

SUSTAINABILITY STATEMENT

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

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is responsible for sustainable performance and results of 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 eco-system 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 goals.

Our Group is diversified in key business activities that comprise the provision of travel, air-ticketing and car rental and coaches services; the distribution and rental of 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 team of Risk and Sustainability Committee ("Sub Committee") responsible for the matters that affect stakeholders. The Sub Committee reports the progress on activities that are pertinent to sustainability matters to the RSC at least twice yearly.

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












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Stakeholder Engagement

Our Group believes that engaging with the various stakeholders is an integral commitment 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.

The table below summarises some of the key stakeholders of the Group and the issues of concern impacting different stakeholders:

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

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Material Assessment

During the financial year under review, the assessment process was conducted by the RSC to determine sustainability matters that are material to the Group, taking into consideration the guidance on the Sustainability Reporting Guide issued by Bursa Malaysia as well as the impact of such matters upon the business of the Group and their relative importance to stakeholders in influencing their decision on a prioritised basis. 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.

RSC has identified a total of 10 material sustainability matters that are important to the business and to our stakeholders. With that, we would able to manage and monitor the areas of sustainability matters which are material to the Group, depicted as follows:



ECONOMIC

Customer Satisfaction

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

Various methods of survey, such as the use of customer survey form and social media like Facebook, were conducted regularly to ensure we stay in touch and respond to our customers' requirements and 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. Trainings are conducted on periodically to apprise our technical staff on issues relating to our products and to reduce the machine downtime. We have a response team to attend to machine breakdown at site and provide replacement car for any breakdown. For service staff, we ensure that they are equipped with the necessary skills and knowledge to handle customers' complaints.

Feedback from customers relating to our products is communicated to our Principals for them to have a better understanding on the requirements of local customers.

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Feedback from customers on any activities relating to the auction and inspection services provided by one of our subsidiaries, MUV Marketplace Sdn Bhd ("MUV"), is immediately attended to with urgency.

Based on public reviews relating to MUV via social media, their satisfaction on the service is gauged as follows:



We have outlined the following commitments (which may only be applicable to some of our subsidiaries depending on their nature of business) to fulfil our customers' needs:

- Provide nationwide after sales service centre with parts availability;
- Provide immediate technical advice and appropriate solutions;
- Readiness of Customer Relationship Management (CRM) and call centre support;
- "24/7" and mobile service team on stand-by;
- Expand service dealer and sales network;
- Practice quality inspection and joint quality inspection with customers;
- Use proper, calibrated and adequate tools and machineries;
- Adhere to Standard Operation Sheet to ensure quality control;
- Conduct weekly process audit for all assembly stations of Automotive Division;
- Revamp the Standard Operating Procedures (SOP) of our subsidiary, Gocar Mobility Sdn Bhd ("GoCar") for its Customer Experience Team;
- Use Rating System to rate GoCar Customer Experience Agent in handling the caller enquiries;
- Improve fleet cleaning and fleet management;
- Set up call centre to garner customer satisfaction data from car rental customers; and
- Attend to customers' complaints and feedback by providing better solutions and services.

Productivity

In the current highly competitive market, productivity and efficiency are invariably pivotal factors towards sustaining the Group's long-term viability.

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

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

- Leveraging on the weighted average prices, car rental user will enjoy lower price during the off-peak period;
- Reducing car downtime;
- Increasing car rental utilisation rate (UT), translating into higher rent-out versus idle car;
- Applying lean management to back office operations;
- Optimising resources through group networking (after sales service, engineering support) and
- Rationalising cost saving activities.

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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 to take over key positions in future. This succession planning programme is not only limited to top Management but also applies to different levels of Management within the Group.

Top management reviews the progress of identified successors from time to time with proper training and guidance provided as required.

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

ENVIRONMENT

Resources, Waste & Energy

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

- Practices in office which include the use of waste segregation bins, reducing paper printing, replacing fluorescents lamps with energy efficient LED tubes and electrical appliances inverter technologies in stages to conserve energy;
- Authorised waste service centres and waste collectors have been engaged to enable wastes to be discharged in a proper manner;
- Encouraging the use of synthetic oil to prolong service intervals on vehicles and thereby reducing the volume of used engine oil being disposed of;
- Installation of grease, oil and silt traps at our workshops to minimise the discharge of grease and oil into the environment;
- Our GoCar's business model is aimed at reducing vehicle ownership and the number of vehicles on the road to reduce carbon emission and scrap of vehicles in the future;
- Our online travel portal (mayflower.com.my) which provides convenience to users to book their travelling needs from the comfort of their homes and/or office will not only save time but reduce the hassle of looking for car parks and fuel wastages;
- Prohibiting open burning; and
- Promoting paperless workplace, such as using E-statement for payroll and Success Factor.

SOCIAL

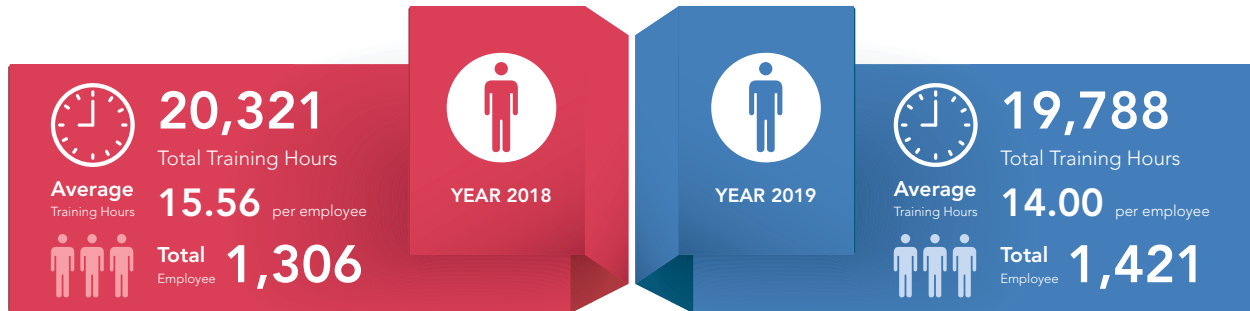
Employee Training, Education and Career Development

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 no longer an option but a prioritised necessity. 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. We target to provide an average of 20 hours of job-related training programmes per employee. The table below shows the training hours recorded in the last 2 years:

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The Group has also implemented the following programme to engage with the younger generation in honing and harnessing their talents and potential:

- o **Young Executive Club ("Club")**

This 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 60 members.

The Club is responsible for organising various activities, such as CSR activities, motivational talks, etc., in the Group, thereby providing a platform for members to participate in planning, monitoring, and decision making.



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Accolades for Human Resources Development

Award from CSR Malaysia Award 2019

11 July 2019 marked an important milestone for Warisan TC Holdings Berhad in the recognition of its contribution to society as the Group was honoured as the recipient of the CSR Malaysia Award 2019 - Company of the Year under the category of Automotive and Consumer Products at the prestigious CSR Malaysia Awards 2019, the biggest corporate social responsibility (CSR) event held at Sheraton Imperial Kuala Lumpur. The event was officiated by Deputy Women, Family and Community Development Minister, YB Hannah Yeoh.

Award from MyJobs

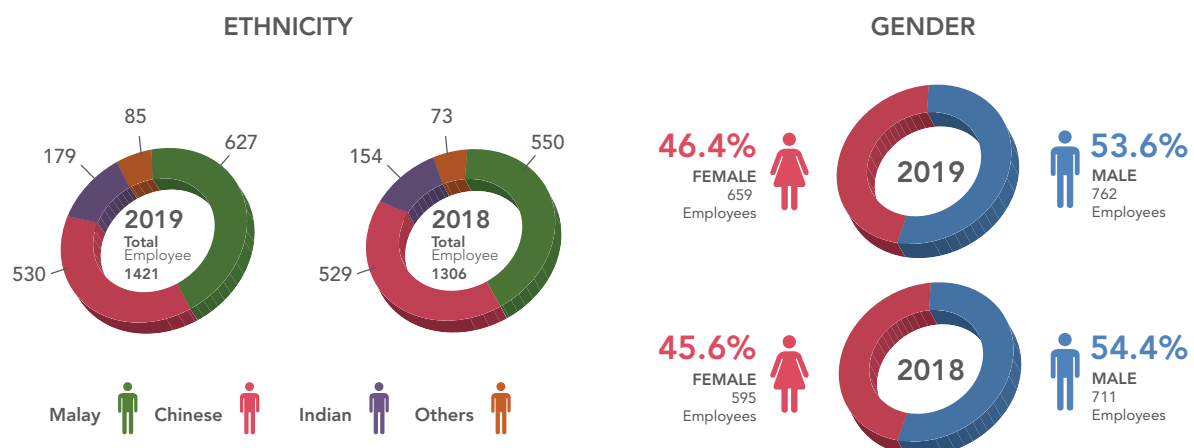
The Top Employer Award was presented to one of our subsidiaries, MAT Transportation Solution (Myanmar) Company Limited during the MyJobs Gala Annual Dinner held on 20 September 2019 in Myanmar. This recognition is another significant achievement for the Group as we competed against some of the largest 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 as a source of strength. Therefore, we promote inclusiveness and equal opportunity at workplace, regardless of ethnicity, nationality, gender or age of employees. All employees are treated equally within the Group and are appraised and rewarded solely based on their merits.

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



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Communities Activities & Contributions

Being mindful of the less fortunate and marginalised, we strive to contribute back to society as we believe such social initiatives, as part of the Group's Corporate Social Responsibility ("CSR") can transform lives, as even a small gesture like donation may have a positive impact on the community at large. The various significant activities carried out during the financial year were aimed at not only ploughing back to the community, but also to enhance the Group's visibility, including its products and service offerings, as part of its branding initiatives in the marketplace:

Kiwanis Down Syndrome Charity Run

On 6 October 2019, a KCK Fun Run (Kiwanis Down Syndrome Charity Run) was organised at Setia City Park. A total of 29 staff participated in this event which promoted awareness towards Down Syndrome and healthy lifestyle habit.



Blood Donation Campaign

The Blood Donation Campaign organised by Mayflower Car Rental Division on 6 November 2019 attracted better response from the staff than expected as compared to previous year. There were 35 staff registered for the campaign, and each donor received a blood donation certificate from PDN as an act of appreciation. MCR also gave out merchandise such as umbrella, notebook and recycle bag to PDN staff as a token of appreciation for their involvement in this campaign. It is hoped that a caring and sharing attitude can be cultivated among the staff for the betterment of the society by participating in this campaign.



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Recycle for Good Cause

We aim to inspire our stakeholders, including employees within the Group, to care for the environment by adopting a clean, green, and sustainable lifestyle. We continue to focus on reducing our waste and promote the practice of Reduce, Reuse and Recycle within the Group.

Tan Chong Apparels Manufacturer Sdn Bhd, our lingerie manufacturing unit in Taiping, initiated a recycle campaign during the year. Recyclable items such as newspapers, carton boxes, papers, aluminium cans, irons, magazines and books were collected and donated to Persatuan Perkhidmatan Komuniti Taiping Perak to help the poor and needy.

Health & Family Fun Day

Mayflower Medical Tourism Division organised a Health & Family Fun Day at Prince Court Medical Centre ("Prince Court") on 4 August 2019. All staff and their family members were invited to this event and medical officers of Prince Court shared some healthcare tips and introduced the facilities that were available to the public. Mayflower Medical Tourism Division currently partners with Prince Court in promoting Malaysia as the medical tourism destination to inbound medical travellers.



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Job Opportunity for Interns and Fresh Graduates

The Group supports internships and has always provided a platform for interns to grow with us. During the year, we participated at various career fairs in Malaysia and successfully recruited a total of 65 (2018: 29) interns and provided them with the pre-requisite training in our efforts to equip them with the required knowledge and skills for their future. Some of the interns eventually became our permanent staff.



Workplace Safety and Health

The Group is devoted to providing a safe and healthy workplace environment for all its employees. Subsidiaries in the Group have their own Safety and Health Committee who meet on a regular basis to review safety and health related matters. Our employees are required to attend talks on safety related issues to maintain safety awareness on regular basis. Our offices and factories are periodically inspected, including ad-hoc spot checks, by properly trained and qualified safety personnel.

Accidents reported and investigation procedures, regardless of whether minor or serious accidents, and even near misses, are carefully reviewed by the Safety and Health Committee to enable the implementation of action plans to prevent recurrence of similar incidents.

We are mindful of the importance of response time in any emergency situation, especially in fire incident. Therefore, fire drills are carried out, both on scheduled and unscheduled basis, to assess the preparedness of the Emergency Response Team and employees in acting in an orderly manner and within acceptable timeframe.

Machinery Division conducted various safety and health activities and training during the year, such as Fire Prevention and Awareness Talk, Fire Fighting Awareness Training, Contractors Environment, Health and Safety Management/Induction Briefing, Forklift Safety Awareness Handling Training and TCIM Road Safety Campaign.



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Compliance with Laws and Regulations

We view compliance with laws and regulations seriously so as to ensure that all our business activities are operated within the laws and regulations at all times, be it in Malaysia or other countries where we have business operation.

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 an organisation will unlikely sustain in the long term if our people lack integrity.

The Group has zero tolerance on fraud and corrupt practices by any employee or even Director. Hence, we expect our employees and Directors to cultivate a culture of honesty, reliability, transparency, and accountability throughout the Group and among our stakeholders.

The Group has in place the following policies to address any wrongdoing:

- o Code of Business Conduct and Ethics for Employee
- o Fraud Prevention Policy; and
- o Special Complaint Policy.

Cognisant 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 reviews the overall performance of the Group, beyond just financial results, so that remedial measures may be implemented by Management to steer the Group towards realising its sustainability goals and agenda on an ongoing basis.