

## SUSTAINABILITY STATEMENT

We recognise that sustainability remains a core imperative for current business operation needs and ensuring the ability to meet future business needs. Being a responsible corporate citizen contributing to environmental protection, economic growth and social development is a keystone of the Group.

### SUSTAINABILITY GOVERNANCE STRUCTURE

Our goal is to create sustainable value for all our stakeholders, including our community, customers, employees and shareholders, through the long term management of sustainability risks and opportunities, and practice of good corporate governance. The Board is responsible for sustainable performance and results of the Group. The Audit Committee is responsible for reviewing the risk management framework and sustainability initiatives undertaken by the Group. The Risk and Sustainability Committee ("RSC"), headed by our Chief Executive Officer, was established to assist the Board in identifying material sustainability matters, implementing, managing and monitoring their development on a consistent basis to ensure the Group achieves its long term sustainability goals and objectives. The main task of the RSC covers the identification of Economic, Environment and Social ("EES") risks and opportunities within the ecosystem of the Group, which includes identifying the EES impacts on the Group, implementation of approved sustainability strategies and action plans to achieve the Group's milestones and objectives.

Our Group is diversified in its key business activities, which comprise the provision of travel, air-ticketing, car rental and coaches services; the distribution and rental of heavy machinery imported from manufacturers of international repute; the assembly, distribution and sale of commercial and passenger vehicles and the provision of used vehicle auction services and car sharing. Each subsidiary within the Group has its own risk and sustainability sub-committee ("Sub-Committee") responsible for the matters that affect its stakeholders. The Sub-Committees report the progress on activities that are pertinent to sustainability matters to the RSC thrice yearly.

Below is the governance structure of the Group and the three (3) key Sub-Committees for illustration purpose:












# SUSTAINABILITY STATEMENT

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## Stakeholder Engagement

Our Group believes that engaging 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 is able to forge a trusted relationship with our stakeholders, who include customers, investors, suppliers, employees, regulatory and statutory bodies, local and overseas communities, higher learning institutions and welfare organisations; and identify, assess as well as prioritise sustainability matters that are material to the Group.

The table below summarises some of the key stakeholders of the Group and the means with which we engage with them:

 Stakeholders	 Issue of Concern	 Forms of Engagement
 Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service and experience</li> <li>Cost of ownership</li> </ul>	<ul style="list-style-type: none"> <li>Customer survey</li> <li>Customer service centre</li> <li>Visitation</li> <li>Feedback to principals/manufacturers on quality and product enhancement</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Pricing and delivery schedule</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation</li> <li>Goods reject report</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Workplace safety and employee wellness</li> <li>Career development</li> <li>Remuneration &amp; benefits</li> <li>Learning opportunities</li> <li>Ethics and integrity</li> </ul>	<ul style="list-style-type: none"> <li>Performance review</li> <li>Training</li> <li>Team building activities</li> <li>Young Executive Club</li> <li>Constant communicate with employees to raise awareness and ensure compliance with the standard operating procedures issued by the Ministry of Health during the pandemic period by the employees</li> </ul>
 Regulatory and Government Bodies	<ul style="list-style-type: none"> <li>Introduction of new and/or changes of laws and regulations such as introduction of corporation liability under the Malaysian Anti-Corruption Commission Act 2009</li> <li>Labour practices</li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with respective regulatory bodies</li> <li>Policies and guidelines</li> </ul>
 Higher learning institution, community and welfare organisation	<ul style="list-style-type: none"> <li>Supply of manpower</li> <li>Community welfare</li> </ul>	<ul style="list-style-type: none"> <li>Participation in career fairs</li> <li>Social contribution and community services</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>Group financial performance</li> <li>Business strategy</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Quarterly and statutory announcements to Bursa Malaysia Securities Berhad ("Bursa Malaysia")</li> <li>Corporate website</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## Material Assessment

During the financial year under review, the assessment process was conducted internally by the RSC to determine sustainability matters that are important to the Group and stakeholders, taking into consideration the Sustainability Reporting Guide issued by Bursa Malaysia.

In addition, we considered at the impact of such matters upon the business of the Group and stakeholders. A list of material sustainability matters that was relevant to the business and the industry we operate in was compiled and presented to the RSC for assessment.

The RSC identified a total of 10 material sustainability matters that are important to the business and to our stakeholders and are depicted as follows:



Our sustainability statement herein covers all the key business activities mentioned aforesaid carried out by the companies within the Group located in Malaysia, Myanmar and Cambodia.

## ECONOMIC SUSTAINABILITY

### Customer Satisfaction

Our growth is highly dependent on our customers. The Group places paramount importance on catering to our regular customers, as well as new customers to sustain our business given the challenging economic conditions and to uphold our brand reputation.

Various customer engagement methods, such as the use of survey forms, calls and social media platforms like Facebook, are conducted regularly to enable us to better understand and respond to our customers' expectations. We endeavour to retain our competitive advantage to remain as the first option to our customers.

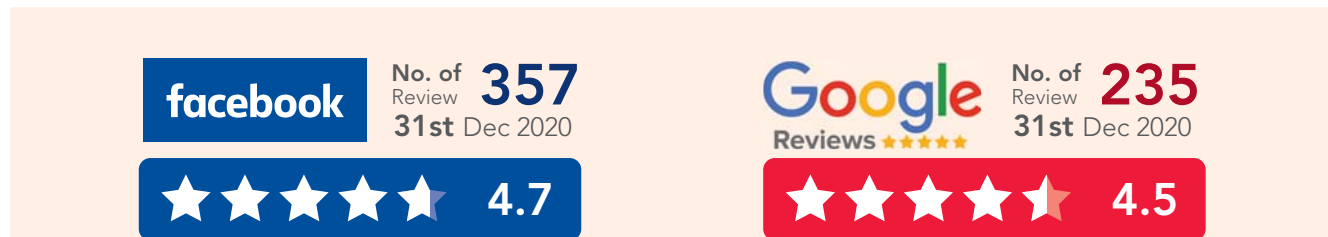
We treat our customers' complaints seriously and ensure issues are attended to and addressed in a timely manner. Training sessions are conducted periodically to prepare our technical staff on issues relating to our products and to resolve potential issues that may affect the customer's experience. We have response teams to attend to machine breakdowns on site and provide replacement car for any rental car breakdown. For service staff, we ensure that they are equipped with the necessary skills and knowledge to handle customers' complaints.

## SUSTAINABILITY STATEMENT

cont'd

Feedback from customers on our products is communicated to the relevant decision-makers in order to better respond to their needs.

Here are some examples of customer satisfaction ratings of MUV Marketplace Sdn Bhd based on public reviews on social media:



The following are some examples of initiatives undertaken by our subsidiaries to maintain good customer service levels:

- Provide nationwide after sales service centres with constantly available parts;
- Readiness of Customer Relationship Management (CRM) systems and call centre support;
- Mobile service team on stand-by 24/7;
- Expand service dealer and sales network;
- Practise quality inspection and conduct joint inspections with customers;
- Adhere to Standard Operation Sheet to ensure quality control;
- Conduct weekly process audit for all assembly stations of Automotive Division;
- Gocar Mobility Sdn Bhd ("GoCar") has implementing a Customer Satisfaction (CSAT) scoring system to track and improve responses by customer service agents; and
- Reduce car downtime to ensure cars are constantly available for GoCar and Mayflower Car Rental customers.

### Productivity

In light of challenging economic conditions due to the challenges posed by COVID-19 pandemic, the Group has prioritized productivity as a vital component towards sustaining our long-term viability.

Over the course of the year, various new initiatives and services were introduced by subsidiaries in an effort to strengthen the Group's revenue performance.

We also strongly believe that customers will retain their purchasing patterns for vendors that are able to provide the best service standards.

To enable the Group meet the high expectations of customers, and sustain the growth of business, we strive to optimise the deployment of our resources in a more efficient manner, for example:

- GoCar developed dynamic pricing to enable users enjoy lower price during the off-peak period, and optimize revenues during peak periods;
- GoCar has developed new revenue streams such as GoDriver, GoWrap, Long Term Rentals, One-Way Trips and Corporate Car Subscription;
- Mayflower Travel Group has re-strategized its business operation to enhance efficiency and productivity while reducing cost of operation;
- Mayflower Travel Group has pushed for domestic tourism by collaborating with partners such as Rakuten, SGI Vacation Club, and promoting Mayflower Travel Warrant on platforms like Shopee;
- TCIM Sdn Bhd ("TCIM") rationalized costs by negotiating with local suppliers and applied lean manufacturing methodologies in the workplace;
- TCIM put a great deal of effort in ensuring that sales productivity improvement is achieved via actively managing best product mix, as well securing necessary support from principals of industrial machinery in terms of pricing, marketing expenses and supply chain; and
- Optimising resources through group networking (after sales service, engineering support).

# SUSTAINABILITY STATEMENT

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## Succession Planning

We acknowledge the importance of staff quality towards our Group's success. The Group has a succession planning programme where internal talents within the Group are identified, developed and groomed with multiple skills to helm key leadership roles for the future. This succession planning programme 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 identified successors from time to time and provides proper training and guidance as required.

We believe that the succession planning programme is imperative in the identification, motivation and retention of the younger generation of talents within the Group as they will likely see the opportunity for career development and growth within the Group.

## ENVIRONMENTAL SUSTAINABILITY

### Resources, Waste & Energy

Taking cognisance of the impact posed by climate change, the Group is committed to actions that will reduce our environmental impact. The Group has implemented the following environmental and waste management practices in its day-to-day operations:

- Authorised waste service centres and waste collectors have been engaged to enable wastes to be discharged in a regulated manner;
- Installation of grease, oil and silt traps at our workshops to minimise the discharge of grease and oil into rivers;
- Innovative business models (e.g: GoCar's car-sharing model) which are aimed at reducing vehicle ownership and the number of private vehicles on the road, hence reducing carbon emissions;
- Ensure products sold are environmentally friendly; for example, selling trucks with green engines compliant to Euro 2 & 3 standards, and battery powered forklifts;
- Online travel portals (mayflower.com.my) which enable users to book their travelling needs remotely from their homes/offices, and reduces unnecessary trips;
- Prohibiting open burning;
- Reducing paper wastage by digitizing processes such as payroll, leave applications (ESS) and performance reviews via Achievable Integrated Management System (AIMS);
- Recycling initiatives in offices which include the use of waste segregation bins and reducing paper printing; and
- Improving energy efficiency in offices by replacing fluorescent lamps with energy efficient LED tubes, and electrical appliance with inverter technologies in stages.

## SOCIAL SUSTAINABILITY

### Employee Training, Education and Career Development

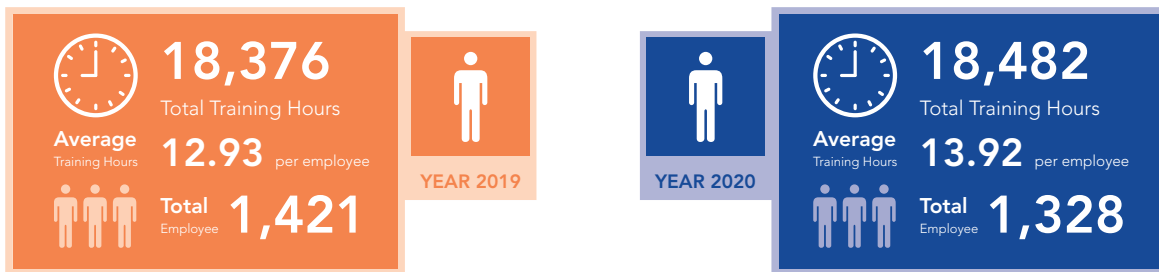
As we recognise that human capital is a key driver to the Group's sustainability and performance, the need to invest in human capital is a top priority for the Group. Therefore, our employees are continuously trained and equipped with the relevant skills and knowledge to enable them to handle new challenges with confidence.

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

## SUSTAINABILITY STATEMENT

cont'd

The table below shows the training hours recorded in the last 2 years:



We understand that learning and development is a crucial element when it comes to employee engagement. Thus, in 2019, we have set an average of 20 training hours for each individual. However, there was no enforcement at that time and with limitation of our Human Resources ("HR") system, we were not able to track all training hours. The number of training hours was captured in respect of some physical and online training where attendance of the participants was taken. In 2019, the Talent Management Team had also revised the training programmes and structure and introduced the programmes under the Guided Managerial Development Framework. In 2020, due to the pandemic, we have moved most of our face-to-face training to e-learning. The Talent Management Team sent out weekly e-learning emails to all staff with 35 emails sent out in 2020. As they were emails, the training hours attained through this channel were not able to be tracked. These weekly e-learning series provided pointers/tips for personal and managerial development and all materials and the contents were uploaded on our HR portal to enable employees to learn anywhere anytime.

We realise that it is necessary to have a good learning management system moving forward, and together with TC iTech Sdn. Bhd., the learning module for the in-house AIMS HR System is being developed, with the learning module to go live in September 2021. The system will enable all employees, managers and management to register for programmes, run e-learning modules, link to external content platforms and enable the tracking of employees' training hours, learning history and document the skills of the employees.

With these efforts, we believe this will improve the competence and capabilities of all employees. The Group also has various programmes to engage the younger generation to cultivate their talent and maximise their potential which include:

### Young Executive Club ("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 is responsible to organise various activities in the Group. This gives the members an opportunity to participate in planning, monitoring and decision making.

### Accolades for Human Resources Development

#### 1. Award from CSR Malaysia Award 2020

On 11 November 2020, we were again recognised as one of the outstanding Malaysian corporations that have excelled in the corporate sustainability and social responsibility sphere. As this day marks another important journey of Warisan TC Holdings Berhad to be recognized for its commitment to contribute back to the society with receiving the CSR Malaysia Award 2020 - Company of the Year under the category of Automotive & Consumer Products at the prestigious CSR Malaysia Awards 2020, the biggest corporate social responsibility award.

## SUSTAINABILITY STATEMENT

cont'd

Organised by CSR Malaysia, the annually held awards initiative is a platform to celebrate outstanding achievers and inspiring corporations for their efforts to create a better Malaysia through their sustainability and corporate social responsibility endeavours. This recognition will always remind us of our humble presence in the corporate world and helps us to strive to perform even better in the future.



### 2. Award from ASEAN HR Award 2020

The ASEAN HR Awards 2020 by HrHub Malaysia is envisioned to inspire and establish a positive human resource shift in the training industry in Malaysia. The awards programme also showcases the best in the human resource industry and practices. It is HrHub's hope that the programme acts as a catalyst to bring the industry to the next level. The awards were designed to honor the best and brightest in human resources, including departments and individuals. We are glad that we were recognized as one of the award recipients of the 'Asean HR Awards 2020' in the sphere of human resource excellence in Malaysia – Warisan TC Holdings Berhad for 'Employer of the Year under the category of Investment & Automotive'.

Meanwhile, our Chief Executive Officer and HR Manager were pleased to be recognized under the 'People-Focused CEO' award category & HR Personality of the year award category respectively. This recognition will always remind us to value and train up our most valuable assets, i.e. our employees as they are the backbone and pillar of the Group to deliver the best services and products to our customers.

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.





# SUSTAINABILITY STATEMENT

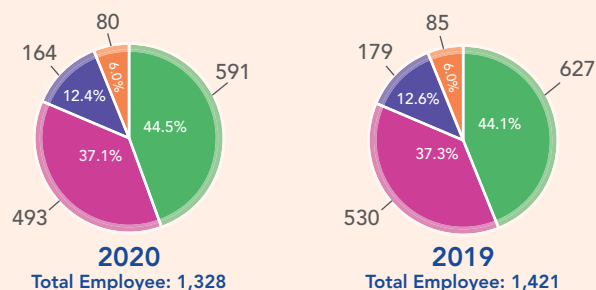
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## Diversity & Equal Opportunity

We acknowledge that the diversity of our people is a source of strength. Therefore, we promote inclusiveness and equal opportunity in the workplace, regardless of ethnicity, gender, age or background. All employees are treated equally within the Group and are appraised and rewarded based solely on their merits.

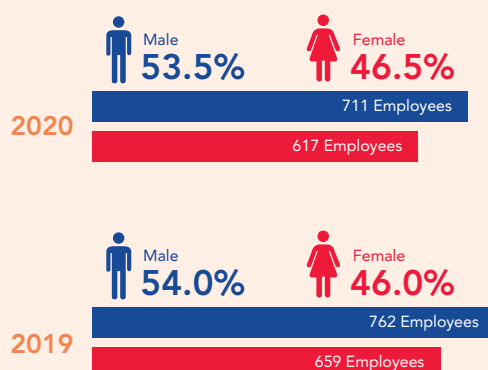
The diversity profile of the Group's employees in 2020 are as follows:

### ETHNICITY



Malay Chinese Indian Others

### GENDER



## Community Activities and Contributions

Being mindful of the less fortunate and marginalised, we strive to provide for society as we believe that such initiatives, as part of the Group's Corporate Social Responsibility ("CSR") can transform lives. Even a small gesture like a home visit may have a positive impact on the community at large. The various initiatives carried out during the year were aimed not only at supporting the community, but also to enhance the Group's visibility, including its product and service offerings.

Although there were myriad challenges amidst the COVID-19 pandemic period, we continued to encourage our employees to reach out to the community by participating in various charitable and community activities.

During the COVID-19 pandemic period, the Group continued to contribute to the community as part of CSR to the needy and initiated various activities, including providing donation, essential food, fuel vouchers to healthcare frontliners.





## SUSTAINABILITY STATEMENT

cont'd

### Job Opportunities for Young Talents

In an effort to upskill young talents, we always provide opportunities for fresh graduates and interns to work within our Group.

In 2020, we recruited fresh graduates to join our workforce from the education fairs and engaged a total of 38 interns for various subsidiaries of the Group. We provided them with the required industrial training in our efforts to equip them with the necessary knowledge and skills for their future. Some of the interns eventually became our permanent staff.

### Workplace Safety and Health

We care about the well-being of our employees who may be exposed to occupational hazards in the workplace. All our subsidiaries have their respective Safety and Health Committees which meet on a 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 a regular basis, which includes ad-hoc spot checks.

All accidents, regardless of minor or serious, and even near miss cases, are carefully reviewed by the relevant Safety and Health Committee to ensure action plans are put in place to prevent the recurrence of similar incidents. No fatality was recorded in 2020.

We understand the importance of response time in any emergency situation especially in fire incidents. Therefore, we ensure fire drills are carried out as scheduled, including unscheduled basis, to ensure that the Emergency Responses Team and employees act in an orderly manner and within an acceptable timeframe during emergency situation.

In 2020, with the safety concerns brought about by the COVID-19 pandemic, the Group has taken additional precaution to prevent our employees from being infected by the virus. We constantly monitored compliance with the COVID-19 Standard Operating Policies ("SOP") that were put in place and any non-compliance of the SOP by the employees would result in disciplinary action.

The following measures were taken:

- Communications to our employees on awareness, precautions to be taken and guidelines on travel have been frequently done via emails and notices;
- Notices, hand sanitizers, thermal detection guns and masks have been deployed as required;
- Updates of the virus situations locally and internationally were monitored on a daily basis;
- Mitigating actions and precautions from Group HR have been taken to reduce transmission internally. This includes travel bans to high risk countries as well as restricted travel to other locations;
- Business continuity plans/guidelines were put in place and/or implemented when the situation escalated to crisis mode;
- All SOPs/ return to work guidelines have been put in place and posted on the HR portal;
- Spot checks for all businesses have been carried out to ensure compliance by all businesses, entities and at all locations;
- Social distancing enforced at workspaces; and
- Daily self-declarations continued to be monitored.

By invoking the business continuity plan, Mayflower Corporate Travel Services Sdn Bhd ("MCTS") was able to operate its call centre operations from home and its employees were able to continue supporting its customers without any interruption since the lock down was first announced in March 2020. On each business operation day, MCTS call centre ticketing consultant would log-in Avaya call system ready to answer client incoming call or make outbound calls. On customer voice engagement, customers could reach our ticketing consultant as per the dedicated phone numbers that were assigned to each group of customers.

The Safety and Health Committees have conducted inspections at all subsidiaries' workspaces to ensure that the above COVID-19 measures are implemented smoothly. Our employees also attended talks on safety and health related issues, including COVID-19 safety measures.

## SUSTAINABILITY STATEMENT

cont'd

We are glad to report that there have been no business shutdowns due to Covid-19 exposures during the financial year under review.

The Group has also conducted safety and health trainings to employees which covered, among others, the following:

- 1) COVID-19 Precautionary Briefing;
- 2) Awareness of Road Traffic Safety Management System ISO 39001:2012;
- 3) Defensive Driving Training;
- 4) Columbia Asia Health Screening Programme;
- 5) CENVIRO Safety Passport Training;
- 6) Fire Prevention Awareness Talk;
- 7) Preparation and Precautionary Actions for Operation during Movement Control Order;
- 8) Noise Hazard Identification;
- 9) COVID-19 Precautionary Measures Inspection;
- 10) Scheduled Waste Management Training;
- 11) Parts Stock Count Safety Briefing;
- 12) Machinery Stock Count Safety Briefing;
- 13) Emergency Response Team Briefing; and
- 14) Noise Hazard Identification Training.

### Compliance with Laws and Regulations

We view compliance with laws and regulations seriously so as to ensure that all our activities and operations are conducted within the laws and regulations, be it in Malaysia or other countries where we have a presence.

### Integrity

Integrity ranks high in our corporate agenda and it is one of the key elements in the Group's 7 Core Values. We believe that integrity is the cornerstone to sustaining the organisation in the long-term.

The Group has zero tolerance on fraudulent and corrupt acts. Hence, we expect our employees, regardless of seniority level, and Directors to cultivate a culture of honesty, reliability, transparency and accountability among the Group and our stakeholders.

The Group has in place the following policies to strengthen our governance:

- Anti-Bribery and Anti-Corruption (ABAC) Policy;
- Code of Business Conduct and Ethics for Employee;
- Fraud Prevention Policy; and
- Special Complaints Policy.

This year, we have introduced the ABAC Policy to further strengthen transparency, integrity and fairness in all aspects of the Group's business with a structured framework. Briefings have been conducted to all subsidiaries, employees and relevant stakeholders to ensure the smooth implementation of the ABAC Policy.

Taking cognisance of the importance of having in place a process to identify and monitor matters that are material to the continued viability and sustainability of the Group, the Board of Directors has reviewed the overall performance of the Group, beyond just financial results.

This is so that remedial measures may be implemented by Management to steer the Group towards realising its sustainability goals and agenda on an ongoing basis.

This Statement is dated 6 April 2021.