

# SUSTAINABILITY STATEMENT

We recognise the importance of sustainability and the impact on us and our future generations. As a responsible corporate citizen, our objective is not just to deliver financial performance, but to make positive contribution to the environment, resources, and community.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is primarily responsible for the sustainability performance of the Group. A Risk and Sustainability Committee ("RSC") headed by our Chief Executive Officer was established to assist the Board in identifying material sustainability matters, managing and monitoring their progress on a regular basis to ensure the Group achieves its long-term sustainability goals. The main task of the RSC covers the determination of Economic, Environmental and Social ("EES") risks and opportunities within the eco-system of the Group. Among the responsibilities of the RSC include identifying the EES impacts on the Group, implementation of the approved sustainability strategies and action plans to achieve the Group's milestones and goals.

Our Group is a diversified one whose main activities include the provision of travel and car rental services; the distribution and rental of machinery imported from manufacturers of international repute; the assembly, distribution and sale of commercial vehicles and the provision of used vehicle auction services. Each subsidiary in the Group has set up its own Risk and Sustainability Committee ("Sub-Committee") to look into the matters that affect stakeholders where it operates. The Sub-Committee reports the progress on activities that are pertinent to sustainability matters to RSC at least twice yearly.

Below is the governance structure of the Group and the 3 Sub-Committees as shown below are for illustration purpose only as the Group has more than 3 Sub-Committees:



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## Stakeholder Engagement

Our Group believes that engagement with the various stakeholders is integral in steering us towards our long-term sustainability goals. Our business divisions aim to maintain a constant line of communication with stakeholders, both at formal and informal levels. It is through this practice of open communication that our Group has been able to build a trustworthy relationship with our stakeholders, comprising customers, investors, suppliers, employees, regulatory and statutory bodies, local communities, higher learning institutions and local community/welfare organisations.

Listed below are the issues of concern impacting different stakeholder and the various forms of engagement which the Group has undertaken:

Stakeholders	Issues of Concern	Forms of Engagement
Customers	<ul style="list-style-type: none"> <li>o Consistent quality product</li> <li>o Support services</li> <li>o Cost of ownership</li> </ul>	<ul style="list-style-type: none"> <li>o Customer survey</li> <li>o Customer service centre</li> <li>o Visitation</li> <li>o Feedback to principals on quality and product enhancement</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>o Product quality</li> <li>o Pricing and delivery schedule</li> </ul>	<ul style="list-style-type: none"> <li>o Supplier evaluation</li> <li>o Goods reject report</li> </ul>
Employees	<ul style="list-style-type: none"> <li>o Career development</li> <li>o Compensation policy</li> <li>o Employee welfare</li> <li>o Learning and development</li> <li>o Health and safety</li> <li>o Ethics and integrity</li> </ul>	<ul style="list-style-type: none"> <li>o Annual staff appraisal</li> <li>o Training</li> <li>o Team building activities</li> <li>o Young Executive Club</li> </ul>
Regulatory and Statutory Bodies	<ul style="list-style-type: none"> <li>o Laws and regulations</li> <li>o Statutory compliance</li> <li>o Labour practices</li> <li>o Environment and compliance</li> </ul>	<ul style="list-style-type: none"> <li>o Active engagement with respective regulatory agencies and bodies</li> <li>o Policies and procedures</li> </ul>
Higher institution, community and welfare organisation	<ul style="list-style-type: none"> <li>o Career opportunity</li> <li>o Community welfare</li> </ul>	<ul style="list-style-type: none"> <li>o Participate in career fair</li> <li>o Social contribution and community services</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>o Group financial performance</li> <li>o Business strategy</li> <li>o Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>o Annual General Meeting</li> <li>o Quarterly and statutory announcements to Bursa Malaysia</li> <li>o Policies and framework</li> <li>o Corporate website</li> </ul>

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## Material Assessment

The assessment process was done by RSC to determine the material sustainability matters to the Group. This process also took into consideration the impact of such matters upon the business of the Group and their relative importance to stakeholders in influencing their decision on the prioritised basis. A list of sustainability matters that is relevant to the business and the industry we operate in was presented to the RSC for assessment.

RSC has identified a total of 10 material sustainability matters that are important to the business and to our stakeholders, following the materiality assessment process. With that, we are able to manage and monitor such materials sustainability matters on an ongoing basis.



## ECONOMIC

### Customer Satisfaction

Our growth is highly dependent on our customers. Besides maintaining customer loyalty, securing new customers is essential to maintain our sustainable growth.

Various methods of survey such as the use of customer survey form and social media via Facebook are conducted on a regular basis to ensure we stay in touch and respond to our customers' requirements and expectation in a timely manner. We endeavour to retain our competitive advantage to remain as the first option to our customers.

We treat our customers' complaints seriously and ensure issues are addressed on timely basis. Trainings are conducted on regular basis to ensure our technical staff are well versed with the issues of the products and to reduce the machine downtime. We have a response team to attend to the machine breakdown at site and replacement car for any unscheduled breakdown. For service staff, we ensure they have necessary skills to handle customers' complaints.

Feedback from customers relating to our products is always communicated to our Principals so that they have a better understanding on the requirements of local customers.

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## Productivity

In current highly competitive market, productivity and efficiency have been the key factors to ensure the Group's long term sustainability.

We strongly believe that customers prefer a company that is able to provide them the best service and product that meets their requirement.

To ensure our ability to continuously meet the high expectation of the customers, we strive to maximise our resources in order to serve our customers in a more efficient manner.

## Succession Planning

We acknowledge the importance of staff quality towards our Group's success.

Hence, the Group has a succession planning program where internal talents within the Group are identified, developed and groomed to take over the key positions from the incumbents in future. This succession program is not only limited to top management but also applies to different levels of management within the Group.

The top management reviews the progress of potential successors from time to time and proper training and guidance are provided as and when required.

We believe that the succession program plays an important role in retaining younger generation within the Group as it provides opportunities for career development and growth within the Group.

## ENVIRONMENT

### Resources, Waste & Energy

We are committed to preserving the nature of our environment for the future generation. The Group has implemented various environmental and waste management practices in its daily operation in our efforts to reduce the carbon footprint which include:

- Practices in office which include waste segregation dustbins, reduce paper printing, replacing fluorescents lamps with energy efficient LED tubes and inverter technologies electrical appliances in stages to conserve energy;
- Only authorised waste service centres and waste collectors are engaged to ensure wastes are discharged in proper manner to protect the environment;
- We encourage the use of synthetic oil to prolong the service interval and hence reduce the volume of used engine oil being disposed of;
- Grease, oil and silt traps are installed at our workshops to minimise their discharge into the environment;
- Our GoCar's business model aims at reducing vehicle ownership and number of vehicles on the road which will eventually result in less carbon emission and scrapped vehicles in the future; and
- Our online travel portal ([www.mayflower.com.my](http://www.mayflower.com.my)) provides convenience to the users to book their travelling needs from the comfort of their home and/or office which not only saves time but reduces the hassle of looking for parking and fuel wastages.

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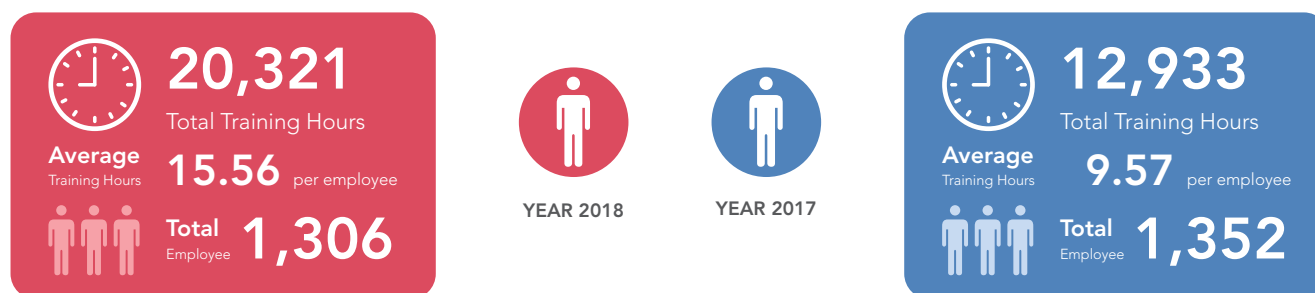
## SOCIAL

### Employee Training, Education and Career Development

We recognise that human capital is the key driver to the Group's sustainability and performance. Hence, the need to invest in human capital is no longer an option but of utmost importance. Therefore, our employees are continuously trained and equipped with relevant skills and knowledge to ensure they are able to handle challenges with confidence.

We offer training, both internal and external, to all levels of employees who need to be trained with the right skills to become more effective and productive.

We have targeted to provide up to 20 hours of job-related training program per employee. The table below shows the training hours recorded in the last 2 years:



The Group also has various programmes to engage the younger generation to cultivate their talents and maximise their potential which include:

- o Young Executive Club

It is an exclusive club for young employees. The President of the Club is elected by its members and assisted by a group of committee members. The club currently has 76 members.

The Club is responsible for organising various activities in the company. This gives the members an opportunity to participate in planning, monitoring, and decision making.

One of the key activities of the Club is planning and organising the 2018 Annual Dinner for the Machinery Group with more than 500 employees.

### Accolades for Human Resources Development

One of our subsidiaries, TCIM Sdn Bhd ("TCIM"), was awarded with the Certificate of Excellence in Human Resources Development for employer category during the Human Resources Development Awards 2018. It is a prestigious award by the Human Resources Development Fund (HDRF).

This is a significant achievement for the Group as we competed against some of the largest organisations in the country. It showed the determination and commitment taken by our Group to be recognised as one of the companies of choice for employees.

### Diversity & Equal Opportunity

We acknowledge that diversity of our people is a source of strength. Therefore, we promote inclusiveness and equal opportunity, regardless of ethnicity, nationality, gender or age of employees.



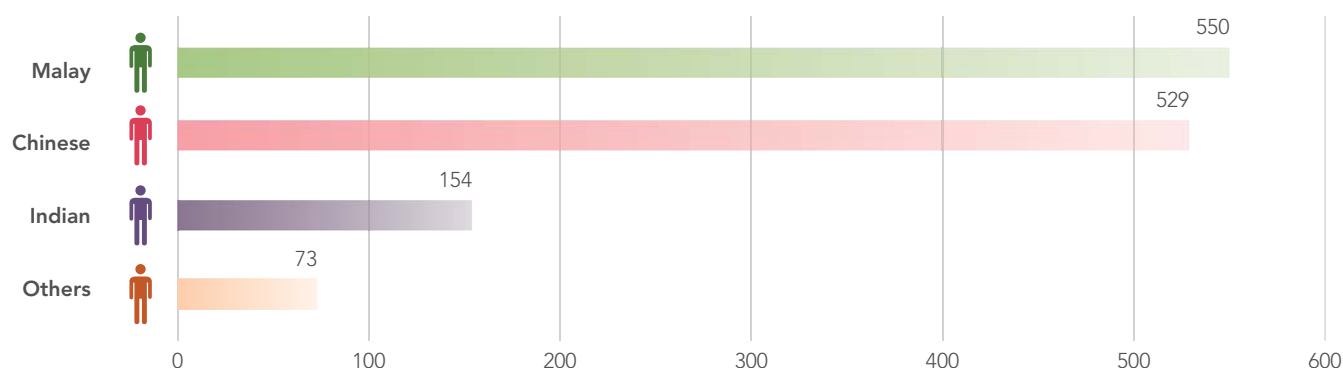
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All employees are treated equally within the Group and are appraised and rewarded solely based on their merit.

The ethnicity and gender profiles of the Group's employees are as follows:

## Ethnicity Year 2018



## Gender Year 2018

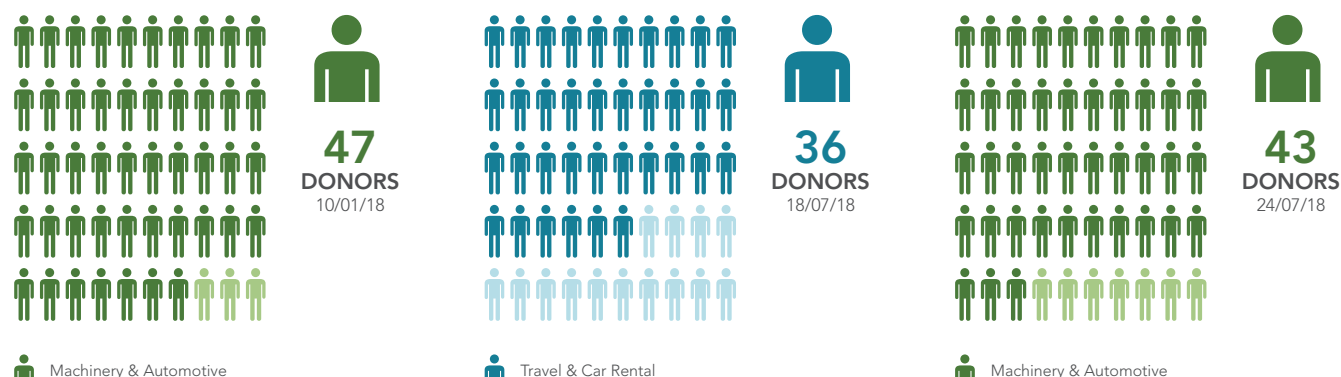


## Communities Activities & Contributions

We acknowledge the importance of assisting the less fortunate and have always ensured that we contribute back to the society as part of our humble efforts which can change the lives of people in need as even a small gesture such as donation will have a large impact on the community. Therefore, the various activities we had carried out during the year included the following:

### CSR Activity 1: Blood Donation

There were three blood donation sessions in 2018 and we managed to garner a total of 126 blood donors (2017: 119 blood donors).



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### CSR Activity 2: Clap Charity Run

The first CSR activity for the year took place at University of Malaya on 13 May 2018. A total of 25 participants from TCIM gathered early in the morning to prepare for the CLAP charity run to raise funds in supporting children born with cleft lip and palate.



### CSR Activity 3: Visit to Old Folks Home

A total of 12 participants from the Machinery Group visited Chik Shin Tong, an organisation for old folks, on 9 June 2018. Various activities were conducted during the visit, which included a short introduction, get to know session, singing, ping pong game, birthday celebration with birthday cakes, and presenting essential goods for daily usage which covered both consumables and non-consumables.





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### CSR Activity 4: Visit to the Orphanage Home

In conjunction with Chinese New Year, 10 employees from TCIM Sibu Branch visited the Methodist Children Home which was home to 64 orphans. TCIM Sibu Branch prepared "Ang Pows" for each of the orphans and bonded with them through the chit-chat session.

### CSR Activity 5: Visit to Science Museum with Orphans

On 23 June 2018, the Machinery Group and the Mayflower Group collaborated together to bring the orphans from Ti-Ratana Welfare Society to Petrosains in order to cultivate their interest towards science. The Mayflower Group sponsored financial assistance to the Ti-Ratana Welfare Society through a cheque handing ceremony, as well as a 44-seater coach as means of transportation. The visit proved fruitful as many of the orphans showed high levels of interest towards the creative and innovative scientific inventions. The visit ended with a lunch and the orphans were transported back to Ti-Ratana Welfare Society through the coach provided.





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## CSR Activity 6: Donation Drive for the unfortunate incident which happened to our employee

In the month of July 2018, the Company came to know of an unfortunate incident which happened to one of our colleagues who lost both his young children. With his consent, the Machinery Group initiated a donation drive which involved all 16 branches and headquarter and has successfully collected RM4,135.00 for the unfortunate colleague.

## CSR Activity 7: Car Wash for Charity

In line with our vision to move towards a more "CARING" company, TCIM initiated the program – Car Wash for Charity on 4 August 2018. The program was aimed to collect funds by washing cars during rest days within TCIM's premise. The duration of this program was one month and it turned out to be a huge success. 70% of the proceeds will be donated to the charitable organisation while the remaining 30% will be used for the next CSR activity.



## CSR Activity 8: Job Opportunity for Interns and Fresh Graduates

We always provide an opportunity for fresh graduates and interns to work at our Group. We participated at various job fairs at the following locations:

No.	Fair Title	Location	Date
1.	Mini Job Fair Sempena Program "Jom Bantu Rakyat"	PPR, Batu Muda, Jalan Ipoh, Kuala Lumpur	18 March 2018
2.	Job Fair Teknikal Vokasional Dan Latihan	Bilik Mawar, Level 2, PWTC, Kuala Lumpur	22 March 2018 & 23 March 2018
3.	HELP University Business Final Year Project Viva	HELP University, Damansara Height, Petaling Jaya	19 April 2018 & 20 April 2018
4.	Career Fair & Internship Day UPNM 2018	Universiti Pertahanan Nasional Malaysia	25 April 2018
5.	Job Fair @ UTC 5.0	Hall A, UTC Pudu, Kuala Lumpur	6 October 2018
6.	UTAR Virtual Career Fair October 2018	Warisan Headquarter, Jalan Ipoh via Skype	23 October 2018 – 25 October 2018
7.	UKM Integrated Internship & Career Day 2018	Dewan Tun Abdullah Salleh (Dtams), UKM	31 October 2018
8.	Training Session @ Business Final Year Project	HELP University, Damansara Height, Petaling Jaya	23 November 2018

In 2018, we recruited some fresh graduates to join our workforce from the education fairs. We also engaged a total of 29 interns for various subsidiaries in the Group and provided them with the required industrial training in our efforts to equip them with the required knowledge and skills for their future. Some of interns became our permanent staff.

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## Workplace Safety and Health

Employee safety and health matter has always been the Group's priority. Hence, we strive to ensure our employees work in a safe and healthy environment at all time.

All our subsidiaries have their own Safety and Health Committees who meet on regular basis to review the safety and health related matters. Our employees are required to attend talks on safety related issues to maintain safety awareness at all times. Our offices and factories are inspected by properly trained and qualified safety personnel on regular basis which includes ad-hoc spot checks as well.

All accidents, regardless of minor or serious, and even near misses, are carefully reviewed by the Safety and Health Committee to ensure action plans are put in place to prevent the recurrence of accident. No fatality was recorded in 2018.

We understand the importance of response time in any emergency situation especially in a fire incident. Therefore, we ensure fire drills are carried out on scheduled and unscheduled basis to ensure that the Emergency Response Team and employees are able to act in an orderly manner and within acceptable timeframe.

## Compliance with Laws and Regulations

We observe compliance with laws and regulations seriously. We ensure all our activities are operated within the laws and regulations at all times, be it in Malaysia or other countries where we have business operation. Our independent Internal Auditors, in their scope of audit, would cover compliance with regulatory requirements.

## Integrity

Integrity ranks high on our corporate agenda and it is one of the key elements of the 7 Core Values adopted by the Group. We believe that a company will not be able to sustain in the long term if its people lack integrity.

The Group has zero tolerance on fraud and corruption practices by any of the employees from all levels. Hence, we expect our employees to imbibe a culture of honesty, reliability, transparency, and accountability throughout the organisation and among our stakeholders.

The Group has in place the following policies to address fraud issues:

- Code of Conduct for Employee;
- Fraud Prevention Policy; and
- Special Complaints Policy.

## CONCLUSION

The Board is mindful of the need to review the Group's material sustainability issues, including the process to identify such matters for ongoing monitoring. Steps will be taken to enhance this process from time to time, especially measures to be taken in order to realise the Group's aspiration on the sustainability front in its businesses.