safeguard employees and visitors at the workplace.



**Managing Occupational Safety and Health** [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]**OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION TRAINING PROGRAMMES**

Health and safety risks exist in the workplace. Hence, it is important for employees at our Corporate Office and all other offices as well as those from our manufacturing plants, to be aware and informed on how to tackle such risks. In collaboration with certified training providers and authorities, we have conducted several OSH training programmes to ensure our people are equipped with the necessary skills and knowledge to tackle any crisis.

In 2020, we organised the following programmes:

- 23 and 24 September 2020: Certified First Aid Training conducted by BMS.
- 23 December 2020: Emergency Response Plan for the Fire Safety Organisation Team conducted by My Freelys Academy and Jabatan Bomba dan Penyelamat Seksyen 15, Shah Alam, Selangor.



Regular OSH training programmes are critical for employees in mitigating and properly addressing any OSH risk, that may occur in the workplace.

## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

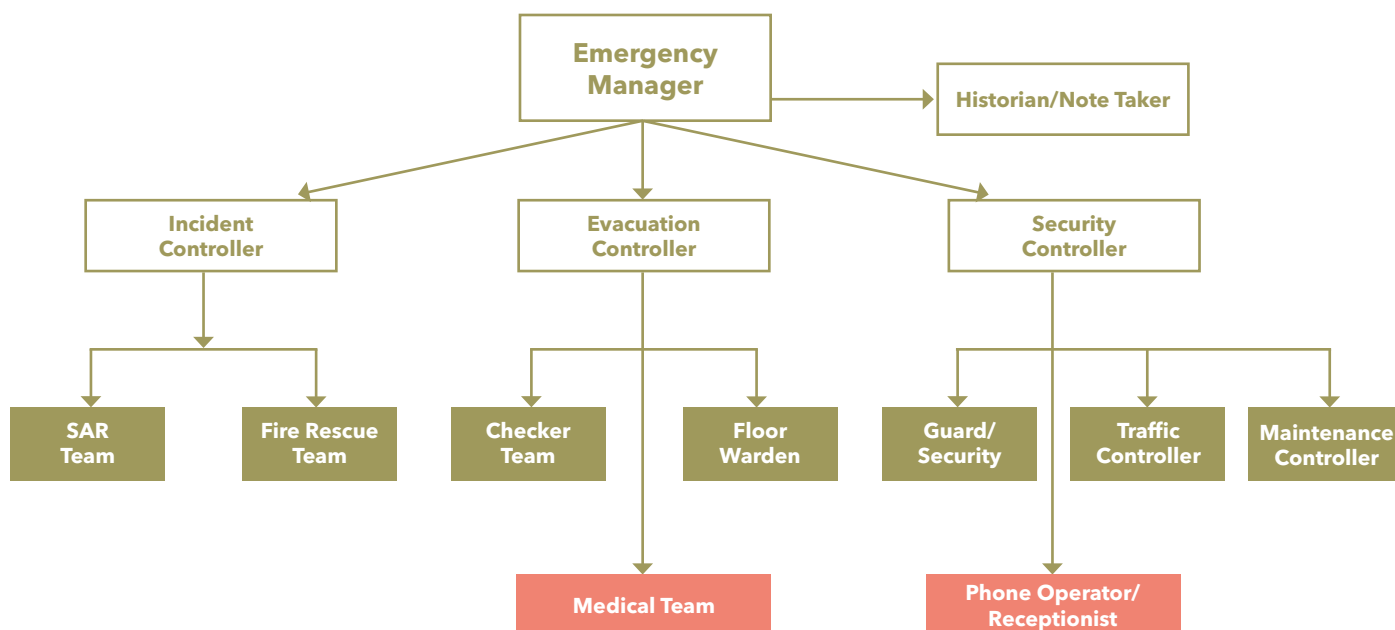
### OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION TRAINING PROGRAMMES

We have established an Emergency Response Team ("ERT") at KPS' headquarters in Plaza Perangsang, Shah Alam. The team is assigned specific responsibilities which is led by the Emergency Manager, followed by the Incident Controller who instructs the SAR Team and the Fire Rescue Team. The Evacuation Controller oversees the Checker Team, Floor Warden, and contacts the Medical Team whenever the need arises. The Security Controller oversees the Guard/Security, Traffic Controller, Maintenance Controller and will liaise with the Phone Operator/Receptionist, when needed.

ERT members are equipped with the necessary skills to handle potential emergencies and are physically capable of carrying out their duties. They are skilled in handling toxic hazards in the workplace and are able to provide incident communication plans to extend the necessary support in events of emergency.



**ERT ORGANISATION CHART  
PLAZA PERANGSANG**



## Managing Occupational Safety and Health [GRI 403-1, 403-2, 403-4, 403-5, 403-9, 403-10] [F4GBM]

### OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION TRAINING PROGRAMMES

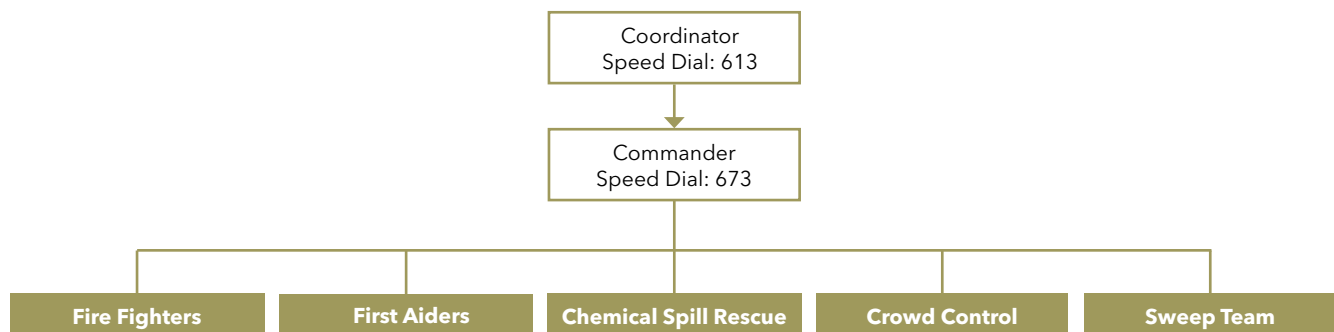
There are many possible hazards associated with manufacturing operations. Heavy machinery, various corrosive and combustible chemicals, and possible safety hazards in confined spaces are just a few of the potential safety issues associated with production or manufacturing facilities. When an incident or emergency occurs, improvising and implementing unplanned response are often inadequate, and potentially life-threatening.

Therefore, emergency response planning is crucial. CPIP and CPIE have formed ERTs with personnel who have been assigned specific responsibilities. The ERT is led by the Coordinator, followed by a Commander who oversees the team of Firefighters, First Aiders, Chemical Spill Rescue, Crowd Control, and the Sweep Team. Emergency response planning by analysing potential hazards, reducing risks, and investing in mitigation and preparedness is crucial. This enables our manufacturing operations to effectively manage long-term risk management, and to meet the targets of the Group's sustainability initiatives and social responsibility obligations.

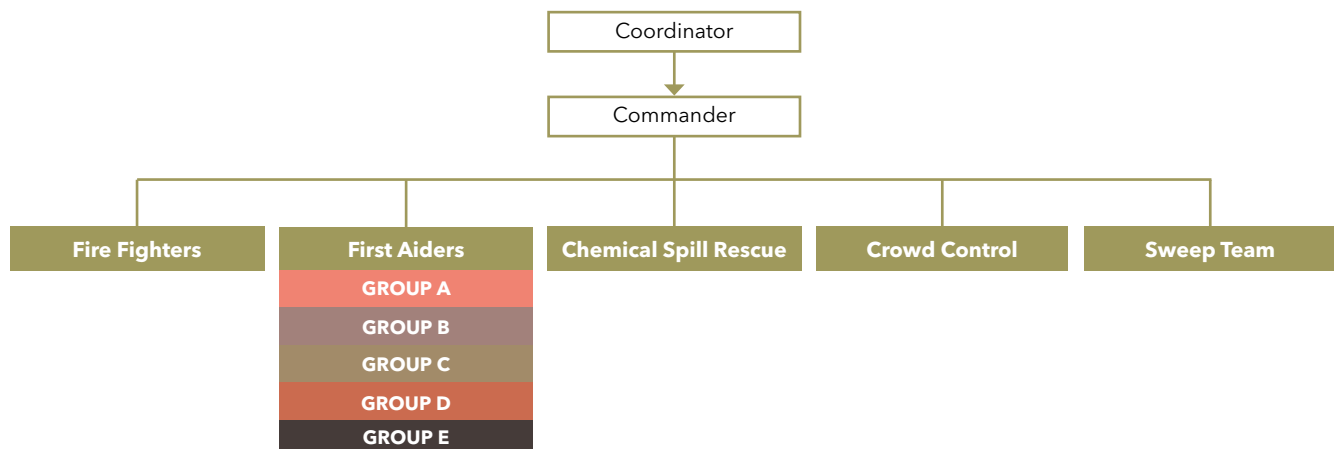


CPI (PENANG) SDN BHD

#### ERT ORGANISATIONAL STRUCTURE: CPIP



#### ERT ORGANISATIONAL STRUCTURE: CPIE







# OSH KEY PERFORMANCE

## INDICATORS HIGHLIGHTS



### To conduct 2 safety programmes.

Certified First Aid Training  
(23-24 September 2020)

Emergency Response Plan for the Fire  
Safety Organisation Team  
(23 December 2020)

➤ **ACHIEVED**



### To improve communication channels for employees and workers as per the Ministry of Health's procedures.

➤ **TARGET MET**

Updated multi-language notices and posters in both printed and digital formats were published as recommended by the Ministry of Health.

### To provide sick bay for employee use.

➤ **TARGET MET**

**BY CPIE IN AUGUST 2020**

Setting up of sick bay was undertaken in 2015.

### To achieve 100% Compliance of COVID-19 measures.

- On site temperature checks.
- Full PPE for all workers.
- Rearrangement of workstations for social distancing.
- Conversion to online meetings.

➤ **ACHIEVED 100%**

### To establish an ERP Team.

➤ **TARGET MET**



### To achieve 100% compliance with COVID-19 measures:

- On site temperature checks.
- Full PPE for all workers.
- Rearrangement of workstations for social distancing.
- Conversion to online meetings.
- Swab test for all employees.

➤ **ACHIEVED 100%**

### To comply 100% with Workers' Minimum Standards of Housing & Amenities Act 2019.

➤ **ACHIEVED 100%**

### To adhere to operating guidelines with zero accidents and incidents:

➤ **TARGET NOT MET**

Accidents - 3



### To conduct 8 safety & health programmes and/or meetings.

- 2 review sessions on Evaluation of Legal Compliance.
- 2 review sessions on Hazard Identification Risk Assessments Risk Control.
- 6 Safety & Health Committee meetings.
- 10 sessions on Safety & Health.
- 1 session on COVID-19 related risks and precautions.

➤ **ACHIEVED**

Conducted 21 sessions

### To achieve zero accidents and incidents.

➤ **ACHIEVED ZERO ACCIDENTS AND INCIDENTS**



### To achieve zero severe accidents and fatalities.

➤ **ACHIEVED ZERO ACCIDENTS AND FATALITIES.**

### To conduct 8 safety and health training programmes.

➤ **TARGET NOT MET**

Due to COVID-19 restrictions, only 5 Training Programmes were conducted



### To ensure all employees attend a minimum of 3 hours of health and safety training sessions per year.

➤ **TARGET MET**

20 out of 20 employees attended the health and safety training programmes.

## Dynamic Workforce [GRI 404-1, 404-2, 404-3, 405-1]

### EMPLOYEE TRAINING AND DEVELOPMENT, RECRUITING AND RETAINING EMPLOYEES [F4GBM]

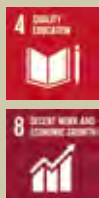
Creating a unique culture is today an integral part of doing good business. Good employees have to be nurtured; and high-performing employees are often creative, innovative and eager individuals but often need to be in the right environment to thrive. In today's ever changing business world, allowing employees the freedom to manage themselves is just as important as their need to work for an organisation that embraces technology, rewards good work and is flexible; the hallmarks of a positive work environment which creates the foundations of good business practice.

Upskilling is the processes of teaching employees new skills as technology affords new opportunities, and new jobs, which require specialised skillsets. Upskilling facilitates the concept of continuous learning by providing training programmes and development opportunities that expand an employee's abilities and minimises skill gaps. At the same time the Group is committed to reskilling current employees and potential talent to provide a lateral learning experience to hone new skills to perform different jobs or expand work scopes. In an effort to strengthen our talent pool, we have also extended education, internship and industry placement opportunities amongst the under-served communities. We use this pretence to fill vacancies in the current workforce while creating development opportunities to expand our operations.

Despite the challenges we faced in 2020, the Group thrived by implementing effective solutions to deflect any negative impact. Quality management oversees all activities and tasks needed to maintain a desired level of excellence. Our Quality Management System ensures that every time a process is performed, the same information, methods, skills and controls are used and applied in a consistent manner. If there are process issues or opportunities, it is appropriately addressed to ensure continuous improvement.

Quality management includes a policy, creating and implementing quality planning and assurance, including aspects of quality control and quality improvement. These processes propagate incremental innovations, which help employees keep abreast with the latest development, and increase business performance and growth.

We have employed architectural innovations, in making radical changes in certain aspects of the core components in our businesses, mainly due to disruptions in the supply chain. In the manufacturing division, reviews and assessments of products were conducted with our clients and where relevant, changes were made in either the materials used or specifications. In addressing labour issues, considerations to implementing mechanisation and automation, as well as applying new technology is being considered so as to ensure smooth operations as we look ahead in this changing business environment.



#### OUR CONTRIBUTION TO SDGs

- 4.4 To increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.
- 4.5 To eliminate gender disparities in education and to ensure equal access to all levels of education and vocational training.
- 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- 4.B Substantially expand the number of scholarships available to developing countries, or enrolment in higher education, in developed countries and other developing countries.
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and to encourage the formalisation and growth of enterprises.
- 8.5 By 2030, achieve full and productive employment for all women, and men, including young people and persons with disabilities, and equal pay for work of equal value.
- 8.6 We aim to substantially reduce the proportion of youth not in employment, education and training.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]**Employee Training and Development, Recruiting and Retaining Employees** [F4GBM]**COMPETENCE DEVELOPMENT IN THE WORKPLACE**

Employee development is a constant within the Group, with objectives to shape a more efficient, productive and engaged workforce. The business landscape has become increasingly competitive, therefore it is imperative to ensure consistently high team performances.

Employee training forms an essential part of our growth as evidenced in the positive impact we have recorded in employee satisfaction surveys, performance perimeters and retention rates.

For the reporting year, the total working hours recorded for our male employees was 84,179 hours versus 54,827 hours amongst our female employees.

Training programmes are purposefully curated to enable employees learn precise skills and gain knowledge to improve performance in various disciplines. These range from technical upskilling to specific training programmes for soft skill development. The programmes are designed to cultivate adaptable, critical thinkers, and to refine communication as well as enhance engagement within the workplace.

Since 2018, we have organised training programmes on sustainability as a core component. By getting everyone on board and personally engaged in embedding sustainability initiatives in their day-to-day work tasks, we have seen a profound shift in employee awareness and engagement in activities that directly address sustainability issues.

In the sustainability realm, aside from tangible consequences and cost savings from practices in energy conservation, we have also chartered improvements in employee retention, productivity and overall engagement.

Equipping our employees with the right resources and skills, as well as investing in systems and processes to optimise performance levels, has led to elevated competency and confidence levels.



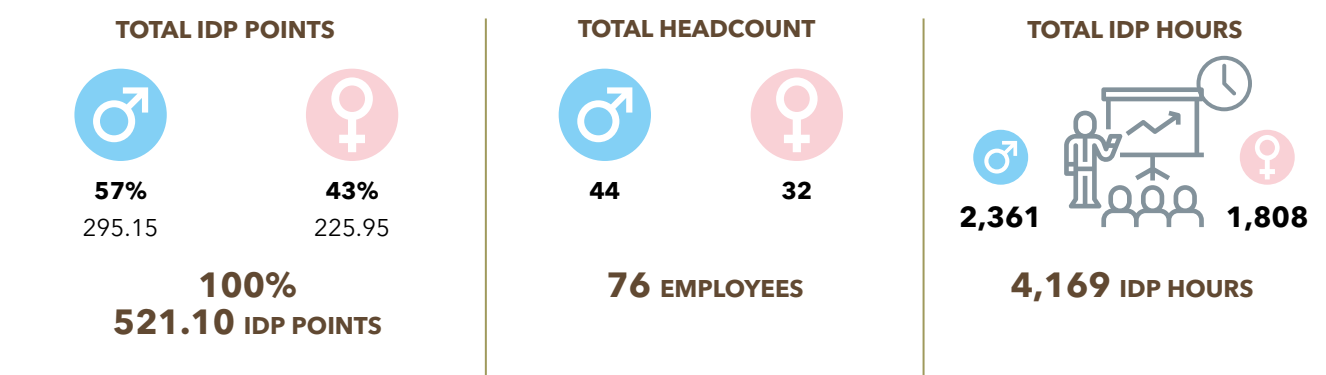
The second Town Hall meeting at KPS Corporate Office, Shah Alam, Selangor was held on 6 March 2020 before the MCO 1.0 was enforced. Town Hall sessions have successfully enabled a two-way dialogue between employees and the MD/GCEO.

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]

Employee Training and Development, Recruiting and Retaining Employees [F4GBM]

**INDIVIDUAL DEVELOPMENT PLAN PROGRAMME**

At KPS headquarters, male employees spent 2,361 hours while female employees spent 1,808 hours on Individual Development Plan ("IDP") training programmes in 2020. The IDP training programmes involved Senior Management, Middle Management, Executive and Non-Executive personnel

**2020 IDP PROGRAMMES**

TRAINING AND PROGRAMMES	TRAINING PROVIDER	NO OF PARTICIPANTS
1 1 <sup>st</sup> Corporate Sustainability Committee Meeting Cum Workshop 2020	Monteiro Lewis Communications Sdn Bhd	26
2 Corporate Sustainability Workshop 2020 - Century Bond Berhad	Monteiro Lewis Communications Sdn Bhd	16
3 Corporate Sustainability Workshop 2020 - Toyoplas Manufacturing (Malaysia) Sdn Bhd	Monteiro Lewis Communications Sdn Bhd	23
4 Corporate Sustainability Workshop 2020 - CPI (Penang) Sdn Bhd	Monteiro Lewis Communications Sdn Bhd	22
5 Waste Management Training - Toyoplas Manufacturing (Malaysia) Sdn Bhd	Dr Theng Lee Chong, SoluWaste Management Consultants	23
6 Waste Management Training - Century Bond Berhad	Dr Theng Lee Chong, SoluWaste Management Consultants	16
7 Waste Management Training - CPI (Penang) Sdn Bhd	Dr Theng Lee Chong, SoluWaste Management Consultants	22
8 1 <sup>st</sup> Town Hall 2020 (IDP: 0.5)	Human Resource Development	58
9 2 <sup>nd</sup> Town Hall 2020 (IDP: 0.5)	Human Resource Development	65
10 A Balancing Act: Supporting Your People and Your Business (IDP: 0.5)	International Centre for Leadership in Finance 3	6
11 A New Form of Virtuals in a New Low Touch World Confirmation (IDP: 0.5)	Comfori	1
12 Asia Rewards Briefing on Covid Response and Recovery Planning (IDP: 0.5)	Human Resource Development	1
13 Briefing Session on KPI Setting (IDP: 0.5)	Human Resource Development	52
14 Combating COVID-19 With Resilience (IDP: 0.5)	Deloitte	1
15 Core Values - Briefing At Aqua-Flo (IDP: 3.0)	Human Resource Development & Administration	1
16 Core Values - Briefing At CBB (IDP: 3.0)	Human Resource Development & Administration	1
17 Core Values Refresher Session Year 2020 (IDP: 0.5)	Human Resource Development & Administration	7
18 Corporate Employee Privilege Scheme (IDP: 0.5)	Maybank Islamic Team	24
19 COVID-19: The Day After Tomorrow By ICLIF (IDP: 0.5)	The ICLIF Leadership And Governance Centre	6
20 Cyber Risk Fundamentals (IDP: 0.5)	The Institute of Internal Auditors	2
21 Enabling Managers To Develop Your Employees (IDP: 0.5)	Willis Towers Watson	1
22 How Companies Engage & Recruit In Today's Changing Landscape (IDP: 0.5)	LinkedIn Malaysia	2
23 How Specific Should You Define Your Assessment Needs? (IDP: 0.5)	Hann Consulting (Asia) Sdn Bhd	1



## Dynamic Workforce [GRI 404-1, 404-2, 404-3, 405-1]

### Employee Training and Development, Recruiting and Retaining Employees [F4GBM]

	TRAINING AND PROGRAMMES	TRAINING PROVIDER	NO OF PARTICIPANTS
24	How To Prepare For Work After COVID-19 (IDP: 0.5)	Swingvy	3
25	In-House Training Microsoft Power Point for FMA Department	Information Technology Department	1
26	Industrial Revolution 4.0 (IR4.0) Awareness Program (IDP: 0.5)	Human Resources Department	28
27	Information Security Management System (ISMS) - IDP: 0.5	Smartsel	22
28	In-House Microsoft Excel for FMA Department (1.5 IDP Point) - 2-3 and 9 September 2020	Information Technology Department	11
29	In-House Training Microsoft Excel For FMA Department	Information Technology Department	1
30	In-House Training Microsoft Power Point - 3-4 November 2020 (1.0 IDP Point)	Information Technology Department	12
31	Integrated Reporting And Impact Of COVID-19 On Value Creation (IDP: 0.5)	Malaysian Institute of Accountants	1
32	KPS Internal Control Framework (ICF) - (IDP: 0.5)	Human Resources Department	20
33	Latihan Pelan Tindakan Kecemasan Bagi Pasukan Organisasi Keselamatan Kebakaran (OKK) - (IDP: 1.0)	Fire and Rescue Department of Malaysia	4
34	Leading Women 2020 (IDP: 1.0)	Thomvell International	1
35	Malaysia's Sustainable Development: The Decade For Action - Webinar (IDP 0.5)	Investor Relations & Strategic Communication Department	3
36	Managing COVID-19 At Workplace (IDP: 0.5)	Hospital Pantai Kuala Lumpur	17
37	Marim Risk Management Seminar (IDP: 0.5)	Malaysian Association of Risk and Insurance Management	2
38	Marketing For A New Normal (IDP: 0.5)	International Centre for Leadership in Finance	1
39	Mengenali Ciri-Ciri Microsoft Powerpoint Ke Arah Meningkatkan Kemahiran IT (IDP: 0.5)	Human Resource Development	18
40	Microsoft Words Online Training (IDP: 2.0)	Facilities Management & Administration	11
41	Microsoft Words Online Training-Speaker (IDP: 3.0)	Facilities Management & Administration	1
42	Networking Session: 'Ask Right Discover Right' (IDP: 0.5)	The Institute of Internal Auditors	1
43	Payroll & Benefit During Lockdown: How To Do It? (IDP: 0.5)	Healthmetrics.co	1
45	Perancangan Harta Pusaka Melalui Wasiat (IDP: 0.5)	Human Resource Development	25
46	Perancangan Persaraan/Kewangan, Caruman Sendiri & I-Invest (IDP: 0.5)	Employees Provident Fund	27
47	PERKESO (Secara Umum) Dan Faedah-Faedah Yang Ditawarkan Kepada Pencarum (IDP: 0.5)	Social Security Organisation	25
48	PMCare+ System (Mobile) & Tabung Pendidikan Anak-Anak Syarikat Dan Badan-Badan Berkanun (IDP: 0.5)	Human Resource Development	19
49	Sambutan Hari Raya Aidilfitri 2020 (IDP: 0.5)	Human Resource Development	62
50	Sharing Documents In A COVID-19 World Webinar	Fadelis Sdn Bhd	1
51	Strengthening Business Continuity For Challenging Time (IDP: 0.5)	KG Information System Sdn Bhd	1
52	Taklimat & Latihan Pemasukan Data Secara Online Kepada Pemaju Perumahan Melalui Sistem (IDP: 0.50)	Jabatan Penilaian Dan Perkhidmatan Harta Selangor	1
53	Taklimat Kesihatan / Penyakit Berjangkit Bersama Jabatan Kesihatan Negeri Selangor	Kementerian Kesihatan	35
54	Taklimat: Faedah Perubatan Pesakit Luar (Medical Outpatient) (IDP: 0.5)	Human Resource Development	43
55	Tax Impact Of COVID-19. (IDP: 0.5)	Tricor Services Malaysia Sdn Bhd	1
56	Tazkirah Mingguan (IDP: 0.05)	Investor Relations & Strategic Communication	338
57	Technical Briefing For Company Secretaries Of Listed Issuers 2020 (IDP: 0.5)	Company Secretarial Department	1
58	The Sustainability Accelerator - Part A Activities Completion (1.0 Point)	Investor Relations & Strategic Communication	4
59	Investment Analysis & Research - A Thorough Approach To Fundamentals (IDP: 1)	Investor Relations & Strategic Communication	1
60	Investment Analysis & Research - A Thorough Approach To Fundamentals (IDP: 2)	Investor Relations & Strategic Communication	1
61	Certified Integrity Officers ("CeIO") Programme	Malaysian Anti-Corruption Commission	1
62	Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks In 2020 (Cyber Risk Fundamental)	The Institute of Internal Auditors	1
63	Engaging Shift Workers And Part Timers With Microsoft 365	Fedelis Asia	1
64	Finance Training Into SMART HR	Information For Competitive Advantage	3

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]**Employee Training and Development, Recruiting and Retaining Employees** [F4GBM]

	TRAINING AND PROGRAMMES	TRAINING PROVIDER	NO OF PARTICIPANTS
65	Governance, Risk And Controls (GRC)-The Importance Of GRC System In Business Sustainability and How They Are Intertwined To Provide Reasonable Assurance To The Audit Committee & Board	Lee Min On	2
66	KPMG Tax And Business Summit 2020	KPMG	3
67	Certified First Aider	Malaysian Red Crescent Society	5
68	MACS Seminar	Malaysian Association of Company Secretaries	1
69	MACS Workshop	Malaysian Association of Company Secretaries	1
70	MAICSA Conference	The Malaysian Institute of Chartered Secretaries and Administrators	2
71	MIRA Sustainability Training-The Sustainability Accelerator-Sustainability Journey of Digi's Yellow Heart	Malaysia Investor Relations Association	2
72	MIRA Sustainability Training-The Sustainability Accelerator-Sustainability Journey of Sunway Group	Malaysia Investor Relations Association	2
73	MIRA Webinar: A Thorough Approach To Investment Fundamentals Part 1	Malaysia Investor Relations Association	1
74	MIRA Webinar: A Thorough Approach To Investment Fundamentals Part 2	Malaysia Investor Relations Association	1
75	Optimising Risk And Resilience Planning To Manage Disruptions	Tricor Axcelasia	2
76	Powerpivot : Powerful Data Analysis And Data Modelling In Microsoft Excel	Penta Wise	1
77	Section 117 Capital Reduction	The Malaysian Institute of Chartered Secretaries and Administrators	1
78	Seminar Percukaian Kebangsaan (SPK) 2022	Inland Revenue Board of Malaysia	5
79	MIRA Sustainability Training-The Sustainability Accelerator - Workshop B	Malaysia Investor Relations Association	4
80	The Company Secretary - Becoming A Changemaker		1
81	Track Malaysian Business Reporting System for Preparers	KPMG Management & Risk Consulting Sdn Bhd	1
82	Tricor Agile Work - The Economics of Remote Work	Tricor Services Malaysia Sdn Bhd	3
83	Violations of The Companies Act 2016: Oversight By Directors And Secretaries	The Companies Commission of Malaysia	1

We also conducted reviews on employees' performance, to identify and assess skills' gaps for improvement. All expenses for training programmes and employee engagement programmes conducted throughout 2020 were duly budgeted for and approved by the Management. For further information on the financial aspect, please refer to the financial statements in the Annual Report.

**PROMOTING INCLUSIVITY** [GRI 102-7, 102-8, 401-1, 405-1] [F4GBM]

We recognise the value of equal opportunities in our workforce, which extends to existing and prospective employees. We encourage a harmonious, conducive workplace and environment, which is free from harassment in any form, including race, ethnicity, religion, gender, national origin, ancestry, non-disqualifying physical or mental disability, marital status, or gender identity.

There were no differently-abled employees under our employment within the reporting period.

# PS AS AN COSYSTEM

## SUPPORTS

- Shareholders (owners)
- Associates (partners)
- Employees (workers)
- Vendors (suppliers)
- Government (regulators)
- Community (stakeholders)
- Market (environment)

ECONOMIC



During the CSC workshop, employees are trained on a range of topics by subject matter experts as part of the Group's human capital development efforts.

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]

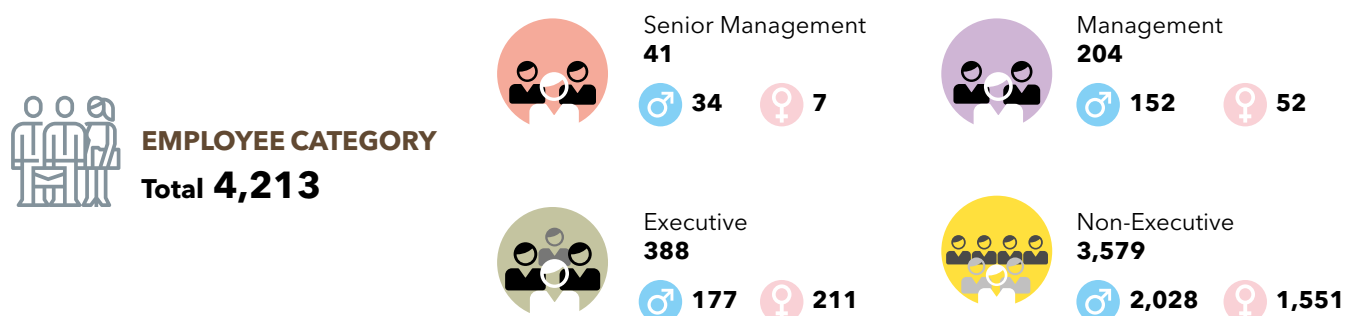
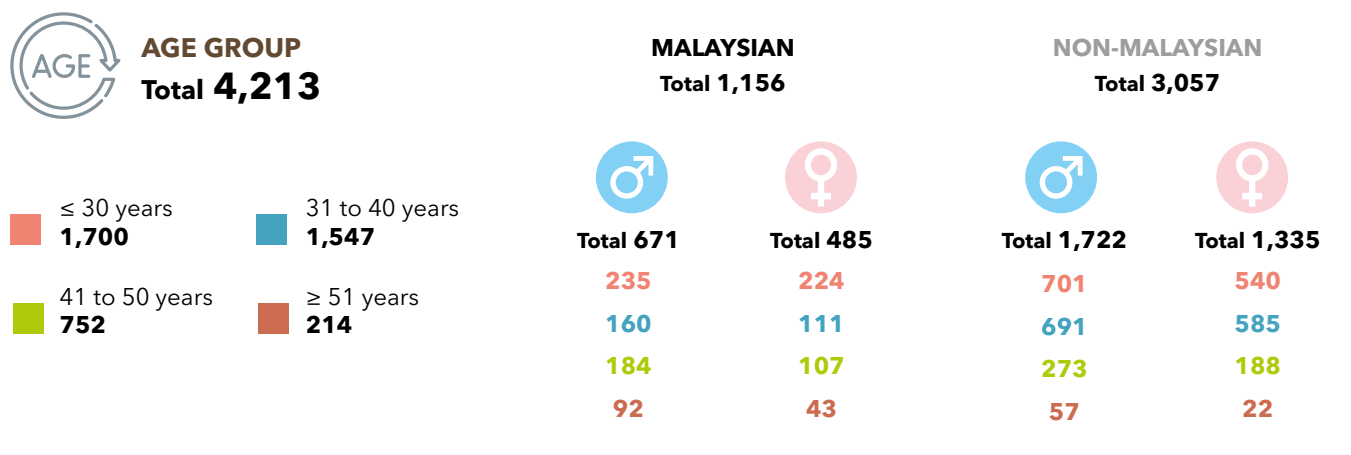
Employee Training and Development, Recruiting and Retaining Employees [F4GBM]

**EMPLOYEE DEMOGRAPHICS**

At all times, we seek to strike a demographic balance in our workforce with an emphasis on inclusivity and social diversity. There is far more to creating a diverse workplace than just hiring people who fit into different age brackets, or achieving the desired male-to-female ratio or gender equity. Individuals from diverse backgrounds can offer a myriad of different talents, skills, and experiences which add diversity, and may be beneficial to both individual and team performances. Skill crossovers amongst employees enable our people to learn from each other, empowering new 'out-of-the-box' ideas while improving feedback and suggestions on a global scale.

So far as talent development and succession planning are concerned, our comprehensive employee development programmes allow us to tap in-house, which in turn encourages employee development and creates a pool of talented candidates for the future. It should be noted that we have a higher compliment of male employees as a result of their dominance in our manufacturing facilities.

As of 31 December 2020, there were 4,213 employees at KPS and its subsidiary companies. From the total workforce, 1,700 are below 30 years old, 1,547 are between the ages of 31 and 40, while 752 are between 41 to 50 years old, and the remaining 214 are above 51 years old.





## Dynamic Workforce [GRI 404-1, 404-2, 404-3, 405-1]

Employee Training and Development, Recruiting and Retaining Employees [F4GBM]

### EMPLOYEE DEMOGRAPHICS

Our manufacturing operations span across five countries worldwide with no less than 12 nationalities in our workforce. By having a strong presence in these countries, KPS has successfully gone beyond Malaysian shores to expand its geographical reach, and now has global interactions with a broader client base. The ability to bridge language barriers and cultural differences has transformed KPS into a progressive organisation that attracts top talents.



#### NATIONALITY

Total **4,213**

#### MALAYSIAN

Total **1,156**



Total **671**



Total **485**

#### NON-MALAYSIAN

Total **3,057**



Total **1,722**



Total **1,335**



Malaysia  
**1,156**



Indonesia  
**1,488**



Singapore  
**12**



Bangladesh  
**215**



Vietnam  
**85**



United States  
of America  
**91**



China  
**683**



India  
**1**



Nepal  
**252**



Myanmar  
**206**



Taiwan  
**21**



Hong Kong  
**3**



Active engagement amongst employees from various departments and subsidiaries during one of the Corporate Sustainability Workshops.

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]  
**Employee Training and Development, Recruiting and Retaining Employees** [F4GBM]

**NON-DISCRIMINATION**

[GRI 406-1] [F4GBM]

The Group maintains a non-discriminatory workplace, whether on the issue of race, religion, gender, age group, disability or any other factor that distinguishes individual employees from others. Our employment terms and conditions specifically prohibit any form of discrimination while employees are cautioned against discriminatory language or behaviour towards each other. There were no incidents of discrimination of any kind recorded during the year in review.

We strive to create a diverse workforce and aim to find candidates best suited for employment in alignment with the Group's global employment standards and guidelines. The Company is a non-discriminatory employer, hiring and promoting employees based on the qualifications and skills required for the work.

**CHILD LABOUR** [GRI 408-1] [F4GBM]

We do not employ under-aged labour in accordance with the relevant employment laws and regulations in Malaysia. This restriction extends to existing and potential businesses in our supply chain. There were no incidents of child labour recorded during the year in review.

**FORCED OR COMPULSORY LABOUR**

[GRI 409-1] [F4GBM]

KPS is against forced or compulsory labour which extends to our vendors and suppliers as well.

**SECURITY PRACTICES** [GRI 410-1]

The security guards which are stationed at headquarters and our subsidiary companies as well as factories, are provided by a contracted security company where third party training is mainly focused on premise protection and visitor access protocols. While they are not trained in our human rights policies, nonetheless, their conduct is monitored by our Facilities Management & Administration Department.

At the same time, KPS conducted training sessions for the proper use of PPE, including COVID-19 control and prevention measures.

**HUMAN RIGHTS ASSESSMENT**

[GRI 412-1] [F4GBM]

KPS is a strong supporter of human rights. However, the Group does not have any specific policies or guidelines on human rights, having never before been subject to any human rights review or impact assessment.

To date, we have never held any training on human rights policies or procedures (GRI 412-2), or dealt with any investment agreements and contracts which specifically include human rights clauses that include human rights clauses, or that underwent human rights screening (GRI 412-3).

However, we are committed to protect the rights of our employees in accordance with all relevant legal requirements and regulations as well as with the Universal Declaration of Human Rights.

**CUSTOMER HEALTH AND SAFETY**

[GRI 416-1, 416-2] [F4GBM]

The Group prioritises health and safety by ensuring all our products conform to respective local and international standards.

As such, we are committed to quality and industry best practices set by the requirements of various certifications. As of 31 December 2020, we have certifications from various auditing and standards bodies, including SIRIM Berhad (formerly known as Standard and Industrial Research Institute of Malaysia). *Please refer to Stringent Quality Control Procedure on page 139 to page 149 of this Report for further details.*

During the year in review, there was no record of any incidents of non-compliance to health and safety regulations that resulted in fines and penalties nor were there any incidents of non-compliance warnings.

**Dynamic Workforce** [GRI 404-1, 404-2, 404-3, 405-1]

Employee Training and Development, Recruiting and Retaining Employees [F4GBM]

**MARKETING AND LABELLING**

[GRI 417-1, 417-2, 417-3] [F4GBM]

Product labelling is an important part of consumer assurance as it provides authentication on various concerns such as origin, quality standards, components, materials and other important declarations. During the year in review, we did not record any incidents of non-compliance with regulations nor any in our marketing communication.

**CUSTOMER PRIVACY**

[GRI 418-1] [F4GBM]

At all times, we respect customer privacy and did not register any complaints on this issue during the year in review. Our employees undergo regular training programmes on the Personal Data Protection Act 2010 ("PDPA") to instil awareness and to ensure compliance with all applicable laws and regulations stipulated under the PDPA.

**SOCIO-ECONOMIC COMPLIANCE**

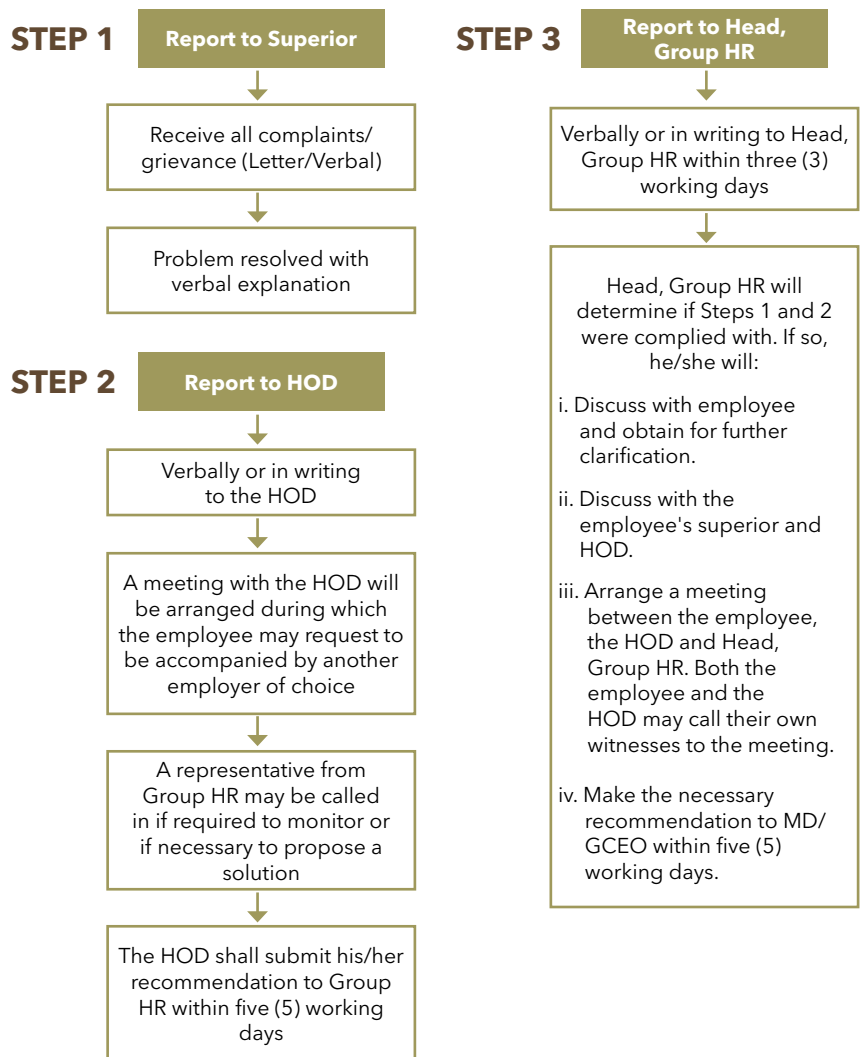
[GRI 419-1] [F4GBM]

KPS did not incur any fines or sanctions for non-compliance of laws and regulations in the socio-economic area.

**COMPLAINTS AND GRIEVANCE MANAGEMENT** [F4GBM]


Guidelines and grievance procedures to handle social-related concerns including sexual harassment are outlined in the Whistleblowing Policy and is also available on the Group's website at <https://kps.com.my/index.php/whistleblowing>

We manage all grievances, complaints, and conflicts in an open, transparent and consultative manner with proper procedures for handling, investigating, and resolving issues, on social or environmental concerns through emails and Town Hall meetings where employees are encouraged to highlight their concerns.

**COMPLAINTS AND GRIEVANCE MANAGEMENT PROCEDURES**



# Changing for the Better: Four CSR Core Pillars [GRI 413-1] [F4GBM]



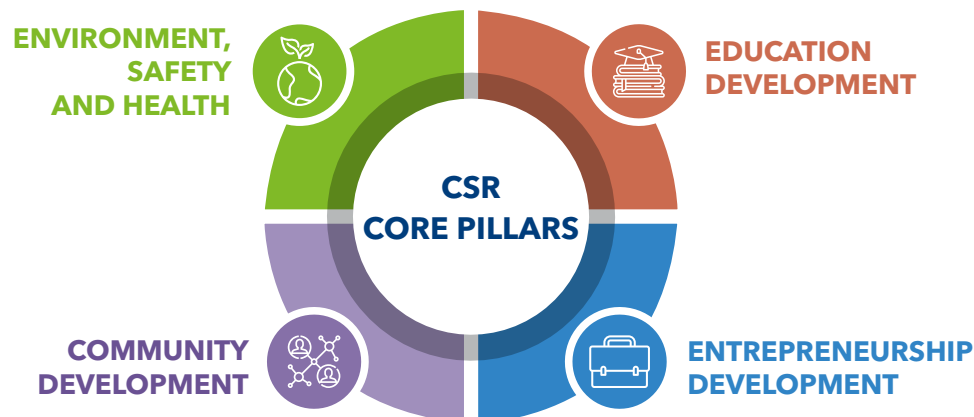
**OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGS**

- 1.1 Eradicate extreme poverty.
- 4.1 To ensure every child completes free, equitable and quality primary and secondary education.
- 4.2 To ensure that every child has access to quality early childhood development, care and pre-primary education in preparation for primary education.
- 4.3 To ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education.
- 4.4 To increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.
- 4.5 To eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for everyone.
- 5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and property, financial services, inheritance and natural resources.
- 5.B Enhance the use of enabling technology, to promote the empowerment of women.
- 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production.
- 8.6 Substantially reduce the proportion of youth not in employment, education or training.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.
- 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action.
- 11.A Support positive economic, social and environmental links between urban and rural areas by strengthening national and regional development planning.
- 15.A Mobilise and significantly increase financial resources from all sources to conserve and sustainable use biodiversity and ecosystems.
- 15.5 Take urgent and significant action to reduce the degradation of natural habitats, and loss of biodiversity.

## EMPOWERING OUR LOCAL COMMUNITIES [GRI 203-2, 413-1] [F4GBM]

### VOLUNTEERISM AND CHARITIES [F4GBM]

Since 2014, KPS has won six awards in various categories both in Malaysia and internationally. For two years in a row, KPS has been named Company of the Year under the Trading and Manufacturing Sector at the Sustainability and CSR Awards, conferred jointly by CSR Malaysia Publication and the Corporate Sustainability and Responsibility Malaysia Welfare Society. KPS stands side-by-side with industry giants for its outstanding sustainability and CSR efforts, which further validates our relentless pursuit in continuously creating awareness and expanding our commitment in the communities in which we operate.



**Changing for the Better:**  
**Four CSR Core Pillars** [GRI 413-1] [F4GBM]



**EDUCATION DEVELOPMENT** Education is fundamental in building a knowledge-based society to achieve sustainable human development progress. The Group's central focus is to support the education of Orang Asal children in order to uplift the future generation of marginalised communities. We hope that by providing them with the resources to seek knowledge, it will improve their quality of life and broaden their social outlook.



**ENTREPRENEURSHIP DEVELOPMENT** Numerous programmes in healthcare, livestock management, and social enterprise were organised to plant the seed of entrepreneurship amongst the lower income group within the community. These carefully selected programmes provide platforms to encourage less privileged individuals to support themselves, improve their living conditions, expand their business acumen in the hope that it will result in gainful employment in the community.

The objectives of these programmes are also intended to shape the future and accelerate the progress of women in our society, with a focus on elevating the social and financial status of women like single mothers. We also stress the importance of developing and managing successful mentoring programmes that are designed to have a multiplier effect for enabling positive changes in the community.



**COMMUNITY DEVELOPMENT** Our programmes are focussed on healthy lifestyles, and sporting activities to bridge the divide between the underprivileged, the differently-abled and other members of the community. In 2020, KPS achieved another first with a programme specifically tailored for juvenile delinquents, which prescribes to rehabilitate them back into society and offer them opportunities to tap into their career prospects.



**ENVIRONMENT, SAFETY AND HEALTH** Under this tenet, we focus on the improvement and care of the Environment, Safety and Health by reducing on environmental footprint, promoting conducive and safe environments, and nurturing healthy lifestyles.

## Changing for the Better: Four CSR Core Pillars [GRI 413-1] [F4GBM]

For most of 2020, many of our planned community enrichment programmes were either cancelled or deferred due to pandemic-related restrictions. We also changed direction for some CSR programmes to spread motivational messages and activities as well as heighten awareness in addressing COVID-related issues by joining forces with Governmental agencies and NGOs.

In 2020, excluding the redistribution of zakat, we allocated RM2 million for the implementation of various sustainability and CSR initiatives.



The Group's CSR Programmes have, in many cases, bettered the lives of our communities.



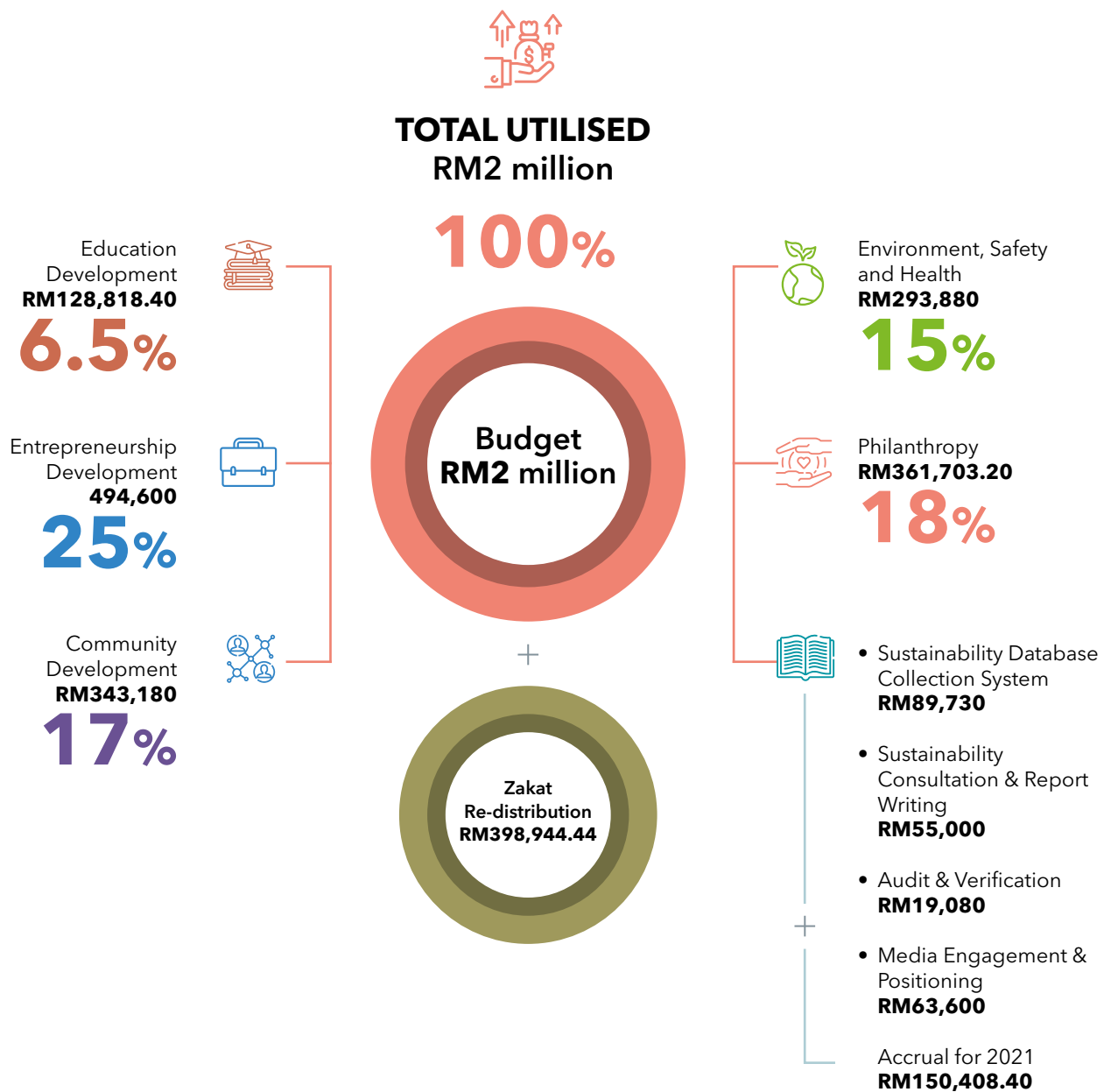


KPS collaborated with MJ Fatonah under its Livestock Entrepreneurship Development Programme.



Changing for the Better:  
Four CSR Core Pillars [GRI 413-1] [F4GBM]

UTILISATION OF BUDGET ALLOCATION

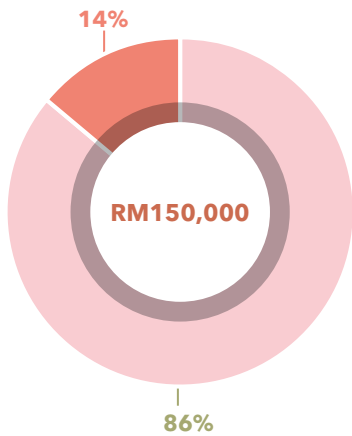


Changing for the Better:  
Four CSR Core Pillars [GRI 413-1] [F4GBM]

ALLOCATION OF BUDGET BY CSR PILLARS



Education Development



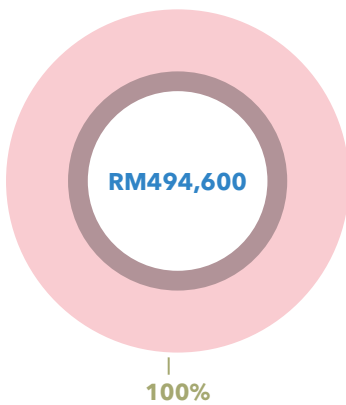
UTILISED  
RM128,818.40

KPS CerDik:  
RM100,000

KPS Junior  
(Industrial Placement):  
RM28,818.40



Entrepreneurship Development



UTILISED  
RM494,600

Livestock:  
RM135,000

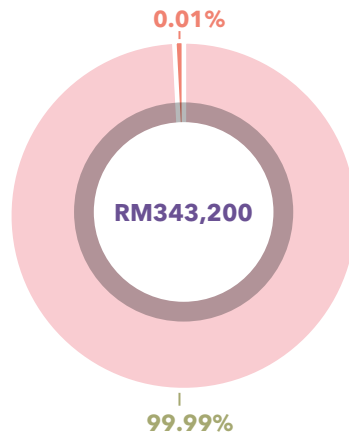
Postnatal:  
RM144,000

Caregiver:  
RM197,600

KPS Community  
Outreach-Caregiver:  
RM18,000



Community Development



UTILISED  
RM343,180

KPS Sports For All:

Swimming (5 Differently-abled  
Swimmers below 21 years old):  
RM43,800

Badminton Therapy Clinics  
for Autistic Children:  
RM145,400

Badminton (2 Hearing Impaired  
players below 25 years old):  
RM66,000

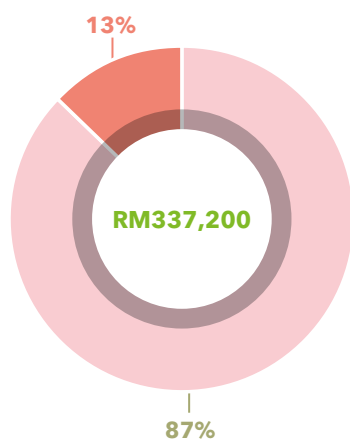
Cycling Talent Development  
(15 cyclists, below 15 years old):  
RM68,000

Islamic Religious Department  
Programmes:  
RM19,980

## Changing for the Better: Four CSR Core Pillars [GRI 413-1] [F4GBM]



### Environment, Safety and Health



#### UTILISED RM293,880

Waste Management  
Training Programmes  
for CBB, CPI and Toyoplas:  
**RM14,600**

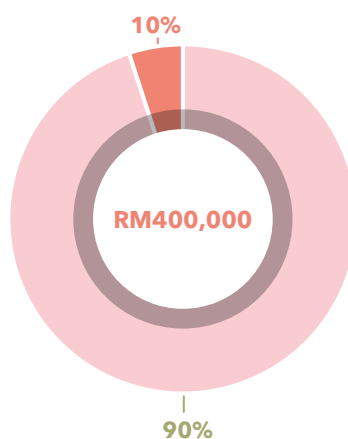
Waste Management Initiative -  
CPI Wastewater Filtration:  
**RM27,080**

Cycling (Road Safety  
Awareness Programmes):  
**RM98,000**

Swimming & Water  
Safety Campaign:  
**RM154,200**



### Philanthropy



#### UTILISED RM361,703.20

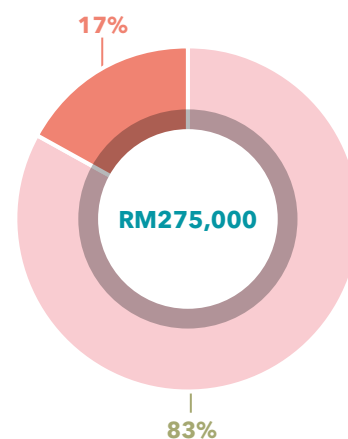
Associations, NGOs,  
CSR Strategic Partnerships:  
**RM151,703.20**

Selangor State *Korban*  
Programme:  
**RM200,000**

Employee Emergency  
Assistance Fund:  
**RM10,000**



### Sustainability Report Writing, Audit & Verification and Media Engagement



#### UTILISED RM227,410

Sustainability Database  
Collection System:  
**RM89,730**

Sustainability Consultation  
& Report Writing:  
**RM55,000**

Audit & Verification:  
**RM19,080**

Media Engagement:  
**RM63,600**

# Inspiring Hope for a Vibrant Future [GRI 413-1][F4GBM]



## KPS Educational Development Programmes

As an agent of change, we believe in giving Orang Asal children the resources and tools to equip them with the opportunity to climb out of poverty. Our education initiatives show how we have stepped in to analyse, intervene and provide novel solutions in addressing the challenges faced by Orang Asal in when addressing to education. Our efforts augur well with the UNSDG Goal 4 of Quality Education, in upholding every child's right to quality education.

For three years, we have been heavily involved with education programmes for Orang Asal to help reduce their illiteracy rate, improve absenteeism and dropout rates, prevent riskier health behaviours and eventually creating a pathway to a more vibrant future with opportunities for higher education and job security.

We were able to proceed with our planned programmes under the Education CSR Core Pillar until it was halted in mid-March 2020. Coaching sessions resumed once the MCO and ensuing CMCO restrictions were lifted in June 2020. In light of the COVID-19 crisis, the CSR Committee is assessing methodologies with the view of harnessing and adopting technology to effectively continue these programmes.



### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 4.1 To ensure every child completes free, equitable and quality primary and secondary education.
- 4.2 To ensure that every child has access to quality early childhood development, care and pre-primary education in preparation for primary education.
- 4.4 To increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.
- 4.6 To ensure that all youth and a higher number of adults achieve literacy and numeracy.
- 4.A Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
- 4.B Substantially expand the number of scholarships available to developing countries, or enrolment in higher education, in developed countries and other developing countries.
- 8.1 Sustain per capita economic growth in accordance with national circumstances.
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of enterprises.
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.6 Substantially reduce the proportion of youth not in employment, education or training.
- 8.8 Protect labour rights and promote safe and secure working environments for all workers.
- 10.3 Ensure equal opportunity and reduce inequalities of outcome, eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action.

**The CerDik 2018 Programme was our first effort in attempting to uplift Orang Asal children through formal education and experiential learning methods.**

**In three short years, our Educational Development programmes have substantially resolved dilemmas faced by this marginalised group to record improvements in combating school dropouts, absenteeism rates, and efforts to create high achievers.**

Malaysia's fragile education system was hard hit in 2020, and has created a "lost generation" in terms of schooling continuity. The level of education by children in government schools has been unequal during the first wave of the pandemic, because classroom teaching was halted and schools shutdown.

The majority of the student population lacked the technology to participate in digital and broadcast learning exacerbated by patchy internet access and the lack of online material suitable for the national curriculum. COVID-19 has widened the existing disparities within communities and between nations, and disproportionately harmed vulnerable groups in our society.

Source: UNDP.



## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### KPS CERDIK PROGRAMME

The CerDik Programme was introduced in 2018 for a select group of 50 Orang Asal children from SK Bukit Lanjan (SKBL) as a catalyst to advance skills and knowledge through a process of interactive learning methods, which included debates and study tours. In 2019, CerDik was extended to another 50 Orang Asal students in SK(A) Bukit Cheding (SKABC).

In 2020, the programme provided children with experiential learning to complement the existing education system. 18 Year-5 and Year-6 Orang Asal students from our adopted school in SK(A) Bukit Cheding (SKABC) and another 10 students from a newly identified school, SK (A) Bukit Kemandol (SKABK), attended this programme. In efforts to continuously enhance CerDik, the children will be coached on the importance of time management skills as well as study techniques to effectively prepare themselves for examinations.

The CerDik 2018 Programme was KPS' initial efforts to assist Orang Asal children to overcome barriers in education with a budget of RM73,085.

#### Objectives:

- To encourage Orang Asal students to pursue their primary and lower secondary education.
- To increase their confidence level in communication skills.
- To equip them with social skills relevant to different cultural settings.
- To reduce absenteeism amongst primary school students throughout the academic year.
- To inspire them to look forward to attending school.
- To reduce the dropout rates at primary and secondary levels.

2020



SK (A) Bukit Cheding

SK (A) Bukit Kemandol


18  
students

10  
students

Budget **RM100,000**

2019



SK (A) Bukit Cheding


50  
students

Budget  
**RM71,749**

2018



SK Bukit Lanjan


50  
students

Budget  
**RM73,085**



The KPS CerDik Programme was initiated to assist Orang Asal children with their early, secondary and tertiary education.

### Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes



There have been significant improvements in educational development amongst Orang Asal children who have participated in the KPS CerDik Programme.

#### KPS CERDIK PROGRAMME

In a period of nearly three years, we have managed to resolve some of the dilemmas faced by Orang Asal children in pursuing their studies, by coordinating with teachers and coaches to execute modules and programmes, which today also include experiential learning techniques. KPS has partnered with inspiraComm Sdn Bhd to develop and conduct a series of modules using a holistic approach. Apart from academic achievements, extracurricular activities serve to teach new skills and develop passions, which are vital in a child's development. These modules are also curated to broaden their social skills by encouraging engagement with other children, by making new friends, and increasing confidence levels in public settings.

This is not a conventional community engagement programme as it was developed with the objective of creating deeper self-awareness and self-worth as well as to elevate self-esteem. It is an essential tool for positive mental health and well-being. Modules were developed after consultation with relevant stakeholders and involved establishing targets and goals. These were then measured and documented systematically.





Orang Asal students from SK (A) Bukit Cheding eagerly participate in the activities conducted under the CerDik Programme.



## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### KPS CERDIK PROGRAMME

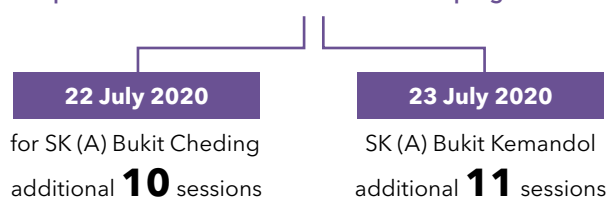
The CerDik programme focusses on monitoring and evaluating the progress of students. To address the issues of absenteeism and dropouts amongst Orang Asal students, teachers conducted home visits to determine the causes and challenges of the families involved.

The primary goal of this approach is early intervention with non-confrontational relationship building, which is an extension of our culture of care and concern. Regular checks on these students allow for effective monitoring of student-activity levels and improving engagement between teachers and families by understanding problems and providing assistance where required.

Our commitment and dedication are multi-faceted and continued right through to ensure that they are not left behind due to the lack of technological infrastructure in their villages. Therefore, these children needed to be taught in a physical classroom.

Four sessions were conducted before the first term school holidays that started on 14 March 2020. Due to the enforced MCO on 18 March 2020, the programme delivery was disrupted with school closure until 14 July 2020.

The programme resumed after the Selangor State Education Department granted permission for us to continue with our programme.



The students managed to sit for the first term examinations before schools were forced to close due to the MCO. There were no subsequent examinations as schools were closed again on 14 October 2020, which lasted until the end of the calendar year.

We looked at changing the criterion of some of our programmes for students who decided not to continue with their tertiary education for reasons which may include not being academically inclined or were pressured to leave because they were forced to contribute towards the family's economic well-being. This prompted us to support them by offering specific skill development or vocational education via specially tailored programmes. This initiative is slated to be launched in the forthcoming year.

## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### TALENT POOL

The Group's optimisation of human resource for both business and social value is two-pronged:

Human Resource optimisation means understanding the skills required for a job, understanding an employee's or an entire organisation's strengths and weaknesses, and using the information to leverage the strengths and minimise the weaknesses to get any one job done effectively, and collectively having an organisation run seamlessly.

While recognising academic qualification is paramount in all new job placements, including fresh graduates from vulnerable groups for industrial placement programmes, we believe in a hands-on training approach after a new employee is first hired. This goes a long way toward integrating efficiency and effectiveness throughout an organisation because without proper training employees, and in turn an organisation, cannot succeed in today's rapidly changing HR landscape that must also cater to a rapidly changing business environment.

According to the Department of Statistics Malaysia, Malaysia's unemployment rose to 4.5% in 2020, the highest rate recorded since 1993. It is evident that both youth struggle to integrate and align their skills in a grim job market. As economies start to recover from the pandemic, the digital forward and automation economy is also expected to further contribute to employment turmoil.

KPS emerged from the crisis on the back of resilience and sustained value creation that has strengthened our long-term sustainability. KPS' CSR is ingrained with societal values, and a clarity of purpose which has supported a broad-based and sustainable economic recovery that has led to growth, which in turn has strengthened our brand's societal trust.

**As a nation-building partner, KPS is mindful of its responsibility to give our youth hope to rise above abject poverty. We offer internship and Industrial Placement programmes to qualified fresh graduates and skilled vocational students to bridge the integration of conceptual knowledge and training. These programmes are part of a long-term strategy to improve professional growth in strengthening our talent pool.**

## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### INDUSTRIAL PLACEMENT PROGRAMME

The uncertainties brought upon by the pandemic forced many companies to cut cost and reduce on employee training programmes. On the other hand, we were determined not to follow suit and proceeded with the HR programmes we had planned for by going virtual. We quickly adopted new remote management techniques and dealt with issues like recruitment with one-on-one interactive sessions.

In this programme, fresh graduates are recruited from local universities for placements in various disciplines either at headquarters or in subsidiary companies. Networking and partnering with local academic institutions and universities are vital strategies to grow the Group's community footprint. By offering job placements to these graduates increases the Group's brand awareness and recognition amongst jobseekers, where we have constantly positioned KPS as an employer of choice.

KPS is focussed on creating an inclusive organisation where all employees feel engaged and understand that their work is an important contribution in the organisation's overall push for excellence. From the onset, mentors are assigned to interns to bridge the aspirations of the individual to that of the organisation, and between extrinsic and intrinsic rewards in aiding the personal and professional development of a mentee.

Mentors themselves are able to gain from the experience as trainers. Our preference in offering interns full-time employment in the Group as opposed to hiring more experienced individuals is based on and intern's adaptability to inculcate the Company culture and values.

In 2020, five interns were assigned to four different departments in KPS.

#### Objective:

To improve the competency of interns.



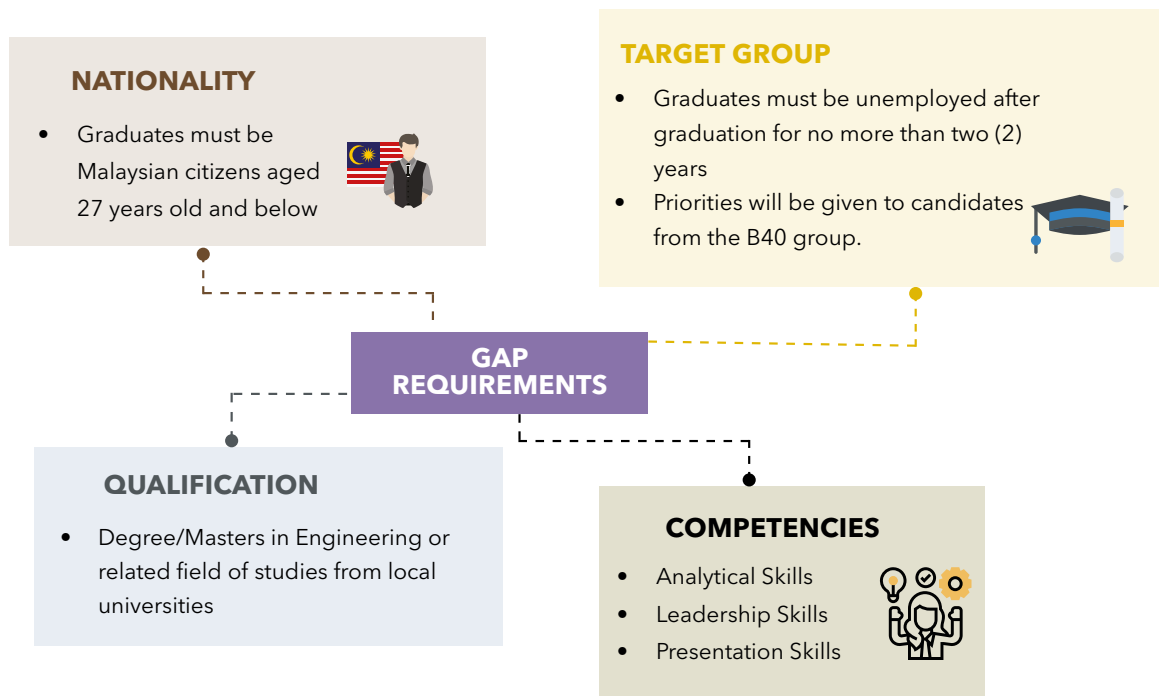
## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### GRADUATE ATTAINMENT PROGRAMME: THE RISE OF A NEW WORKFORCE

The Graduate Attainment Programme ("GAP"), introduced in March 2020, is a one-year structured development programme to build a talent pool of mainly engineers. The aim of GAP is to develop high potential fresh graduates and professionals in a real life working environment. Participants will be exposed to on-the-job training, based on a 6+6 months job rotation, where they will gain exposure in various departments and business sections.

As fresh graduates, they are also able to give a fresh perspective on work processes and about the organisation, as a whole. This new breed possess varying abilities and a natural aptitude for technology, and will form the future talent pool of emerging leaders.

Two graduates underwent the programme in 2020.

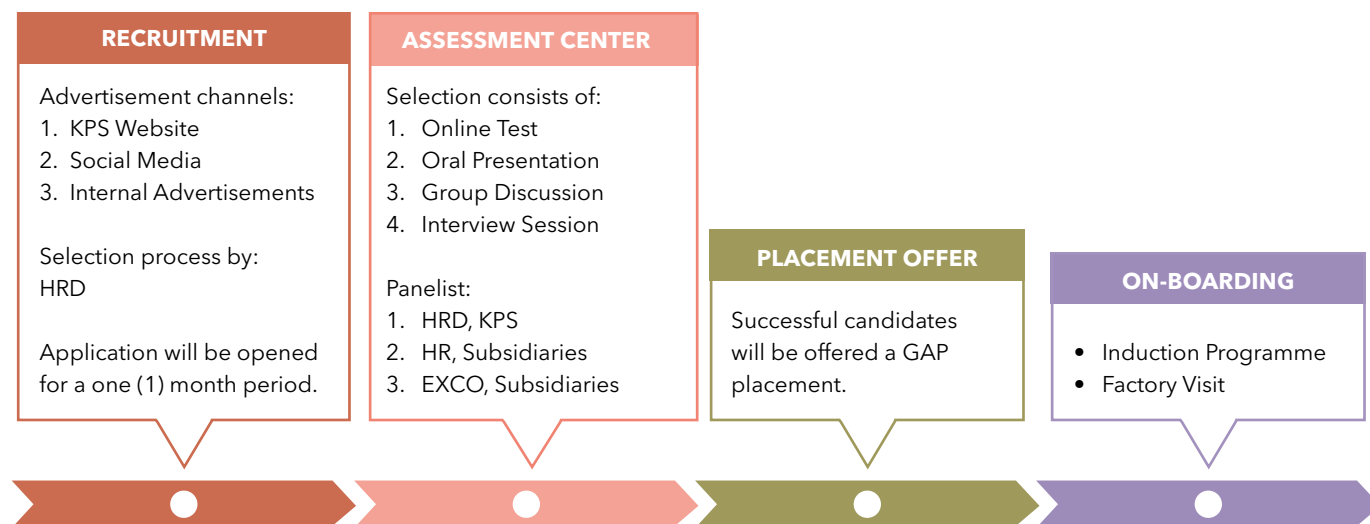




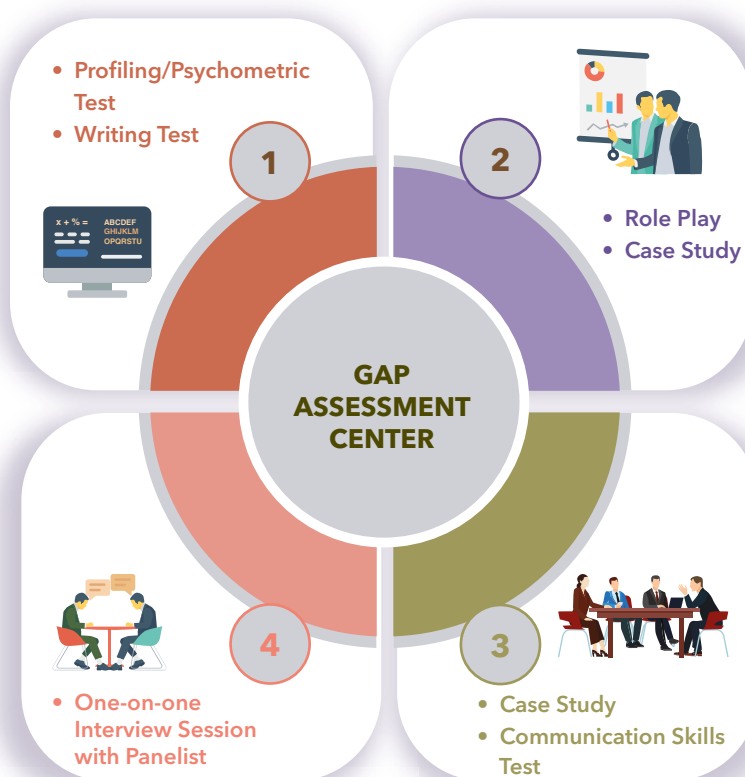
## Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM] KPS Educational Development Programmes

### GRADUATE ATTAINMENT PROGRAMME: THE RISE OF A NEW WORKFORCE

#### GAP SELECTION PROCESS



Upon the successful completion of the programme, GAP trainees will secure an identified position within one of its subsidiary companies, and is subject to individual performances. They will also be placed in a talent pool for managerial/specialist posts where selected individuals will be trained under a structured development programme with formal, relational, and experiential modules built in.



Inspiring Hope for a Vibrant Future [GRI 413-1] [F4GBM]  
KPS Educational Development Programmes

## GAP CANDIDATE'S COMPETENCIES



### ANALYTICAL SKILLS

- Critical Thinking
- Research & Information Analysis
- Problem Solving



### LEADERSHIP SKILLS

- Integrity
- Teamwork
- Dependability



### PRESENTATION SKILLS

- Verbal Communication
- Deliverables
- Persuasion

## GAP BENEFITS



### MONTHLY ALLOWANCE

RM2,000 per month



### MEDICAL OUTPATIENT

RM500 per annum



### PERSONAL ACCIDENT

RM10,000 per annum



### HOSTEL

Provided



### LEAVE ENTITLEMENT

Annual Leave : 8 Days per annum  
Medical Leave : 14 Days per annum

For more information, please contact our  
HRD for opportunities.





Through internship and GAP, fresh graduates have the oppourtunity to carve their career in KPS.

## Unlocking Potential [GRI 413-1]



### KPS Entrepreneurship Development Programmes



#### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGS

- 1.1 Eradicate extreme poverty.
- 1.4 To ensure that the poor and the vulnerable have equal rights to economic resources, access to basic services, ownership and control over land, property, inheritance, natural resources, appropriate technology and financial services.
- 1.A Ensure significant mobilisation of resources from a variety of sources and to implement programmes and policies to end poverty.
- 4.3 To ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education.
- 4.4 To increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.
- 4.5 To eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for everyone.
- 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- 5.B Enhance the use of enabling technology, to promote the empowerment of women.
- 5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and empowerment.
- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of enterprises.
- 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.6 Substantially reduce the proportion of youth not in employment, education or training.
- 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3 Ensure equal opportunities and reduce inequalities of outcome, eliminate discriminatory laws, policies and practices and promote appropriate legislation, policies and action.

KPS pioneered the Entrepreneurship Development Programme to address socio-economic dilemmas that the underprivileged face. The programmes advocate long lasting solutions to equip them with crucial life skills in navigating their uncertain future.

Through subsidised programmes such as these, KPS aspires to develop social-sector entrepreneurship amongst the lower income groups through tangible transformation. By providing the tools for self-sufficiency, instead of quick fixes that are centred on cash and in-kind donations, we intend for the beneficiaries to realise the correlation between the effort they put into work and the income they get of it. All in all, success allows them to acquire a sense of dignity and pride.

Since the inception of these programmes, KPS has an impressive collection of case studies that have fast-tracked numerous participants by either improving their current businesses or establishing start-ups.

We have inspired, nurtured, and mentored hundreds of emerging entrepreneurs who have carved successful paths in various fields of business. Our development initiatives for underprivileged women has effectively supported and gone on to empower them, to inspire and motivate others to follow in their footsteps.

This multiplier effect in creating more opportunities for pursuing meaningful employment and start-ups in social entrepreneurship are exactly the reasons why we created such programmes. Ultimately, we aim to radically reduce extreme poverty in our communities by creating awareness in society that

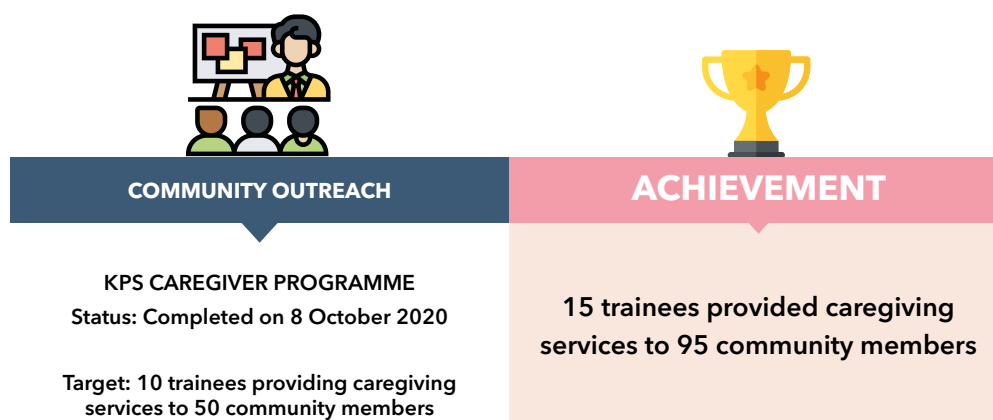
## Change is Possible.



## Unlocking Potential [GRI 413-1] KPS Entrepreneurship Development Programmes



ACHIEVEMENTS KPS ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES			
<b>To elevate socio-economic status</b> <ul style="list-style-type: none"> <li>Elevate income 70% for participants to &gt;RM1,000</li> <li>Elevate income 20% for participants to &gt;RM2,000</li> </ul>	<b>Overall Results: 545 from 792 (69%)</b> <ul style="list-style-type: none"> <li>Livestock: 417 from 625 (67%)</li> <li>Caregiver: 45 from 70 (64%)</li> <li>BLUMS: 83 from 97 (86%)</li> </ul>		<b>2020 Results: 87 from 100 (87%)</b> <ul style="list-style-type: none"> <li>Livestock: 20 from 30 (73%)</li> <li>Caregiver: 37 from 40 (92.5%)</li> <li>BLUMS: 30 from 30 (100%)</li> </ul>
	<b>Overall Results: 103 from 792 (13%)</b> <ul style="list-style-type: none"> <li>Livestock: 62 from 625 (9.9%)</li> <li>Caregiver: 1 from 70 (1.4%)</li> <li>BLUMS: 40 from 97 (41.2%)</li> </ul>		<b>2020 Results: 37 from 100 (37%)</b> <ul style="list-style-type: none"> <li>Livestock: 19 from 30 (63%)</li> <li>Caregiver: 7 from 40 (17.5%)</li> <li>BLUMS: 11 from 30 (37%)</li> </ul>



Challenges and issues will always crop up in any business venture. Hence, our involvement does not just stop at offering programmes but entails a framework with mechanisms to properly monitor, engage, and assist these entrepreneurs through the process of their development.

**Unlocking Potential** [GRI 413-1]**KPS Entrepreneurship Development Programmes****BREAKING BARRIERS FOR RURAL ENTREPRENEURS**

Several key takeaways emanate from the Entrepreneurship Development Programmes, one of which is the multiplier effects for our programmes. We empower and encourage participants to share the knowledge and skills gained with others in the community to promote self-employment, create new job opportunities, and utilise local resources and skills, which lead to alleviating poverty levels.

Another area is creating and developing sustainable community wealth for both business owners and people they employ, particularly in community-based businesses, which what our programmes are founded upon.

The pandemic-linked economic downturn has disproportionately affected these underprivileged groups, partly due to their already precarious position and located in poorer communities.

Businesses owned by lower income groups tend to earn lower revenues, resulting in an overall lower level of prosperity for these families as compared with businesses operating in urban areas.



KPS BLUMS Postnatal Programme empowers women from challenged backgrounds to tap into job opportunities and start businesses in the field of postnatal care.



Caregiving services for the aged and infirmed in our communities have been on the rise. The Caregiver Training Programme has established a platform for the underprivileged in our community to explore career opportunities in this industry.



## Unlocking Potential [GRI 413-1]

## KPS Entrepreneurship Development Programmes

In 2020, three programmes were successfully completed with a total expenditure of:

**RM494,600**

(2019: RM471,278)

**100** participants

(2019: 143 participants)

The Entrepreneurship Development Programmes conducted in 2020:

- Livestock Management;
- Caregiving/Homecare Services for the Aged; and
- Postnatal Services.

We successfully completed all three programmes in spite of restrictions due to the MCO and CMCO periods. While physical training sessions resumed with strict SOPs, virtual training was also conducted.

## ELEVATING SOCIO-ECONOMIC STATUS

KPS Entrepreneurship Development Programmes were implemented to address unemployment issues to encourage participants in raising their confidence levels for either starting small-scale businesses or improving their competitive edge. These training programmes attracted those without any source of income, from low-income households or those who live below the poverty line. In order to keep track of the quality and effectiveness of the entrepreneurship programmes, KPS developed a focussed monitoring and evaluation process, involving the trainers and the participants of the programme.



One of the participants of the Livestock programme received her certificate after successfully completing the training with MJ Fatonah.



**Unlocking Potential** [GRI 413-1]  
**KPS Entrepreneurship Development Programmes**



Since 2012, the Entrepreneurship Development Programme has benefitted 625 community members.



## Unlocking Potential [GRI 413-1] KPS Entrepreneurship Development Programme - Livestock Management

Since its inception in 2012, the Livestock Training Programme has successfully trained 625 participants in 24 sessions. This programme has proven to be an ideal platform for participants to sharpen their technical skills, business acumen, and gain access to working capital required for livestock management and marketing.

In the last eight years, KPS and MJ Fatonah Sdn Bhd ("MJ Fatonah"), a company associated with the Department of Veterinary Services, have been training entrepreneurs to manage livestock with extensive theoretical and practical programmes. In 2020, 30 people from the community were selected based on preset criteria.





**SPECIAL FOCUS****WASTE-TO-PROFIT:  
CIRCULAR ECONOMY IN THE LIVESTOCK INDUSTRY****DON'T LET IT GO TO WASTE**

Together with the training provider, MJ Fatonah, we are exploring the potential to implement a circular economic business to produce bio-fertiliser.

The benefits are immense:

**Organic Fertiliser**

- Producing high-quality organic fertiliser from cow dung and other animal waste could provide a lucrative side income for livestock farmers-turned-entrepreneurs.
- Pivoting to organic farming methods to reduce chemicals and pesticides which are harmful for consumption. Organic fertiliser produced from cow dung is suitable for the cultivation of any crops.
- The circular model of recycling waste promotes biodiversity protection as it is no longer sustainable to continue taking resources from external sources.

Cows dung is one of the most important sources of bio-fertiliser and an effective alternative to chemical fertilisers. Bio-fertiliser enhances productivity in the long-term with by maintaining soil health and protecting the microbial population.

Cow dung manure and vermicompost (product of the decomposition process using various species of worms) increases soil organic matter content, and this leads to improved water infiltration and water holding capacity.

*(Source: International Journal of Scientific Research)*



### Unlocking Potential [GRI 413-1]

#### KPS Entrepreneurship Development Programme - Livestock Management

This programme was also launched to help balance the demand and supply for the domestic market. Rapid economic and population growth has led to increased demand for livestock products over the years. In Malaysia, local livestock breeders contribute 23% of the beef supply and 8% of goat meat, and other dairy products for domestic consumption.

In closing the gap to balance the supply and demand rate, we are pleased to report that the Entrepreneurship Development Programme for Livestock Management is helping meet the Ministry of Agriculture Malaysia's target of achieving 30% local supply for the domestic market in 2020.

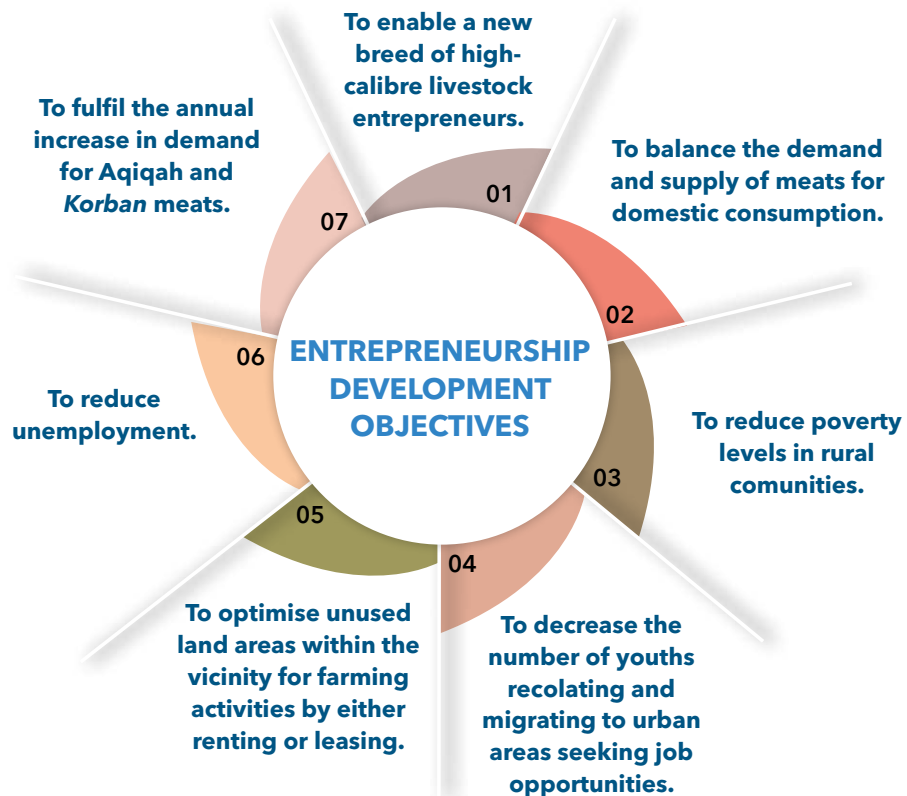
The development of this industry is envisaged to ensure food security in the country and reduce dependency on meat imports. Malaysia relies heavily on beef and mutton imports, due to its cheaper price compared to local produce and also in meeting the high demand of Malaysian consumers as compared to other meats. This initiative is in line with the strategies outlined in the National Agro-food Policy ("NAP") (2011-2020), which is the initiative towards improving the efficiency of the livestock industry, and reducing the balance of trade by increasing domestic supply and decreasing imports.





## Unlocking Potential [GRI 413-1]

### KPS Entrepreneurship Development Programme - Livestock Management



### PARTICIPANTS OF LIVESTOCK PROGRAMME BY STATE IN 2020:



## Unlocking Potential [GRI 413-1]

## KPS Entrepreneurship Development Programme - Livestock Management

Our overarching agenda for this programme is to provide the right resources and skills needed to elevate socio-economic status of our participants. We managed to achieve the following:

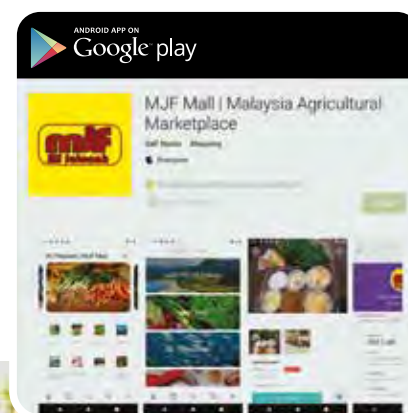
## LIVESTOCK TRAINING PROGRAMME OBJECTIVES AND IMPACTS

OBJECTIVES	IMPACT	
	Before Programme (2020)	After Programme (2020)
To enable a new breed of high-calibre livestock entrepreneurs.	75% 20 participants have launched livestock farming businesses on a traditional scale.	100% 30 participants have started livestock business operations and have diversified animal-based products.
To balance the demand and supply of meats for domestic consumption.	23% Low domestic supply of beef.	30% This programme has helped to meet the Ministry of Agriculture Malaysia's target of 30% supply for the domestic market in 2020.
To reduce poverty levels in rural communities.	0% Livestock farmers were either generating very low income or totally had no source of income from their efforts.	100% Breeders either started to generate income and profit while others found gainful employment in agriculture-related industries.
	0% Monthly income generation of between RM500 and RM2,000.	80% 24 participants achieved monthly incomes of between RM500 and RM2,000.
	0% Monthly income generation of >RM2,000	10% 3 participants achieved monthly incomes of >RM2,000.
To decrease the number of youths migrating to urban area to seek job opportunities.	33% 10 participants had migrated to urban areas.	100% Urban migrants returned to their villages to take-up livestock farming activities.
To optimise unused land areas.	0% The unused and undeveloped land was not converted for farming projects, and which could increase the value of the land.	83% 25 participants rented 300 acres of undeveloped land to pursue livestock farming.
To reduce unemployment rates.	0% 18 participants were accepted into the programme as they were either retrenched or self-employed.	100% This programme created job opportunities for the unemployed or those who were terminated from employment.
To fulfil the annual increase in demand for Aqiqah and Korban meats.	0% Stock shortage of Aqiqah and Korban meats due to rising annual demand. In the State of Selangor alone, the annual demand reaches 50,000 cows and over 200,000 goats.	100% The programme has contributed towards meeting the high demand for sacrificial meats. Participants of the programme have contributed 15,000 goats and 600 cows in the reporting period.

**Unlocking Potential** [GRI 413-1]**KPS Entrepreneurship Development Programme - Livestock Management**

The total cost of the programme was RM135,000, which involved 30 participants.

On 11 and 19 October 2020, in partnership with MStar, we completed filming a documentaries on its Livestock Entrepreneurship Development Programme in Kuala Selangor and Tanjung Karang. The documentary was published on MStar's website and social media platforms, with a viewership of more than 600,000 views to date.

**MODULES**
**MODULE 1: Livestock Entrepreneurs Course and Soft Skills Training (Marketing and Accounting).**
**MODULE 2: Halal Slaughtering Course & Cooked Products/BBQ & Soft Skills Training (Marketing and Accounting).**
**MODULE 3: Livestock Feed Manufacturing Course, Business Planning & Soft Skills Training (Marketing and Accounting).**
**MODULE 4: Utilising IT in Farming Record System and Online Product Marketing via the secured mjfatonah.com App**


Encik Mohd Fauzi bin Mohd Ghazali, Associate Director, IRSC with the crew of MStar during the video shoot of the Livestock Management documentary.



## SPECIAL FEATURE



# Close Up with Salbiah Aris



*I'm deeply grateful to KPS for this opportunity and am truly humbled to set an example for other women in the business to follow. This programme has certainly empowered me, as I have become more positive about my future prospects.*





Salbiah Aris and her husband are owners of 40 cows in Sekinchan, Selangor. They have been accustomed to hardship having run their business on a small scale with limited knowledge and experience on feeding requirements, breeding habits, and common illnesses that can affect managing a livestock farm.

The KPS Livestock Programme gave her the chance to make her rural cow farm more profitable by adopting technology and know-how. The programme was an eye opener for her as she delved into managing the business at a professional level. As a newcomer, the course has proven to be a rewarding experience as she is now better equipped with new skills and knowledge to advance her business.

She willingly shares her humble beginnings with others on learning how to manage livestock as well as adhering to SOPs of slaughtering and cooking, as well as aspects on sales and marketing.

Get access to the video and contact information.

**Video Link of Close up with Salbiah Aris**



Download the "QR Code Reader"  
on App Store or Google Play



Run the QR Code Reader app  
and point your camera to the  
QR Code



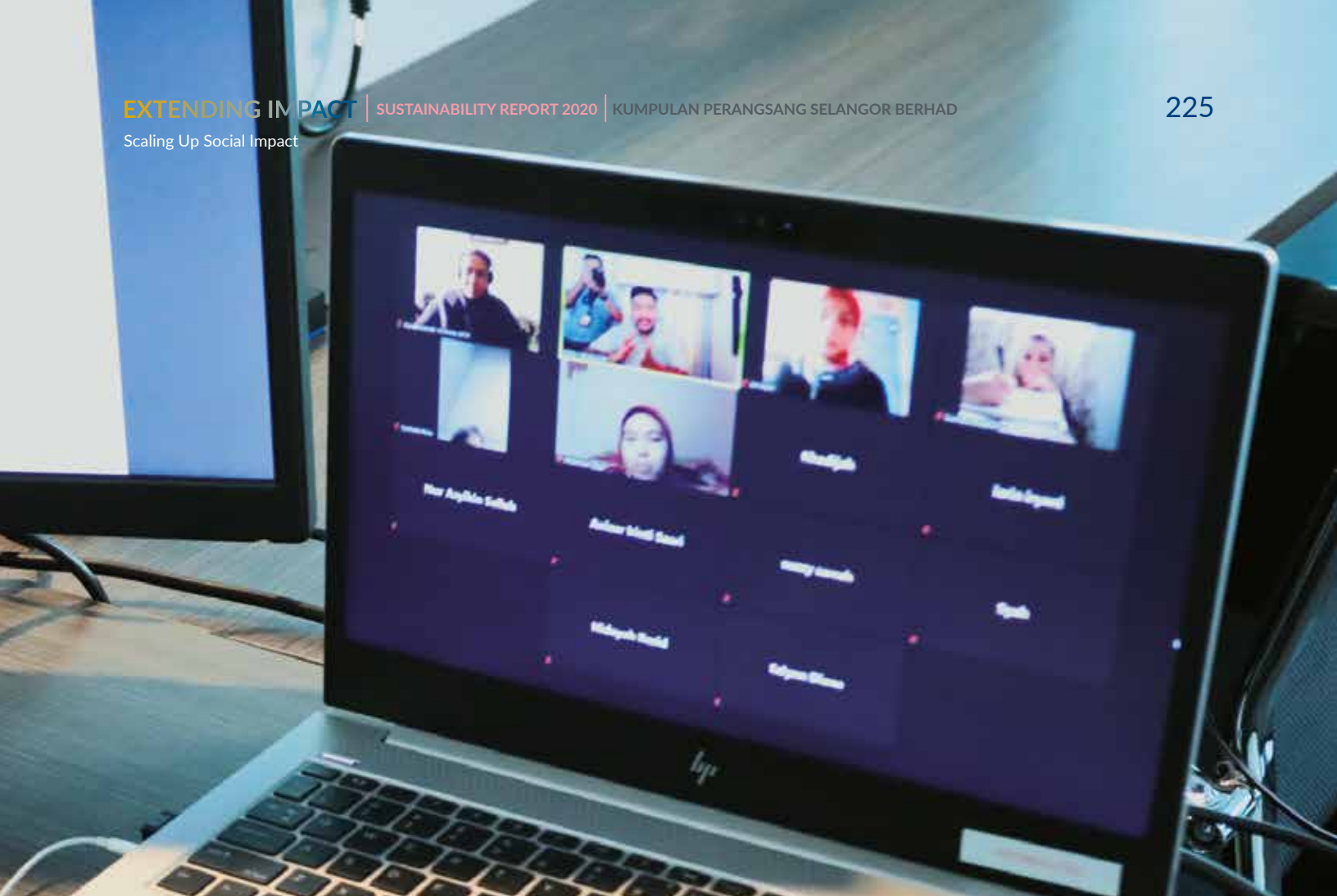
## Unlocking Potential [GRI 413-1] KPS Entrepreneurship Development Programme - Caregiver

During the reporting year, 40 candidates successfully completed the KPS Caregiver Entrepreneurship Programme, which was conducted by Cality Care Malaysia, a subsidiary of ARC Group Australia.

Cality Care Malaysia specialises in providing home care services in Malaysia for the elderly. Participants of this programme were trained according to modules from the Australian Industry Standard Certificate III in Individual Support.

The COVID-19 pandemic has increased the demand for elderly home care services in the country. Deemed as essential services, caregivers were able to travel from restricted areas under the CMCO and Extended Movement Control Order periods and this programme has proven to be an ideal occupation for the unemployed and for those who had lost their jobs.





The Caregiver graduation ceremony was conducted virtually.



Our Caregiver Entrepreneurship Programme provides a platform for participants to learn new skills .

The objectives of the KPS Caregiver Entrepreneurship Programme are:

#### Objectives:

- To provide an opportunity for the unemployed to undergo Cality Care's Australian care standard theoretical and practical training.
- To shape career path for participants to work in the aged care sector.
- To implement a sustainable recruitment programme befitting KPS' corporate social responsibility ethos.
- To provide opportunities for participants who have successfully completed the programmes to conduct training sessions in Community Outreach programmes, in a train-the-trainer model.
- To raise the socio-economic status of unemployed youth in Selangor by offering them alternative work experiences in the industry.

In addition, the Community Outreach Programme encourages participants of the Caregiver Programme to share their knowledge and skills by training others in the community who are keen to hone their skills in the healthcare sector.

The objectives of the Community Outreach Programme aside from empowering underprivileged groups are:

#### Objectives:

- To offer caregiving services for the elderly who are infirmed in aged care homes.
- To inculcate patience, compassion and improve communication skills amongst care providers.



## Unlocking Potential [GRI 413-1]

### KPS Entrepreneurship Development Programme - Caregiver

During the MCO and CMCO, classes were conducted online via Zoom video conferencing platform from 9 June 2020.

Following the completion of the programme, 95% of participants were employed in various home care companies while the remaining planned to venture into their own business. The number of participants increased from 30 in 2019 to 40 in 2020. This reflected a 26% increase in cost of the programme RM75,000 in 2019 to RM145,950 in 2020. On 26 November 2020 KPS presented certificates to 40 graduates of the Caregiver Entrepreneurship Programme via a virtual graduation ceremony. The ceremony was graced by James Kim, Chief Executive Officer and Hizlan Ahmad, Director of Care from Cality Care Malaysia Sdn. Bhd. KPS was represented by Encik Mohd. Fauzi Mohd. Ghazali, Associate Director of IRSC.

**95%** of participants were employed in various home care services companies while the remaining planned to venture into starting their own business.



In view of the pandemic, the graduation ceremony took place virtually.



## SPECIAL FEATURE

## Graphic Design Graduate Turned Caregiver



*Instead of facing unemployment, I am glad that I am able to secure a job that I have learnt to love and has enormous potential. Thank you for this opportunity, KPS!*





## Unlocking Potential [GRI 413-1]

### KPS Entrepreneurship Development Programme - Caregiver



**Zuhayrah Masturina Zakaria**, one of the participants of KPS Caregiver Programme was a fresh graphic design graduate. Since graduating, she was unsuccessful in gaining employment.

Instead of staying idle, she decided to learn new skills and took up the offer to participate in our Caregiver Training Programme. The change in her career direction to an entirely different field was not particularly difficult, as she had previously assisted in the caring for her aged grandmother. Her experience in assisting her grandmother was what spurred her to pursue this vocation.

She acknowledged that she has still much to learn but remains optimistic about the potential this industry holds for her. She looks forward to achieving new personal and career goals, and set more milestones in the future.



Off to a new start! KPS BLUMS Postnatal participants proudly showing off their certificates and eager to embark on sharing their newfound knowledge and skills to women who require confinement care.



KPS BLUMS Postnatal Programme has empowered women from deprived backgrounds to elevate their socio-economic status by having the skills to be gainfully employed and the ability to become entrepreneurs.



## Unlocking Potential [GRI 413-1] KPS Entrepreneurship Development Programme - BLUMS (Postnatal Services)

**In our efforts to alleviate the socio-economic status amongst low-income groups, KPS has been collaborating with Tisas Academy Sdn Bhd since 2019 to train women in providing postnatal services.**

Women, among the lowest income group in Malaysia. The rural population and the urban poor face various health issues due to lack of information on personal well-being and in accessing essential treatment.

(Source: BMC Public Health <https://rdcu.be/ccccs>)

KPS BLUMS has a specially developed mobile spa programme for postnatal services, and is marketed on social media platforms like Facebook, Instagram and WhatsApp.

In 2020, 30 participants from the B40 group were selected to undergo training under this programme. Aside from reducing the unemployment rate among the B40 group, this programme serves as a platform for small-scale businesses to improve their competitive edge. It further targets to empower women to be self-reliant and to compete in the industry.

The training sessions were conducted at the Tisas Academy, located in Seksyen 7 Shah Alam, Selangor throughout July and August 2020, which consisted of both theory and practical lessons. For the reporting period, a total of RM144,000 (2019: RM75,000) was spent on this programme. The 47.9% increase in cost was mainly due to the cost incurred for two participants that were qualified to obtain the *Sijil Kemahiran Malaysia* ("SKM") Certification.



One for the album! All smiles on graduation day, ready to render meaningful postnatal care services to the community.

## SPECIAL FEATURE

# When There's a Will, There's a Way

## Norfadhila Sharul,

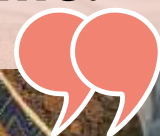
one of the participants of the programme, was facing difficulties in making ends meet. Although she was not selected at her first interview, she was not deterred and kept trying until she succeeded, in getting into the programme.

She diligently attended the courses on offer and was finally trained in a field of her choice. Through this programme, she was further exposed to new marketing strategies and financial methods to properly manage a business. Since joining this programme, she has managed to double her income, and has a bright future ahead.

Her story inspires others to never give up even when the going gets tough, staying steadfast in the face of adversity. She believes that her experience will empower other women to be financially independent.



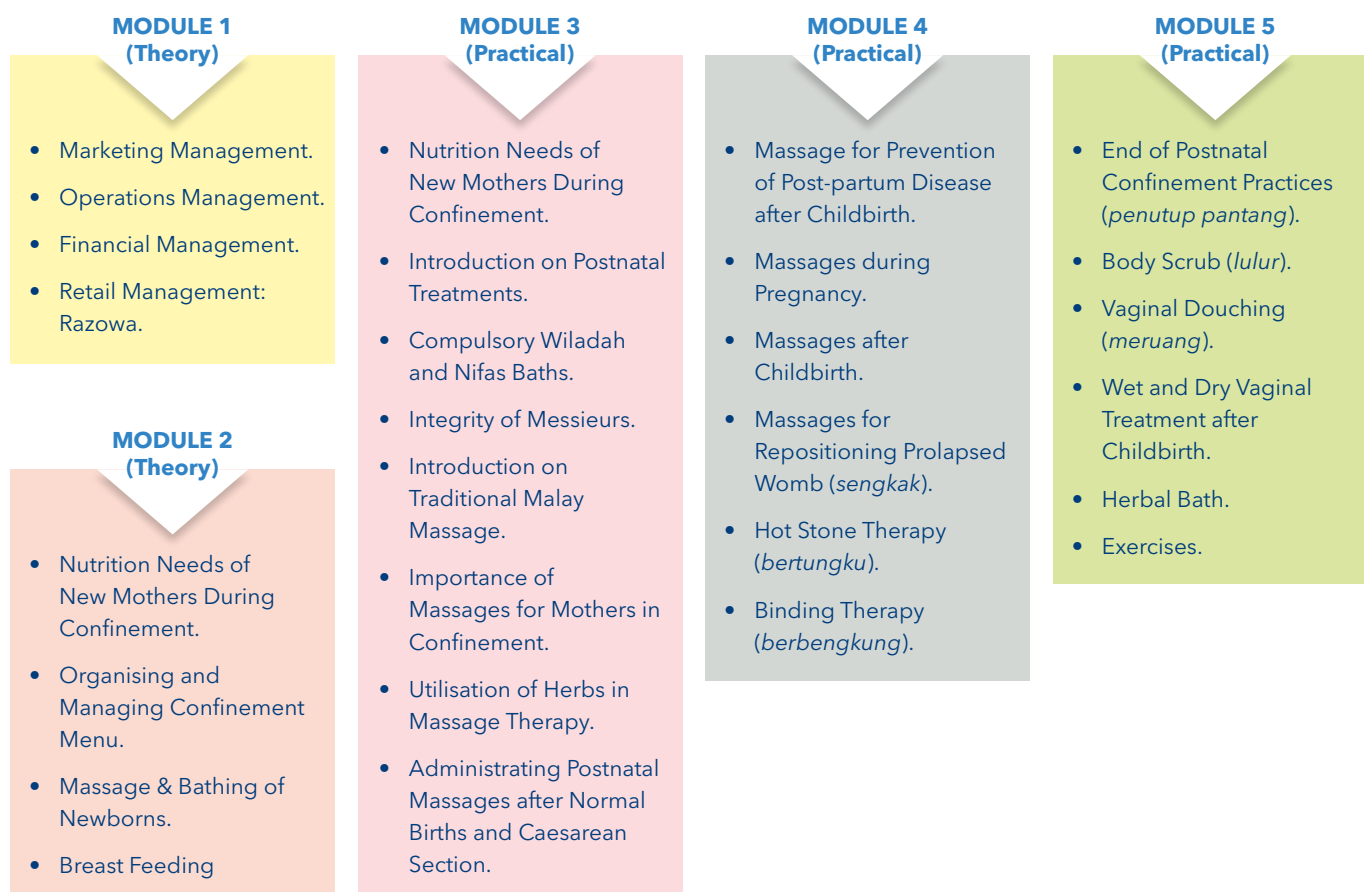
***Giving up is not an option for me.***



## Unlocking Potential: [GRI 413-1]

### KPS Entrepreneurship Development Programms - BLUMS (Postnatal Services)

#### MODULES



Our sustainability efforts are interconnected with social entrepreneurship in the sense that it reflects our active commitment to the beneficiaries of our programmes, especially the people in local communities.

This link with local communities is an enabler to further advance and develop others through the sharing of knowledge, skill sets as well as employment opportunities for participants. This affirms our social obligations, of **Extending Impact** in the communities and is the foundation of the theme of our Sustainability Report 2020.

Get access to the video and contact information.

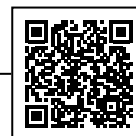
#### Video Link of BLUMS (Postnatal):



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



## Equality and Inclusivity in Sports Development [GRI 413-1]



### KPS Community Development Programmes

**In 2020, we sponsored RM575,400 (RM252,200 for Sports For All and RM323,200 for Sports Development) involving 329 participants. To date, we have spent more than RM8 million on various sports programmes, enriching 46,775 participants since we first started in 2014.**

The value creation from these activities and programmes under the purview of KPS' Sports Development and Sports for All initiatives are manifold. Many of these programmes promote the participation of underprivileged groups and individuals with a spectrum of disabilities. These programmes are predominantly for the underserved; with the objective of eliminating barriers in sports which would otherwise deter them from the physical, mental, and social benefits sport brings.

Working with local partners and NGOs, these programmes also encourage volunteerism amongst our employees and their families. This initiative creates positive bonds among families and communities through their shared experiences and social interactions at sporting events.

At the competitive level, KPS has successfully discovered several sportsmen and sportswomen who developed their potential and gone on to compete at national and international events.



Scaling Up Social Impact



Our unique Community Development Programmes have opened up a whole new world of opportunity to many abled and differently-abled sports men and women.



## Equality and Inclusivity in Sports Development [GRI 413-1] KPS Community Development Programmes



Participants of the KPS Badminton for the Deaf (OKU) Development Programme undergoing intensive physical training and getting into a state of preparedness for future tournaments.

### KPS BADMINTON FOR THE HEARING IMPAIRED DEVELOPMENT PROGRAMME

In 2020, we introduced the KPS Badminton for the Deaf where we sponsored RM66,000 to train two hearing-impaired badminton players below the age of 25. 140 training sessions were conducted between February till the end of December 2020. The formation of such activities for the physically or mentally challenged in our community was to uncover talent and develop their potential, giving them the opportunity to even reach competitive levels.



Get access to the video and contact information.

**Video Link of KPS Badminton for the Hearing Impaired Development Programme:**



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



For more news online go to CSR News page 265.

Equality and Inclusivity in Sports Development [GRI 413-1]  
KPS Community Development Programmes

# Against All Odds

KPS is proud to have sponsored two extremely talented national deaf shuttlers, Muhammad Shafiq Hassan and 2019 World Deaf Badminton Championships bronze medallist, Boon Wei Ying, who are both 24 years old. Melaka-born Wei Ying won the silver medal in the mixed doubles of the 2017 Deaflympic in Samsun, Turkey.

Competing at the international level is a dream come true for Muhammad Shafiq, who started playing badminton at the tender age of 10. He cites badminton giants, Datuk Lee Chong Wei and China's Lin Dan as his idols whom have motivated and inspired him to excel despite his challenges.

Currently, the duo is training full time for the Asia Pacific Deaf Games ([https://en.wikipedia.org/wiki/Asia\\_Pacific\\_Deaf\\_Games](https://en.wikipedia.org/wiki/Asia_Pacific_Deaf_Games)) and the 1<sup>st</sup> ASEAN Deaf Games. Muhammad Shafiq's unwavering commitment and determination, while his fighting spirit, has made him one of the favourites, who many consider to be an athlete destined for bigger achievements.



Muhammad Shafiq and Boon Wei Ying are up and coming star-players of tomorrow.

## Equality and Inclusivity in Sports Development [GRI 413-1] KPS Community Development Programmes



Our partner, SuperSharkz Swim School has been training differently-abled swimmers for national and international competitions.

### Objective:

- To encourage participation in swimming and to identify talent among differently-abled children
- To create public awareness on autism and psychosocial disabilities
- To inculcate independence and social skills for differently-abled children.
- To close the gap and strengthen bonds by integrating differently-abled and abled-bodied athletes through sports programmes.

### TALENT IDENTIFICATION FOR SWIMMERS WITH SPECIAL NEEDS

KPS is taking bold steps to empower the disadvantaged in our community. In collaboration with SuperSharkz Swim School, we conducted a talent search programme for swimmers with special needs and autism. The one-year programme, initiated in April 2020, is expected to be extended until March 2021. This initiative's primary objective is to train talented differently-abled athletes in preparation for SUKMA 2022. KPS sponsored this programme with a RM43,800 for this programme.

From the five identified swimmers, four of them are undergoing intensive training, and being groomed to represent Selangor and Malaysia in SUKMA 2022 and a host of international competitions, including the Tokyo 2020 Paralympics Games which has been postponed to August 2021, and Sea Games in Myanmar.

The four swimmers, How Su Yiun, Cavin Ong, Muhd Irsad Tamimi and Kelvin On Kai have set their sights on representing Malaysia in these prestigious events and are under the watchful eye of their respective trainers at Supersharkz. The four are eagerly training hard to achieve their aspirations in qualifying for the games.

The determination and persistency of these swimmers in overcoming their disabilities is indeed commendable. The programme has given them the opportunity to shine and be counted into the annals of the country's prestigious sports history.

Get access to the video and contact information.

#### Video Link of KPS Talent Identification for Swimmers with Special Needs:



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



For more news online go to CSR News page 265.



## Equality and Inclusivity in Sports Development [GRI 413-1] KPS Community Development Programmes



### KPS JUNIOR CYCLIST DEVELOPMENT PROGRAMME

To ensure that our CSR programmes have a long-range effect, the KPS Junior Cyclist Development Programme was mooted to target underprivileged children in our community.

The cycling clinics were conducted over six training sessions on 22 August 2020, 5 (conducted two sessions), 19, and 26 September 2020, with another conducted on 19 December 2020. The overarching aim of the programme is to enable 15 cyclists, all under 15 years old, to be able to cycle safely while promoting the virtues of cycling; which are to improve skillsets, knowledge, attitude, behaviour, and an awareness of on-road hazards. These specialised training sessions were also designed to be a catalyst for the youngsters to sharpen their talent, and to explore the possibility of becoming professional cyclists in the future.

RM68,000 was spent on training sessions for the five selected cyclists under the Cycling Talent Development programme.

Get access to the video and contact information.

#### Video Link of KPS Junior Cyclist Development Programme:



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code



For more news online go to CSR News page 265.

Equality and Inclusivity in Sports Development [GRI 413-1]  
KPS Community Development Programmes



SPORTS DEVELOPMENT

## KPS Junior Cyclist Development Programme

### OBJECTIVES:

#### ① Knowledge and Understanding



- Building interest, promoting and encouraging cycling.
- Sharing the science of cycling.
- Understanding the benefits of using protective gear such as helmets, light reflectors, and high-visibility appropriate clothing.
- Understanding the needs and vulnerability of pedestrians and other road users, especially on shared use facilities.
- Understanding the difference between riding and playing on roads.
- Understanding road and traffic signage and how to anticipate issues when riding on open roads.
- Understanding the behaviour of other road users and pedestrians.



#### ② Prevention



- Reducing accidents and casualties.
- Encouraging teenagers to stay away from negative activities.
- Recognising and anticipating potential hazards and to take appropriate action to avoid them.

#### ③ Opportunities

- Creating opportunities through exposure and gaining experience from participating in sporting activities.
- Inspiring participants to take the opportunities available in professional cycling and to consider cycling-related jobs.



#### ④ Proper Training



- Imparting proper knowledge and training to polish and improve the skills of young cyclists.
- Establishing safe practices and to set a good example.
- Developing a proper perception of speed and distance.
- Sharpening observance skills when cycling
- Promoting risk assessment and decision making when cycling.

# Sports for All

## Building Healthier Lifestyles and Minds [GRI 413-1]



### KPS Community Development Programmes

Since 2014, KPS has organised sporting events to bring the general public, differently-abled, mentally-challenged, members of the media, other professional companies and NGOs together through the attraction, excitement and passion these events bring. The reach and impact of sport is undisputed. We today fully support young talent, especially in the state of Selangor, and to pursue talented candidates to consider a career in competitive sports.

As the brand owner of Sports for All from 2014 to 2020, KPS has in total, to date, sponsored over RM8 million to support 46,775 participants in a multitude of sporting activities. Our Sports for All programmes are designed to cultivate healthy competition, and by learning new skills we hope the virtues of sport will strengthen their social and mental skills.

Sports for All has also played an important role by demonstrating its efficacy in building social skills, imparting knowledge, and sharing resources while at the same time establishing a social cohesion that has built societal structures and mechanisms for community dialogue, leadership and participation.

While we managed to proceed with some of the planned activities, many had to be rescheduled or cancelled due to COVID-19 pandemic restrictions that were imposed between Q1 and Q2 2020. However, we were allowed to restart some of the programmes in Q3 2020 by strictly following the SOPs issued by the National Security Council. The Government allowed for contact sports to resume from July 15, 2020, but no spectators were allowed.



KPS, through the Sports For All initiative has changed the lives of those who aspire to reach greater heights in their selected field. Our programmes inspire and unite youth.



# ENVIRONMENT, KEY HIGHLIGHTS

We provide financial assistance and strive to increase awareness in Environment, Safety and Health to the underserved in our communities through various activities under KPS Community Development Programmes.



## ENVIRONMENTALLY FRIENDLY SHUTTLECOCKS

13 December 2020



**Eco-friendly shuttlecocks** are approximately **40 to 50%** cheaper than feathered ones, and they last longer.



Beginning 2021, **sponsored badminton** players started using **synthetic feather shuttlecocks** for training.



In January 2020, the **Badminton World Federation ("BWF")** approved the use of **synthetic feather shuttlecocks** in tournaments from early 2021 after it was tested at three international competitions in 2018.



**24 shuttlecocks** made from **goose and duck feathers** are used during a single match, which BWF claimed can be reduced by **25%** using the synthetic version.



## JUNIOR LIFESAVING PROGRAMME

November 2020



As a replacement for the annual KPS Water Safety Campaign & Orphans Learn to Swim Programmes that could not be conducted due to COVID-19.



### Junior Lifesaving Programme

**130** orphans and underprivileged children

#### Objectives:



- Increase the awareness on the importance of water safety,
- Water survival skills
- Basic rescue skills.



## KPS CLEVER CYCLIST

15 February 2020



**91** participants.



Did not include the differently-abled as a precautionary; as they are considered high risk individuals.

#### Objectives:



- To promote and encourage a healthy lifestyle
- To teach proper cycling techniques and skills to prevent injuries
- Safety measures to be taken in the event of emergencies and injuries.



# SAFETY AND HEALTH

## LEAVE THE GEESE ALONE, TIME FOR ENVIRONMENTALLY-FRIENDLY SHUTTLECOCKS

KPS has initiated yet another novel sustainable and eco-friendly initiative, which is to promote the use of synthetic feather shuttlecocks in badminton. KPS has urged tournament organisers and players to use eco-friendly shuttlecocks, which are more durable and approximately 40 to 50% cheaper, in an effort to deter animal cruelty. This campaign was launched on 13 December 2020 in Sungai Buloh, Selangor where 86 badminton enthusiasts attended the launch event, physically, and virtually.

This is an opportunity for all involved in badminton to do their part for a sustainable environment and the fight against animal cruelty. To produce one dozen shuttlecocks, feathers from 48 geese are plucked from one side of the animal while they are still alive.

Two national deaf shuttlers, Boon Wei Ying and Muhammad Shafiq Hassan, who are sponsored by KPS; and top national women's doubles player Chow Mei Kuan, who streamed from Academy Badminton Malaysia, attended to lend support to the programme.

KPS has instructed all its sponsored badminton players to start using synthetic feather shuttlecocks for training beginning 2021. Meanwhile, Muhammad Shafiq, who tried the artificial shuttlecocks, said "it weighs more, is highly durable and good for environmental causes compared to regular shuttlecocks".



Get access to the video

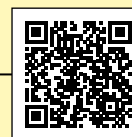
**Leave the Geese Alone,  
Time for Environmentally-Friendly Shuttlecocks**



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Run the QR Code Reader app and  
point your camera to the QR Code



For more news online go to CSR News page 266.

Sports for All: Building Healthier Lifestyles and Minds [GRI 413-1]  
KPS Community Development Programmes

KPS BADMINTON THERAPY CLINIC WITH  
AUTISTIC CHILDREN SERIES

This is a continued collaboration from 2019 between KPS and JWorld Sports to encourage children diagnosed with autism spectrum disorders (“ASD”) to improve and facilitate motor and cognitive skills, as well as social interaction through sports activities. 18 classes were held physically and virtually between March and September 2020 and were conducted by four highly-qualified trainers. 10 sessions were carried out in Dewan Badminton Dr. Ko (Klang) and Dewan Rakyat Jalan Gombak while the remaining eight were held through virtual training sessions during the MCO and CMCO periods.

The focus of this programme was to coach the children on improving and enhancing their movements through better-coordinated walking, standing posture, how to prevent injuries, avoid accidents, including enhancing the combination of right and left-brain coordination and developing them to be more independent.

- To improve coordination and build self- confidence among autistic children

Completed 18 sessions

PHYSICAL SESSIONS

3, 4, 10, 11 & 17

MARCH 2020

26 & 27

AUGUST 2020

3, 4 & 10

SEPTEMBER 2020

VIRTUAL SESSIONS

4, 11, 18 & 25

JUNE 2020

2, 9, 16 & 23

JULY 2020

## Sports for All: Building Healthier Lifestyles and Minds [GRI 413-1] KPS Community Development Programmes

### KPS LIFEGUARD & SWIMMING INSTRUCTOR CERTIFICATION COURSE

KPS is committed to creating programmes that will have a meaningful impact on society. Our concerns in resolving social issues have opened doors to another segment of society; juveniles.

A specific programme was formulated to help resolve and rehabilitate youth to help them come away from unlawful behaviour. The KPS Lifeguard & Swimming Instructor Certification Course which was organised from 13 to 30 July 2020 was designed to educate, empower and equip juvenile delinquents with these specialised skills. This programme offers them a path towards a better life with opportunities for careers as lifeguards or in coaching.

Besides theory and practical lessons, participants also undergo soft skills training; where we adopt a holistic approach to building confidence, as well as applying self-reflection and promoting good communication skills.

Three participants were assigned for non-administrative tasks which included maintaining pool facilities, educating students in basic swimming techniques and teaching participants on water safety, effective CPR and first aid. The fourth participant was assigned with general administrative duties to provide essential support to executives and other departments within sports facilities.

Four participants from the Sungai Buloh Correctional Centre successfully completed the programme, of which three have been gainfully employed.



KPS aims to rehabilitate juveniles by giving them employment opportunities to in order to learn new life skills.

## Sports for All: Building Healthier Lifestyles and Minds [GRI 413-1] KPS Community Development Programmes

### JUNIOR LIFESAVING PROGRAMME

In previous years, the annual KPS Water Safety Campaign & Orphans Learn to Swim Programmes were successfully organised to coach orphans on core aquatic skills and spreading awareness on water safety. However, in 2020 we were unable to proceed with any of the programmes due to the COVID-19 pandemic.

In November 2020, we managed to organise a Junior Lifesaving Programme for 130 orphans and underprivileged children from four different orphanages in the Klang Valley. These were Cahaya Bestari Asrama Lelaki, Cahaya Bestari Asrama Perempuan, Persatuan Rumah Kebajikan Anak-Anak Yatim & Ibu Tunggal Hajah Kamariah, and Rumah Kebajikan Anak-Anak Yatim Sai Pandian.

The objective of the programme was to increase the awareness on the importance of water safety, being safe in and around water, water survival skills and basic rescue skills.



Orphans are taught lifesaving techniques to ensure their health and safety while swimming.



#### Objective:

- To promote swimming as a life skill that could save lives.
- To create awareness on the importance of water safety.
- To educate children on basic water survival and rescue skills.



### Sports for All: Building Healthier Lifestyles and Minds [GRI 413-1] KPS Community Development Programmes



#### KPS CLEVER CYCLIST SERIES

Malaysia has pledged to cut the national carbon emission intensity by 45% by 2030, based on emission levels recorded in 2005. On 4 November 2016, at the historic Paris Agreement, UN member nations agreed to join forces with the aim of capping the global temperature rise at 2C above pre-industrial levels (Source: NST).

As such, in the past few years, there has been a rise of interest in cycling for recreation or as a sport in the country, and to date, over 10 km of cycling lanes have been constructed in the capital city of Kuala Lumpur. 42 LRT stations along the Ampang/Sri Petaling and Kelana Jaya lines have "Bike N Ride" services. The public has also become more aware of the zero pollution and zero-carbon impact through cycling activities.

### Sports for All: Building Healthier Lifestyles and Minds [GRI 413-1] KPS Community Development Programmes

In our efforts to continue sustainability-related initiatives, we organised the KPS Clever Cyclist Series on 15 February 2020 at SK Seri Anggerik, Cheras with 91 participants. However, we did not include the differently-abled in the community to participate because they are categorised as high risk individuals. As a result, it was decided that these events were to be conducted for abled persons instead, and to promote and encourage a healthy lifestyle, especially after being confined at home during the MCO and CMCO periods.



One of KPS Junior Cycling programme participants learning about bicycle maintenance.



## Reaching Out to Our Communities [GRI 413-1]



### Philanthropy



KPS assists the communities in contributing much needed food supplies and humanitarian assistance, and responding to emergencies and crisis when the need arises.



#### OUR COMMITMENT TO AND ALIGNMENT WITH THE SDGs

- 1.1 Eradicate extreme poverty.
- 1.A Ensure significant mobilisation of resources from a variety of sources and to implement programmes and policies to end poverty.

In identifying and supporting causes of the needy, KPS adopts a systematic and strategic approach in its philanthropic activities. All programmes and financial aid or grants that are given out to the community are guided by unbiased research, evaluation and analysis; which is in accordance with the Group's Mission and Vision statements and core corporate values.

Over the years, KPS has contributed in the form of financial aid or in-kind contributions and donations, which included food supplies, medical supplies, humanitarian assistance and response to emergencies. In operational terms, we usually either engage directly with a community, or collaborate with NGOs or relevant organisations to help underprivileged groups.





Encik Norazlan bin Jantan, IRSC's Senior Executive at KPS with representatives from PPD during the distribution of hand sanitisers for the community in Kelana Jaya.



## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### KPS' PHILANTHROPIC EFFORTS IN 2020

#### 1. CONTRIBUTIONS TO 21 ASSOCIATIONS, NGOS AND SCHOOLS

**March & September 2020:** KPS contributed RM20,000 to the following associations, NGOs and schools.

01	Bendahari UUM for: Bakti Siswa (Semarak Ukhwah) Project.
02	Persatuan Muafakat Darul Ehsan (PAKAT) for the Women Power Run by PEWANIS 2020.
03	Kelab Renang Anakair Shah Alam, Selangor sponsorship for the 5 <sup>th</sup> Selangor Novice Swim Meet at Pusat Akuatik Darul Ehsan, Shah Alam.
04	Yayasan Waqaf Pendidikan Anak Yatim atau Miskin Malaysia for Waqaf Education of Orphans or Poor Orphans.
05	Yayasan Pembangunan Buku Negara for book sponsorship: "The Comeback" - 7 <sup>th</sup> Prime Minister of Malaysia.
06	PIBG SMK Seksyen 7, Shah Alam for "Kembara Ilmu SMART 7 to Universiti Teknologi Petronas, Perak.
07	Persatuan Veteran Bomba dan Penyelamat Malaysia for Charitable Donations to Veteran Members of Fire And Rescue Association Malaysia.
08	Pertubuhan Pembangunan Orang Buta Malaysia for "OKU Blind" Economies Throughout The Year Programme.
09	Bantuan Kerusi Roda Rakyat Malaysia (BKRRM) for the Malaysian Wheelchair Assistance Programme.
10	PIBG SMK Seksyen 18, Shah Alam for its Football Team to participate in the Majlis Sukan Sekolah Daerah (MSSD) Petaling Perdana.
11	Persatuan Suara Penghuni Rumah Kediaman Polis Diraja Malaysia, Hulu Kelang, Kuala Lumpur for the purchase of wheelchairs.
12	Pertubuhan Membantu Pesakit Parah Miskin Malaysia for the purchase of PPEs.
13	Damai Disabled Person Association Malaysia or Persatuan DAMAI Orang Kurang Upaya Malaysia to assist with their operating cost.
14	Bulan Sabit Merah Malaysia to support their humanitarian programmes, activities, training, health and community programmes.
15	Pertubuhan Orang Cacat Penglihatan Malaysia for vocational development programmes, information access, education, accessibility and sports.
16	Sekolah Rendah Agama Kota Damansara Seksyen 7, Selangor for the purchase of two Bluetooth Infrared Thermometers.
17	Yayasan Orang Buta Malaysia to provide braille reading materials for 20 visually impaired children.
18	Pertubuhan Kebajikan Mental Selangor (PKMS) for their monthly expenses.
19	Ustazah Azfariza Binti Bakar for the purchase of learning aids and equipment (chairs, tables, whiteboard, etc.).
20	Tabung Kebajikan Perubatan Malaysia for the purchase of medical equipment.
21	Kesatuan Pekerja Bomba dan Penyelamat Semenanjung Malaysia.

## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### 2. WAQF DIALYSIS CENTRE

**March 2020:** KPS sponsored RM10,000 to the Waqf Dialysis Centre in Perlis, a social extension of Majlis Agama Islam dan Adat Istiadat Melayu Perlis. This centre provides complimentary services to members of the community who require dialysis treatments.

### 3. CONTRIBUTION TO SELANGOR STATE FOR KORBAN PROGRAMME 2020

**July 2020:** KPS contributed RM200,000 to Menteri Besar Selangor (Incorporated) ("MBI") for Qurban in conjunction with Eid-Adha. We have been contributing annually since 2011 to support the State's efforts in distributing Qurban meat to our Muslim brethren, and to several religious schools, organisations and low-income families.



The newly built Waqf Dialysis Centre in Perlis is ever ready to serve under-privileged patients in the community.

## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### DOING OUR PART TO CONTROL COVID-19

By and large most of our planned community programmes in 2020 had to be put on hold due to the unforeseen consequences of the COVID-19 pandemic. Notwithstanding that, to continue extending our impact to the betterment of the community, we have devised some plans to combat the pandemic's harsh new realities.

We also contributed the much needed aid by providing PPE and sanitisers to healthcare frontliners as well as industrial fans to accommodate additional ventilation at high-traffic COVID-19 testing areas.

KPS distributed three batches of hand sanitisers and protective rubber gloves to KKKJ; one of the public health clinics that serves the Petaling district that administers screenings for COVID-19 cases. The medical staff were also involved in screening returning travellers and those quarantined at Quarantine Centres in the Petaling district.

KPS would like to thank and express its utmost appreciation to all frontliners, healthcare workers as well as enforcement personnel for their dedication and sacrifice in the battle against COVID-19.



Encik Mohd Fauzi bin Mohd Ghazali, Associate Director of IRSC at KPS distributed PPEs and hand sanitisers to KKKJ in Selangor.



## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### 1. PPE CONTRIBUTION TO KLINIK KESIHATAN KELANA JAYA

**24 & 26 March 2020:** KPS contributed hand sanitisers, latex examination gloves and face shields to KKKJ. In the Klang Valley, Petaling Jaya recorded the highest number of positive COVID-19 cases at the start of the MCO period in March 2020. It was crucial for the frontliners at this clinic to receive adequate protective gear in view of the high traffic for COVID-19 screenings.

### 2. 2<sup>ND</sup> CONTRIBUTION TO KLINIK KESIHATAN KELANA JAYA

**8 April 2020:** KPS provided its second contribution of hand sanitisers and protective rubber gloves KKKJ.

### 3. 3<sup>RD</sup> CONTRIBUTION TO KLINIK KESIHATAN KELANA JAYA

**5 November 2020:** In our continuous effort to support frontliners in combating COVID-19, KPS contributed medical supplies in the form of PPE to KKKJ; inline with the Ministry of Health's effort to combat the spread of COVID-19. The handover of essential supplies took place in Kelana Jaya, Selangor, in the presence Dr M Kalaivani. KPS was represented by its Associate Director of Investor Relations and Strategic Communication, Mohd Fauzi bin Mohd Ghazali.

#### TOTAL CONTRIBUTION OF RM44,550 WORTH OF PERSONAL PROTECTION EQUIPMENT ("PPE") TO KKKJ



**188** sets of PPE suits



**20,000** pairs  
of disposable latex gloves



**200** face shields  
**5,000** surgical masks



**245** litres of  
hand sanitisers



**3** thermal scanners to  
improve the clinic's facility



**20** stainless steel Q-up stands  
for crowd control

**20** plastic chairs





## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### 4. DISTRIBUTION OF HAND SANITISERS TO SCHOOLS IN JOHOR

**9 March 2020:** KPS in collaboration with CBB contributed 230 bottles of hand sanitisers to 73 schools in Johor as part of the Group's Sustainability initiative to combat COVID-19 amongst the student population. KPS sponsored RM9,800 worth of hand sanitisers from Brandpak Industries Sdn Bhd, a subsidiary of CBB.



Hornbill hand sanitisers manufactured by Macro Chemicals Sdn Bhd, a subsidiary company of CBB.

## Reaching Out to Our Communities [GRI 413-1] Philanthropy



KPS MD/GCEO Ahmad Fariz bin Hassan, presented the contribution to Menteri Besar Selangor, YAB Dato' Seri Amirudin bin Shari.

## 5. STATE OF SELANGOR COVID-19 SPECIAL ASSISTANCE FUND

**1 April 2020:** The State of Selangor via MBI set up the Selangor COVID-19 Special Assistance Fund ("Assistance Fund") to help the State administration fight the pandemic. The fund was initiated through the deduction of a month's salaries of the Chief Minister and State Executive Councillors as well that of State Assemblymen, civil servants of Jusa C and above, and State Government-linked companies.

Approximately RM8 million was raised to ease the financial burden of the people of Selangor affected by the crisis. KPS donated RM100,000 to the COVID-19 Assistance Fund, with MBI, as the State implementation agency, distributed funds to help eligible recipients, which included the needy as well B40 families whose sources of income were affected by the MCOs.

Contributions were also channelled to Government hospitals, district health centres, and at higher learning institutions.



## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### 6. DONATIONS FOR 56 NON-MUSLIM FAMILIES AFFECTED BY COVID-19

**April 2020:** KPS contributed basic necessities valued at RM65 per parcel to 56 community members who were experiencing financial problems caused by the COVID-19 pandemic during the first MOC. Delivery of these items were distributed through the appointed NGO, Rusyaini Food Industries.

### 7. CONTRIBUTION TO SURAU AL-FIRDAUS

**29 July 2020:** KPS donated RM10,000 to Surau Al-Firdaus which was partly damaged by a fire on 19 July 2020. The *surau* which is located at Taman Banting Baru in Banting, Selangor can accommodate up to 400 parishioners and has been serving the local community for 12 years. KPS was represented by Mohd Fauzi bin Mohd Ghazali, IRSC Associate Director at KPS who presented the contribution to the surau representative, Hasmi Azli bin Hassan.



### 8. CONTRIBUTION OF HAND SANITISERS TO PEJABAT PENDIDIKAN DAERAH ("PPD") PETALING PERDANA

**15 July to 2 September 2020:** 155 bottles of hand sanitisers was distributed to SMK Seksyen 7 Shah Alam, SMK Seksyen 18 Shah Alam, SK Seksyen 7 Shah Alam, Maahad Tahfiz Al-Quran Sabil Ar-Rasyad, Maahad Turath Islami, TTDI Jaya Shah Alam, and Sekolah Agama Menengah Tinggi Tengku Ampuan Jemaah Section 11, Shah Alam.

**28 August 2020:** The handover of 345 bottles of hand sanitisers to PPD Petaling Perdana was held at the Petaling Perdana District Office, represented by Norazlan Jantan, from the Group's IRSC department. PPD Petaling Perdana Chief District Education Officer, Encik Abu Mansor Sathri and the Deputy District Education Officer, Puan Wan Fauziah Wan Abdullah accepted the hand sanitisers, which were eventually distributed to 50 secondary and primary schools in the district.

In total, Under this initiative we contributed 500 one litre bottles of hand sanitisers worth a total of RM15,000.



## Reaching Out to Our Communities [GRI 413-1]

## Philanthropy

**9. CONTRIBUTION TO SJK (C) CHEN MOH, PETALING JAYA**

**30 December 2020:** KPS sponsored RM10,000 for free internet access and desktop computers to Sekolah Jenis Kebangsaan (C) Chen Moh, Petaling Jaya. The school had to continue classes and engaged with students and parents via online teaching and distant learning modules. This contribution was channelled was offered to 30 students whose parents lost their jobs or were retrenched due to the pandemic.

**10. CONTRIBUTION OF PPE TO 6 MEDICAL CLINICS IN KLANG DISTRICT**

**30 December 2020:** KPS contributed PPE worth RM29,316 to Klinik Kesihatan Bukit Naga, Klinik Kesihatan Botanic, Klinik Kesihatan Pandamaran, Klinik Kesihatan Pelabuhan Klang, Klinik Kesihatan Anika Klang and Klinik Kesihatan Meru consisting of:



**800** face shields  
**3,500** surgical masks



**6,000** pieces  
of latex gloves



**1,248** pairs of PPE suits

**11. CONTRIBUTION TO TOYOPLAS EMPLOYEES**

**December 2020:** A Procurement Officer at Toyoplas, lost her husband due to complications caused by the COVID-19 infection. To help alleviate her family's burden, contributions were channelled to the employee and her three school-bound children, aged between 7 and 17 years old. Under the Employee Emergency Assistance Programme ("EEAP"), KPS may provide monetary assistance and support of up to RM10,000, in the event of any mishap faced by employees.



## Reaching Out to Our Communities [GRI 413-1] Philanthropy

### ZAKAT DISTRIBUTIONS

On 13 May 2020, Zakat amounting to RM1,520,000 was presented by YB Dato' Nor Azmie Diron, the Chairman of KPS, to His Royal Highness Sultan of Selangor, Sultan Sharafuddin Idris Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj at a ceremony held at the Bukit Kayangan Palace, Shah Alam, Selangor.

Since 2007, KPS fulfilled its Zakat obligation by contributing to Lembaga Zakat Selangor ("LZS"). From 2007 to 2020, total payments amounted to RM10,839,371.10.

Since 2014, KPS has been redistributing 3/8 of its Zakat payment to beneficiaries of Zakat ("Asnaf"), where individuals were identified to receive contributions. In 2020, we redistributed RM398,944.4 of Zakat to eligible recipients.

The beneficiaries of our Zakat redistribution are mainly less fortunate members of our community from the middle and lower income groups. Contributions were made to 2,597 Asnaf members, which included 23 students, where payments were made to those severely affected by the pandemic due to either layoffs, pay cuts or loss of income.

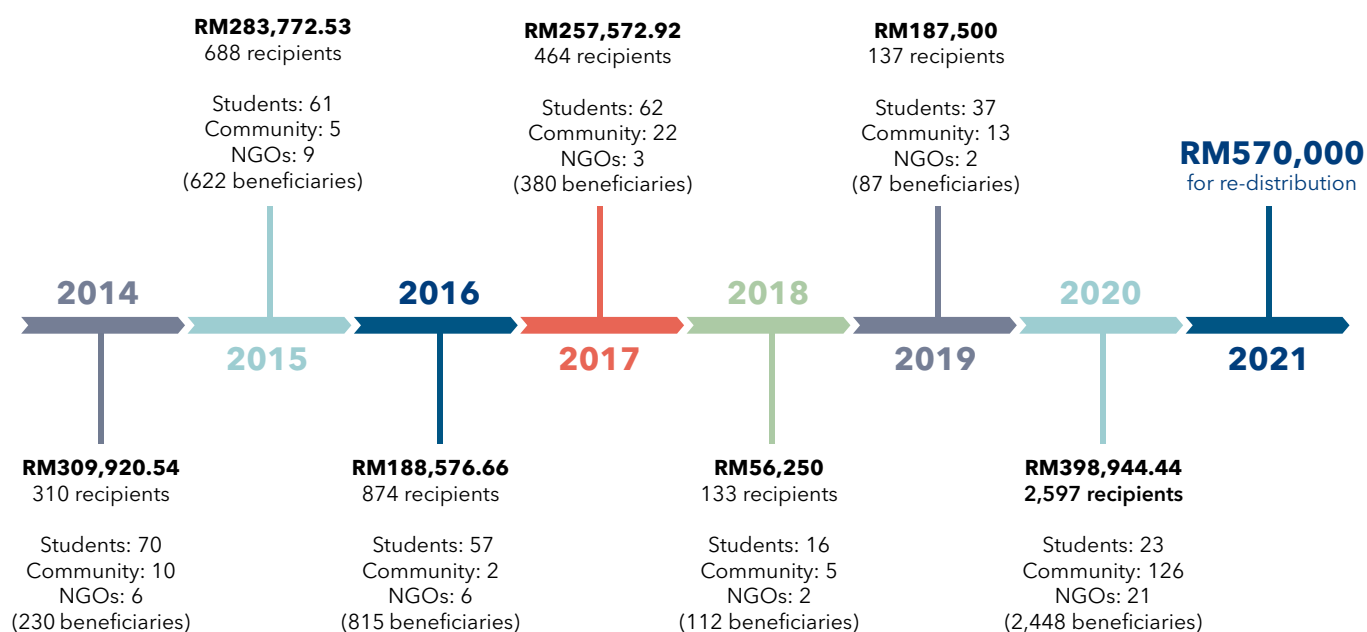


## Reaching Out to Our Communities [GRI 413-1]

## Philanthropy

## ZAKAT RE-DISTRIBUTION MILESTONES

Total Beneficiaries of Zakat Re-Distribution from 2014 to 2020 (as of 31 May 2020)



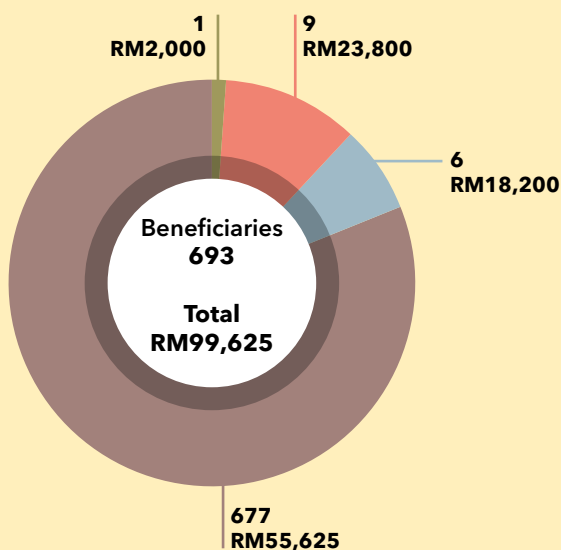
**Total**  
**RM1,682,537.09**  
 5,203 recipients

## Reaching Out to Our Communities [GRI 413-1] Philanthropy

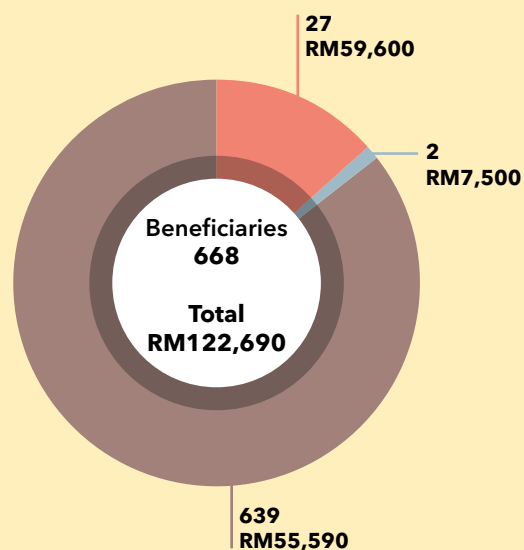
### 2020 ZAKAT RE-DISTRIBUTION SUMMARY

RM398,944.44 (3/8 from Zakat Payable in FY2018) were contributed to 2,597 Asnaf.

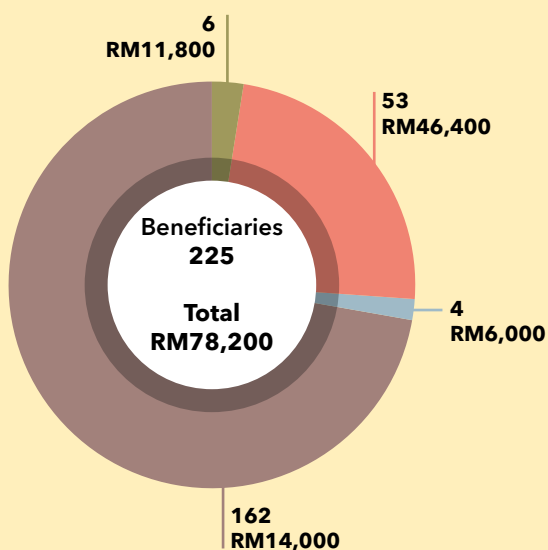
Series 1 (16 April 2020)



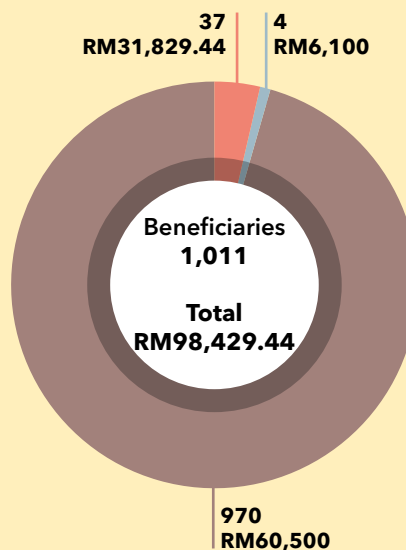
Series 2 (23 April 2020)



Series 3 (30 April 2020)



Series 4 (12 May 2020)



#### BENEFICIARIES:

■ Fakir Miskin (Students) 
 ■ Fakir Miskin (Community) 
 ■ Fisabilillah (Students) 
 ■ Fisabilillah (NGOs/Associations)

# KPS in the News: Media Implementation

## EDUCATION DEVELOPMENT



### CerDik Programme

**Status:** Published in August 2020



### News Angle

Educational development for Orang Asal students. Quality education for all.

## ENTREPRENEURSHIP DEVELOPMENT



### Livestock



### Postnatal



### Caregiver

**Status:** Livestock:  
Published in November 2020

Caregiver & Postnatal:  
Published in December 2020



### News Angle

Address unemployment through entrepreneurial skill development and opportunity to start own business.

### Media Agency:



## COMMUNITY DEVELOPMENT



### Badminton



KPS Environmentally Friendly Sports Programme (Badminton)



KPS Badminton for the Hearing Impaired Development Programme

### Status:

**Published in December 2020**



### Swimming



KPS Sports Development Programme (Cycling)



KPS Swimming Development Programme with the Special Needs



### News Angle

Development of sports among the underprivileged community (autistic and differently-abled).



### Cycling



KPS Sports Development Programme (Cycling)



KPS Swimming Development Programme with the Special Needs

### Media Agency:



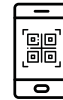


# CSR News

## ONLINE MEDIA



Download the "QR Code Reader" on App Store or Google Play



Run the QR Code Reader app and point your camera to the QR Code

## EDUCATION DEVELOPMENT

The STAR

**Keeping Orang Asal Kids In School**



Bernama

**Leave the geese alone, time for environmentally friendly shuttlecocks**



## COMMUNITY DEVELOPMENT

Bernama

**Perangsang Selangor allocates RM100,000 for developing deaf badminton players**



Bernama

**Tiba masanya untuk gunakan bulu tangkis sintetik - KPS**



Bernama

**KPS Junior Cycling Programme cungkil bakat muda**



Bernama

**Perangsang Selangor peruntuk RM100,000 untuk program bakat badminton orang pekak**



Astro Arena

**Kolaborasi KPS dan Supersharkz Hasilkan Perenang Para Cavin Ong**



Bernama

**Deaf shuttler Muhammad Shafiq aims to prove himself in two tournaments next year**



Astro Arena

**KPS Sasar Atlet Raih Pencapaian Podium**



Astro Arena

**KPS Penghubung Atlet OKU Berlatih Lebih Baik**



Astro Arena

**KPS Badminton Development Programme with the Deaf**



Astro Arena

**KPS Junior Cycling Development Programme**



Astro Arena

**KPS Beri Perhatian Pembangunan Sukan Para**



## CSR News

## COMMUNITY DEVELOPMENT



Astro Arena

**KPS Promosi Pembangunan Mesra Alam Dalam Sukan**



Sinar Harian

**Sultan Selangor berkenan terima zakat perniagaan RM44.6 juta**



## ENTREPRENEURSHIP DEVELOPMENT



MStar

**Berhujan berpanas demi lembu... tak sangka wanita ini mampu tersenyum lebar!**



Bernama

**KPS contributes PPE to frontliners at Kelana Jaya Health Clinic**



Bernama

**KPS sumbang PPE kepada petugas barisan hadapan di Klinik Kesihatan Kelana Jaya**



MStar

**Tabahnya dua wanita ini pikul tanggungjawab mengasuh orang tua, jaga ibu berpantang demi rezeki**



SelangorKini

**Perangsang Selangor sumbang PPE kepada petugas kesihatan**



## PHILANTHROPY

SelangorKini

**COVID-19: Anak syarikat, agensi swasta Selangor sumbang RM8.150 juta**



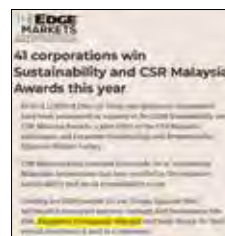
JOURNAL



Selangor Journal  
**Selangor Sultan received RM44.6 million in business tithes**



## CORPORATE



The Edge Market

**41 corporations win Sustainability and CSR Malaysia Awards this year**



Bernama

**41 syarikat menang Anugerah Kemampanan dan CSR Malaysia 2020**



CSR News

PRINT MEDIA

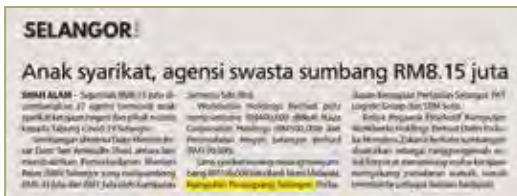
EDUCATION DEVELOPMENT

COMMUNITY DEVELOPMENT



PHILANTHROPY

OTHERS



# Independent Assurance Statement [GRI 102-56] [F4GBM]

## EXTERNAL ASSURANCE

We have sought third party external assurance from SIRIM QAS International Sdn. Bhd. ("SIRIM QAS") to assess and verify the data and information published in this Report. Since 2018, we have been working closely with external sustainability consultants to perform annual gap analysis and benchmarking to continually improve the quality of our reporting.

This Report should be read in tandem with KPS' Annual Report 2020 for a more comprehensive overview of KPS' sustainability performance.



**SIRIM QAS INTERNATIONAL SDN. BHD.** (410334-X)

SIRIM Complex  
1, Persiaran Dato' Menteri, Section 2,  
40700 Shah Alam, Selangor Darul Ehsan, Malaysia.  
Tel: 603-5544 6400 Fax: 603-5544 6810  
[www.sirim-qas.com.my](http://www.sirim-qas.com.my)

## INDEPENDENT ASSURANCE STATEMENT

### Scope and Objective

SIRIM QAS International Sdn. Bhd., a Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Kumpulan Perangsang Selangor Berhad (hereafter referred to as KPS Group) to perform an independent verification and provide assurance of the KPS Group Sustainability Report 2020. The main objective of the verification process is to provide assurance to KPS Group and its stakeholders of the accuracy and reliability of the information presented in this report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the KPS Group Sustainability Report 2020.

The management of KPS Group was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the KPS Group Sustainability Report 2020.





**Independent Assurance Statement** [GRI 102-56] [F4GBM]**Verification Team**

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Ms. Kamini Sooriamorthy : Team Member

**Methodology**

The verification process was carried out by SIRIM QAS International from February to March 2021. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, press releases, media publications, internal newsletters, internal systems, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of KPS Group and its overall presentation against the GRI Standards.

During the verification process, issues were raised, and clarifications were sought from the management of KPS Group relating to the consistency of some of the data and statements contained in the report. The report was subsequently reviewed and revised by KPS Group in response to the findings of the verification team. It can be confirmed that the changes that have been incorporated into the final version of the report satisfactorily address the issues that had been raised.

**Limitation**

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in the KPS Group Annual Report 2020;
- The verification was designed to provide limited assurance irrespective of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- Only the corporate office in Plaza Perangsang, Shah Alam was visited as part of this assurance engagement. The verification process did not include physical inspections of any of KPS Group's operating assets;
- The verification team did not verify any contractor or third-party data.

**Materiality**

KPS has maintained the top ten Most Material Matters to their organization which were derived from the materiality assessment conducted in 2018. It has been concluded that the listing remains relevant to the organization and the journey of KPS's sustainability prioritizes and focus in areas relevant to their material matters as follows:

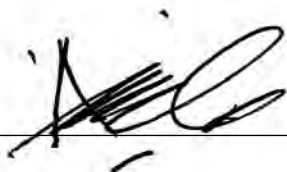
- 1) Economic and business performance;
- 2) Protecting the safety and health of workers;
- 3) Eliminating bribery and corruption;
- 4) Sustainable procurement and supplier assessment;
- 5) Waste reduction and environmental initiatives;
- 6) Training and career development;
- 7) Energy efficiency;
- 8) Stringent quality control procedures;
- 9) Providing diverse and inclusive workplace; and
- 10) Engaging local communities.

**Independent Assurance Statement** [GRI 102-56] [F4GBM]**Conclusion**

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in the Kumpulan Perangsang Selangor Berhad Sustainability Report 2020 is fair and acceptable;
- The Sustainability Report was prepared in accordance with the GRI Standards: Core Option;
- The overall statement content and quality were well established. The level of sustainability performance information in the statement was found to be acceptable;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the statement;
- Kumpulan Perangsang Selangor Berhad has satisfactorily addressed, in the final version of the statement, all issues that had been raised during the verification audit;
- The Sustainability Report provides a reasonable and balanced presentation of the sustainability performance of Kumpulan Perangsang Selangor Berhad.

Prepared by:



AERNIDA ABDUL KADIR  
Verification Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date : 26 March 2021

Approved by:



MOHD HAMIM BIN IMAM MUSTANI  
Senior General Certification  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date : 26 March 2021

**Note:**

*This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd will not be responsible for any changes or additions made after the referred date.*

## Extending Impact for a Sustainable Future

As countries began to recover from the severe repercussions of the pandemic, it must be noted that long lasting impacts on economic, environmental, and societal challenges, and opportunities, have become more visible.



On the upside, there were profound reductions in air, water, and noise pollution during enforced lockdowns in many countries worldwide. With emission regulations becoming more stringent and regulated, there is increased pressure on society to safeguard and preserve the ecosystem, its biodiversity and concerns on human health.

## Extending Impact for a Sustainable Future

With the impact of the pandemic still lingering, and given concerns on the effectiveness of the inoculation that is currently being rolled out, we will nevertheless continue to collectively power through and acclimatise to pandemic-related setbacks to sustain our momentum for business continuity as we move forward.

Although we have reviewed our priorities and strengthen our operations to help bridge recovery in our business, we understand that driving sustainability is but a collaborative effort between everyone in the Group and our external stakeholders. Therefore, we shall continue to raise the benchmark for our sustainability efforts with the firm believe that these efforts will continue to contribute significantly towards meeting stakeholder expectations.

There is now a profound understanding within the Group of the synergy between **People, Planet, Prosperity, Peace, and Partnerships ("5Ps")** that exists in the world we share. The 5Ps help us achieve the equilibrium between balancing profitability and preserving the planet. Sustainability has become our central ethos as we continuously espouse the importance of EESG disclosure in all our business performance reporting. We are aware of how environmental and social performances are related to sustainable economic performance, and clearly demonstrates that economic value, and the value creation to society are interdependent.

Similarly, achieving the objectives of the UNSDG is a collective effort too. Going forward, we intend to fortify efforts in addressing one of the most challenging environmental issues facing businesses and society today: **Climate Change**. We are taking a keen interest in exploring the risks and opportunities in measuring and monitoring Scope 1 and Scope 2 GHG emissions throughout our operations, with a clear intention to manage our carbon footprint. In this area, we shall engage with subject matter experts to increase the awareness and drive carbon reporting ahead.

To make this a reality, we are employing two phases: establishing a carbon inventory baseline followed by identifying strategic initiatives for related operations within the Group.

We are also exploring circular economy initiatives on top of our effective waste management practices which was initiated in 2020. We already have interested parties enquiring on the increased use of recycled materials in our injection moulding applications. Trends are shifting to the approach of designing for recycling, where the subsequent recycling process is considered as early the design and development stages of production.

Driving a culture of sustainability within the Group involves strengthening ties with our multi-faceted stakeholders, our employees and our customers, and from our supply-chain vendors to the communities we work in. Guided by our Sustainability Philosophy & Mission and by upholding best practices, we can achieve specific, clearly defined sustainable goals. We shall continue to gear ourselves towards continuously improving our capabilities in fulfilling our corporate sustainability commitments.



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403-1	Occupational Health and Safety management system	Managing Employees’ Occupational Safety and Health	168
403-2	Hazard Identification, Risk Assessment and Incident Investigation	Managing Employees’ Occupational Safety and Health	168
403-4	Worker participants, consultation and communication on occupational health and safety	Managing Employees’ Occupational Safety and Health	168
403-5	Worker training on occupational health and safety	Managing Employees’ Occupational Safety and Health	168
403-9	Work-related injuries	Managing Employees’ Occupational Safety and Health	168
403-10	Work-related ill health	Managing Employees’ Occupational Safety and Health	168
<b>MATERIAL MATTER: TRAINING AND DEVELOPMENT</b>			
404-1	Average hours of training per year per employee	Dynamic Workforce	180
404-2	Programs for upgrading employee skills and transition assistance programs	Dynamic Workforce	180
404-3	Percentage of employees receiving regular performance and career development reviews	Dynamic Workforce	180
<b>MATERIAL MATTER: PROVIDING DIVERSE AND INCLUSIVE WORKPLACE</b>			
401-1	New employee hires and employee turnover	Promoting Inclusivity	184
405-1	Diversity of governance bodies and employees	Dynamic Workforce Promoting Inclusivity	180 184
406-1	Incidents of discrimination and corrective actions taken	Non Discrimination	189
408-1	Operations and suppliers at significant risk for incidents of child labor	Child Labour	189
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Forced or Compulsory Labour	189
410-1	Security personnel trained in human rights policies or procedures	Security Practices	189
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights Assessment	189

## Global Reporting Initiative (“GRI”) Content Index [GRI 102-55]

GRI STANDARD		SECTION	PAGE
<b>MATERIAL MATTER: PROVIDING DIVERSE AND INCLUSIVE WORKPLACE</b>			
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety	189
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety	189
417-1	Requirements for product and service information and labelling	Marketing and Labelling	190
417-2	Incidents of non-compliance concerning product and service information and labelling	Marketing and Labelling	190
417-3	Incidents of non-compliance concerning marketing communications	Marketing and Labelling	190
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy	190
419-1	Non-compliance with laws and regulations in the social and economic area	Socio-Economic Compliance	190
<b>MATERIAL MATTER: ENGAGING LOCAL COMMUNITIES</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Scaling up Social Impact : CSR	153
		Inspiring Hope for a Vibrant Future	198
		Unlocking Potential	210
		Equality and Inclusivity in Sports Development	234
		Sports for All: Building Healthier Lifestyles and Minds	241
		Reaching Out to Our Communities	249

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INDICATOR	DESCRIPTION	SECTION	PAGE
ENVIRONMENT			
ECC01	Climate change impact including CO2/GHG emissions - Policy or commitment statement to address and/or reduce	<ul style="list-style-type: none"> <li>• Sustainable Materials</li> <li>• Energy Management</li> <li>• Emissions &amp; Initiatives to Tackle Climate Change</li> <li>• Waste Management Circular Economy</li> </ul>	112 114 - 117 122 124 - 125
ECC31	Energy use - Policy or commitment statement to address and / or reduce	<ul style="list-style-type: none"> <li>• Energy Management</li> </ul>	114 - 117
ECC15	Three years of total energy consumption data is disclosed	<ul style="list-style-type: none"> <li>• Energy Management (CPI)</li> </ul>	115
ECC42	Independent verification of operational energy consumption data	<ul style="list-style-type: none"> <li>• Independent Assurance Statement</li> </ul>	266
EPR01	Pollution - policy or commitment statement to address and/or reduce	<ul style="list-style-type: none"> <li>• Chemical Management</li> <li>• Water Management</li> <li>• Emissions &amp; Initiatives to Tackle Climate Change</li> <li>• Waste Management Circular Economy</li> </ul>	118 119 122 124
EPR02	Waste - policy or commitment statement to address and/or reduce	<ul style="list-style-type: none"> <li>• Waste Management Circular Economy</li> </ul>	124
EPR03	Resource use - policy or commitment statement to address and/or reduce	<ul style="list-style-type: none"> <li>• Waste Management Circular Economy</li> </ul>	124
EPR07	Progress against previously set targets to reduce or avoid pollution (quantified targets)	<ul style="list-style-type: none"> <li>• Sustainability Key Performance Indicators</li> </ul>	69
EPR08	Progress against previously set targets to reduce or avoid waste (process targets and quantified targets)	<ul style="list-style-type: none"> <li>• Sustainability Key Performance Indicators</li> </ul>	68 - 69
EPR09	Progress against previously set targets to reduce or avoid resource use (process targets and quantified targets)	<ul style="list-style-type: none"> <li>• Sustainability Key Performance Indicators</li> </ul>	68 - 69
EPR12	Independent verification of operational environmental data	<ul style="list-style-type: none"> <li>• Independent Assurance Statement</li> </ul>	266
EPR28	Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS	<ul style="list-style-type: none"> <li>• Stringent Quality Control (Social Section)</li> </ul>	142 - 144
ESC03	Supplier/sourcing policy or commitment statement that addresses water use	<ul style="list-style-type: none"> <li>• Supplier Environmental Assessment</li> </ul>	138

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INDICATOR	DESCRIPTION	SECTION	PAGE
ENVIRONMENT			
ESC05	Supplier/sourcing policy or commitment statement that addresses waste reduction	• Supplier Environmental Assessment	138
ESC08	Environmental policy/policies integrated with suppliers through communication	• Supplier Environmental Assessment	138
ESC11	Monitoring of suppliers including disclosure of physical inspection audits, or reporting on number or proportion of suppliers monitored or audited	• Supplier Environmental Assessment	138
EWT07	Independent verification of water use data:	• Independent Assurance Statement	266
EWT09	Progress against quantified targets to reduce water use applied at specific sites	• Sustainability Key Performance Indicators	69
EWT13	Policy or commitment on water use reduction which addresses and/or reduces	• Water Management	119
INDICATOR	DESCRIPTION	SECTION	PAGE
GOVERNANCE			
GAC01	Bribery - Policy or commitment statement that addresses countering bribery and specifies countering at least 2 different forms of bribery related activities	• Eliminating Bribery and Corruption	89 - 91
GAC02	Anti-corruption - Policy or commitment statement that addresses anti-corruption and specifies countering relevant forms of corruption	• Eliminating Bribery and Corruption	89 - 91
GAC03	Board has oversight of anti-corruption policy that covers elements/types of corruption including bribery	• Eliminating Bribery and Corruption	89
GAC04	Due diligence of new business partners addresses corruption by covering anti-corruption comprehensively	• Eliminating Bribery and Corruption	91
GAC05	Confidential or anonymous whistle-blowing mechanism for staff covers anti-corruption comprehensively	• Business Ethics and Transparency • Complaints and Grievance Management	81 190



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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>GOVERNANCE</b>			
GAC07	Communication of anti-corruption policy to all employees covers anti-corruption comprehensively	• Eliminating Bribery and Corruption	90
GAC08	Training for staff on the anti-corruption policy covers anti-corruption comprehensively	• Eliminating Bribery and Corruption	90
GAC09	Corruption risk assessment for company operations covers anti-corruption comprehensively	• Eliminating Bribery and Corruption	89
GAC10	Procedures are in place to address corruption in operations that are assessed to be "high risk" covering elements/types of corruption including bribery	• Eliminating Bribery and Corruption	89
GAC13	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies for current year	• Eliminating Bribery and Corruption	90
GCG01	Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared	• Stewardship at KPS	24, 31
GCG02	Disclosure of details about Directors according to expertise and their other Directorships	• Stewardship at KPS	24 - 30
GCG03	Number of Board Directors	• Stewardship at KPS	24 - 30
GCG04	Number of independent Directors on the board	• Stewardship at KPS	24 - 30
GCG05	Number of women on the board	• Stewardship at KPS	24 - 30
GCG07	Board addresses conflicts of interest and related party transactions	• ANNUAL REPORT 2020	112
GCG08	Periodic evaluation of board effectiveness with a clear timeframe	• ANNUAL REPORT 2020	132
GCG09	Disclosure of Board Committee(s)	• Stewardship at KPS	24 - 30
GCG10	Disclosure of number of times the board/each committee have/has met per annum	• Stewardship at KPS	24 - 30

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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>GOVERNANCE</b>			
GCG11	Disclosure of the attendance rate of all individual directors at both board and committee level	• Stewardship at KPS	24 - 30
GCG14	Disclosure of fixed and variable remuneration for non-executive board members	• ANNUAL REPORT 2020	140
GCG19	Annual General Meeting: Number of days between the date of notice and date of meeting	• ANNUAL REPORT 2020	147
GCG42	Does the company provide for one share one vote for all company meeting resolutions?	• ANNUAL REPORT 2020	304
GCG46	There is a fully non-executive Audit Committee or Audit Board with all independent members	• ANNUAL REPORT 2020	142
GCG47	There is a fully non-executive Remuneration Committee with at least half independent members	• ANNUAL REPORT 2020	130
GCG48	In relation to executive remuneration, the company discloses high level principles	• ANNUAL REPORT 2020	139
GCG49	Disclosure and nature of fees paid to the auditor where the audit and non-audit fees are separately disclosed and in which the amount of audit fees exceed the amount of non-audit fees in the last fiscal year	• ANNUAL REPORT 2020	307
GRM01	The Board has oversight of risk management and reviews the effectiveness of the risk management process	• ANNUAL REPORT 2020	149
GRM02	Senior executive responsible for risk reports to the CEO, or there is a board risk committee/ The same senior executive is separate from Head of Audit or equivalent, or the board risk committee is separate from audit	• ANNUAL REPORT 2020	150

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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>GOVERNANCE</b>			
GRM04	Reporting and Standards - Reference is made to external standards to inform the company's risk management system and reporting transparency - Company uses risk management standards or frameworks such as ISO31000, COSO, IRM, FERMA, BASEL - Company uses GRI	• Risk Management	84
		• Reporting Format	22
GRM07	The company's codes/charters/policy documents or equivalent describe the company's risk management framework	• Risk Management	84
GRM08	The company has a corporate-wide approach to non-compliance including Reporting the number of claims or incidents of non-compliance	• Environmental Compliance	137
		• Socio-economic Compliance	190
GRM20	There is a confidential or anonymous whistle-blowing or equivalent mechanism to notify breaches of company codes or policies for staff which can include contractors, joint ventures, or other parties working with the company and other external stakeholders and members of the public	• Complaints and Grievance Management	190

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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>SOCIAL</b>			
SHR03	Statement of principles or process by which community investments are made covering defined focus areas	<ul style="list-style-type: none"> <li>Scaling Up Social Impact: CSR</li> <li>Changing for the Better: Four CSR Core Pillars</li> </ul>	153 191
SHR04	Policy addresses children's rights, other than child labour through evidence of support for children's rights in company operations or through programmes	<ul style="list-style-type: none"> <li>Inspiring Hope for a Vibrant Future: KPS Educational Development Programme</li> </ul>	198 - 203
SHR05	Commitment to local employment and/or sourcing:	<ul style="list-style-type: none"> <li>Hiring from the Local Community</li> </ul>	102
SHR15	Output/outcome of specific results, achievements or benefits of community investments including details of output/outcome including non-quantified and quantification of output/outcome	<ul style="list-style-type: none"> <li>Sustainability Key Performance Indicators</li> <li>Changing for the Better: Four CSR Core Pillars</li> </ul>	75 - 78 191 - 248
SHR17	Total amount of corporate or group donations/ community investments made to registered not-for-profit organisations in the current year	<ul style="list-style-type: none"> <li>Social Key Highlights</li> <li>Utilisation of Budget Allocation</li> </ul>	150 - 151 195 - 197
SHR27	Public commitment to respect and support the protection of internationally proclaimed human rights including reference to international human rights instruments, including those contained within the International Bill of Human Rights	<ul style="list-style-type: none"> <li>Human Rights Assessment</li> </ul>	189
SHS01	Health and safety policy or commitment statement which identifies the issue as relevant and important and which applies to contractors or other external stakeholders	<ul style="list-style-type: none"> <li>Managing Employees' Occupational Safety and Health</li> <li>Customer Health and Safety</li> </ul>	168 189
SHS02	Company statement on programmes to address global health issues (COVID-19)	<ul style="list-style-type: none"> <li>Managing Employees' Occupational Safety and Health</li> </ul>	169 - 175
SHS08	Performance monitoring and management of health and safety, demonstrated by performance and progress against previously set targets	<ul style="list-style-type: none"> <li>Sustainability Key Performance Indicators</li> </ul>	72 - 73
SHS11	Programme regarding prevention and control of at least one global health issue which applies to employees	<ul style="list-style-type: none"> <li>Managing Employees' Occupational Safety and Health</li> </ul>	169
SHS39	Policy or commitment statement on reducing health and safety impact through commitment to continuous improvement and time-specific, quantitative targets to reduce incidents	<ul style="list-style-type: none"> <li>Sustainability Key Performance Indicators</li> </ul>	72 - 73



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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>SOCIAL</b>			
SLS01	In relation to the prevention of child labour, company addresses the issue/states it complies with local laws in general disclosures	• Child Labour	189
SLS02	In relation to the prevention of forced labour, company addresses the issue/states it complies with local laws in general disclosures	• Forced or Compulsory Labour	189
SLS03	In relation to non-discrimination, company addresses non-discrimination/equal opportunity in general disclosures including race, religion, gender, age group and disability	• Non-Discrimination	189
SLS11	Policy supporting the community addressing youth unemployment initiatives, apprenticeships or graduate placements	• Inspiring Hope for a Vibrant Future	198 - 208
SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills, covering total time, average hours and type of training	• Employee Training and Development, Recruiting and Retaining Employees	180
SLS08	Policy or statement supporting the right to a minimum or living wage, which focuses on compliance with minimum wage and commits to exceed minimum wage/meet living wage	• Enhancing Employment • Providing Good Employment	101 161
SLS29	Employee personal development training to enhance abilities or individual skills, including policy or commitment statement to provide employee personal development training and detailed description of the personal development training that is provided	• Employee Training and Development, Recruiting and Retaining Employees	180
SLS30	The company addresses bullying and/or harassment providing a confidential reporting channel or whistleblowing system	• Non-Discrimination • Complaints and Grievance Management	189 190
SLS33	Percentage of women in the global workforce	• Employee Demographics	186
SLS16	Company has taken action to improve workforce diversity, equal opportunities, or reduce discrimination, including those based on race, religion, gender, age group and disability	• Promoting Inclusivity • Non-Discrimination	184 189
SLS34	In relation to equal pay for equal work, the company addresses the issue/states it complies with local laws in general disclosures and publishes a Policy/Principles/Code	• Enhancing Employment • Providing Good Employment	101 161
SSC01	Supplier policy addresses prevention of child labour which includes general statement addressing the issue/requirement of supplier legal compliance	• Sustainable Procurement and Supplier Assessment	104

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INDICATOR	DESCRIPTION	SECTION	PAGE
<b>SOCIAL</b>			
SSC03	Supplier policy addresses non-discrimination or equal opportunities: which includes general statement addressing the issue/requirement of supplier legal compliance	• Sustainable Procurement and Supplier Assessment	104
SSC04	Supplier policy or statement supports the right to freedom of association which covers the respect or support of the right to freedom of association	• Sustainable Procurement and Supplier Assessment	104
SSC06	Supplier policy addresses the elimination of excessive working hours which includes a clear policy on reducing excessive working hours	• Sustainable Procurement and Supplier Assessment	104
SSC12	Monitoring of suppliers for social issues which includes physical inspection audits, assessments are carried out	• Sustainable Procurement and Supplier Assessment	104
SSC07	Supplier policy supports the right to a minimum or living wage focusing on compliance with local laws on minimum wage	• Sustainable Procurement and Supplier Assessment	104
SSC08	Supplier policy addresses health and safety standards which includes a general statement addressing the issue/requirement of supplier compliance with local laws	• Sustainable Procurement and Supplier Assessment	104



**KUMPULAN PERANGSANG SELANGOR BERHAD**

197501002218 (23737-K)

17<sup>th</sup> Floor, Plaza Perangsang, Persiaran Perbandaran  
40000 Shah Alam, Selangor Darul Ehsan, Malaysia



+603 - 5524 8400



+603 - 5524 8444

[www.kps.com.my](http://www.kps.com.my)