

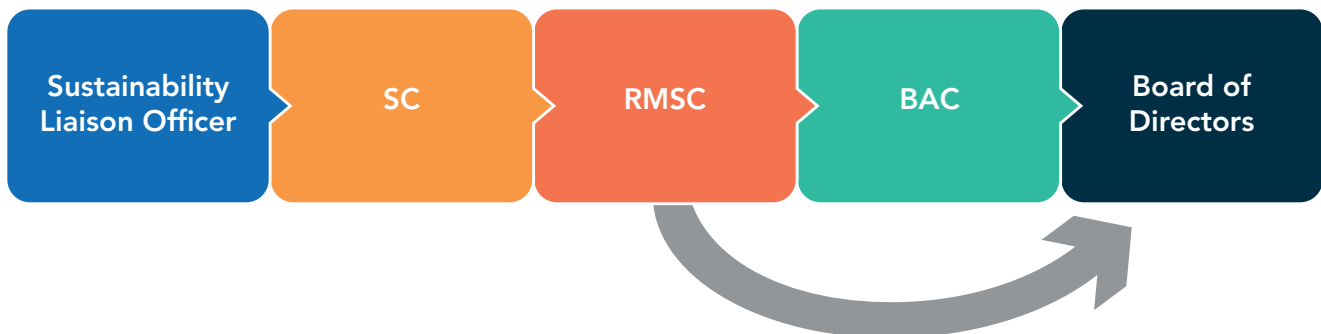
SUSTAINABILITY STATEMENT 2021

The Group is committed to maintain a balanced and practical approach in identifying and managing sustainability matters relevant to the Group's operations, focusing on environmental protection, economic growth and social development. Sustainability development is essential in our daily business in order to remain competitive and relevant across all business functions in their respective industries as well as to anticipate, and be prepared for, future business opportunities and needs.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group aims to create sustainable value for all stakeholders by incorporating: (1) strategy and stewardship; (2) management and monitoring; and (3) accountability and assurance in its sustainability governance structure, which includes the establishment of a Sustainability Committee ("SC"), Risk Management and Sustainability Committee ("RMSC"), Board Audit Committee ("BAC") and Board of Directors ("Board"), with a Sustainability Liaison Officer who oversees the operationalisation of sustainability initiatives and imperatives across the Group, including the periodic reporting of sustainability status to those charged with governance. The SC is set up with the task to monitor the implementation of sustainability strategies and policies approved by the Board and oversee the process of stakeholder engagement as well as the steps of identifying risks and opportunities of the Group arising from the Economic, Environmental and Social ("EES") pillars. The SC is led by the Chief Executive Officer (CEO), with support from the Chief Financial Officer (CFO) and the Sustainability Liaison Officer, the latter of whom serves as the focal point to coordinate with the heads of business unit and the various support function for the implementation of the Group's Sustainability Framework. The RMSC oversees the management of significant business risks, including the material EES risks; as well as advising and recommending policies and strategies on sustainability to the Board for approval. The BAC oversees the financial reporting and performance management measured against business and sustainability risks and opportunities. Ultimately, the Board takes full ownership of the Sustainability Framework with the accountability of setting sustainability business strategies and targets to be integrated into the Group's business operations and serves as the leading force to drive its implementation.

The following diagram illustrates the sustainability governance structure of the Group:












STAKEHOLDER ENGAGEMENT

Stakeholder engagement forms an integral part in steering us towards our long-term sustainability goals. Our business units maintain an on-going and open line of communication with relevant stakeholders (i.e., customers, investors, suppliers, employees, regulatory and statutory bodies, local and overseas communities, higher learning institutions and welfare organisations) to forge a relationship of trust and cohesive environment to strengthen our viability and credibility. Additionally, the sustainability matters that are material to the Group are identified, assessed and prioritised through stakeholder involvement and engagement.

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The table below summarises the key stakeholders of the Group and pertinent forms of engagement with them:

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

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MATERIAL ASSESSMENT

The material assessment process was conducted internally by the RMSC on the sustainability matters identified and presented by the respective business units. A total of 10 material sustainability matters relating to the EES pillars were determined to be pertinent to the Group and to our stakeholders.



Our Sustainability Statement ("Statement") covers all the key business activities (Travel & Car Rental, Industrial Machinery & Equipment, Automotive and Consumer Products) of the companies in the Group located in Malaysia, Myanmar and Cambodia. The operations of the joint venture companies are excluded from this Statement.

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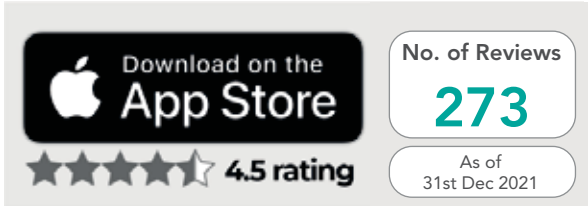

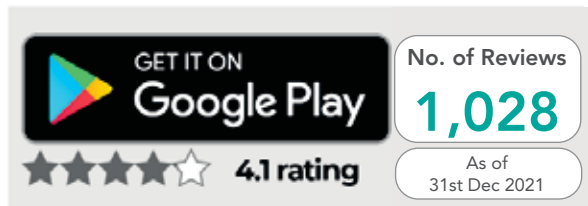
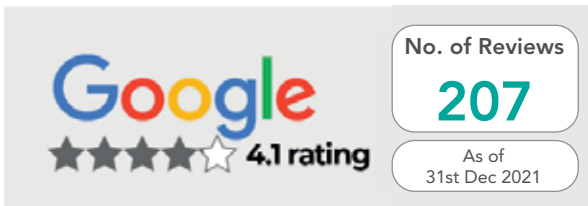
ECONOMIC SUSTAINABILITY

Customer Satisfaction

The Group values both the existing and potential new customers to sustain our businesses and uphold our brand's reputation in the fast evolving market, which can be prone to disruptions and borderless economic environment in today's digital era. We endeavour to retain our competitive advantage to remain as the preferred option to our customers, keeping them satisfied and impressed with our products offered and services rendered.

Customer engagement through multiple platforms allows us to gauge their feedback for further tweaking to the Group's strategies and to manage any complaints in a timely manner. Technical and service personnel are trained through a robust learning and development programme to equip them with the necessary skills and knowledge to provide the much needed customer service and experience.

The following are some examples of customer satisfaction reviews on popular social media:

MUV Marketplace	GoCar
	
	
	

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

- Quality assurance of products and services delivered in accordance with standard operating procedures (SOP), work instructions and industry best practices;
- Readiness of Customer Relationship Management ("CRM") systems and call centre support;
- Provision of nationwide after sales service centres with readily available parts;
- Mobile service team on stand-by '24/7';
- Progressive expansion of service dealers and sales network;
- Conducting weekly process audit on all assembly stations in the Automotive division;
- Provision of quality vehicle inspection and practising joint inspections with customers;
- Using Customer Satisfaction (CSAT) scoring system to track and improve responses by customer service agents at GoCar; and
- Reducing car downtime to ensure cars are constantly available for GoCar and Mayflower Car Rental customers.

Productivity

As challenging economic conditions persisted during the COVID-19 pandemic, the Group prioritised productivity as a vital component towards sustaining our long-term viability. Ever since the Malaysian Government lifted the Movement Control Order and allowed interstate travelling, the Group's businesses have been focused on how to ride on the economic recovery and to strengthen its revenue performance.

We have taken the approach to capitalise on effective business strategies by improving the efficiency in deploying our resources. Some initiatives and services were introduced by our subsidiaries to enable the Group to meet the high expectations of customers and sustain the growth of the business as follows:

- GoCar Garage pit stop service packages & other promotional offers; GoValet, GoWrap (moving billboard advertising), GoInsurance and GoEV;
- Mayflower Travel Group collaborated with Malaysia Airlines, Rakuten, SGI Vacation Club etc. to promote domestic tourism. Such promotions included Langkawi International Travel Bubble, International Covid-19 Quarantine Packages and Mayflower Student Portal as well as continuation of the seasonal sales campaigns and monthly hotel campaigns;
- Mayflower Travel Group also utilised Shopee platform to promote Mayflower Travel Warrant; kept their official Facebook page up-to-date with recommendations of travel destinations and travelling tips for holidaymakers; and provided on-going updates on both local and global travel policies;
- TCIM rationalised costs by negotiating with local suppliers and applied lean manufacturing methodologies in the workplace;
- TCIM ensured that the sales productivity improvement is achieved via actively managing best product mix, as well as securing the necessary support from principals of industrial machinery in terms of pricing, marketing expenses and supply chain; and
- Resources were optimised through Group networking (after sales service, engineering support).

Succession Planning

We believe an effective succession planning programme is imperative in the identification and coaching of the younger generation of talents to helm leadership roles when their opportunities come, as well as to aid them advance in career development vertically or laterally within the Group. Having a succession planning in place helps to promote and advance not just the management or executive levels but employees at every levels. More importantly, succession planning, if properly implemented provides pertinent safeguards to our businesses by ensuring its operations are not unduly disrupted, especially upon senior management personnel retirement or departure from the Group for various reasons.

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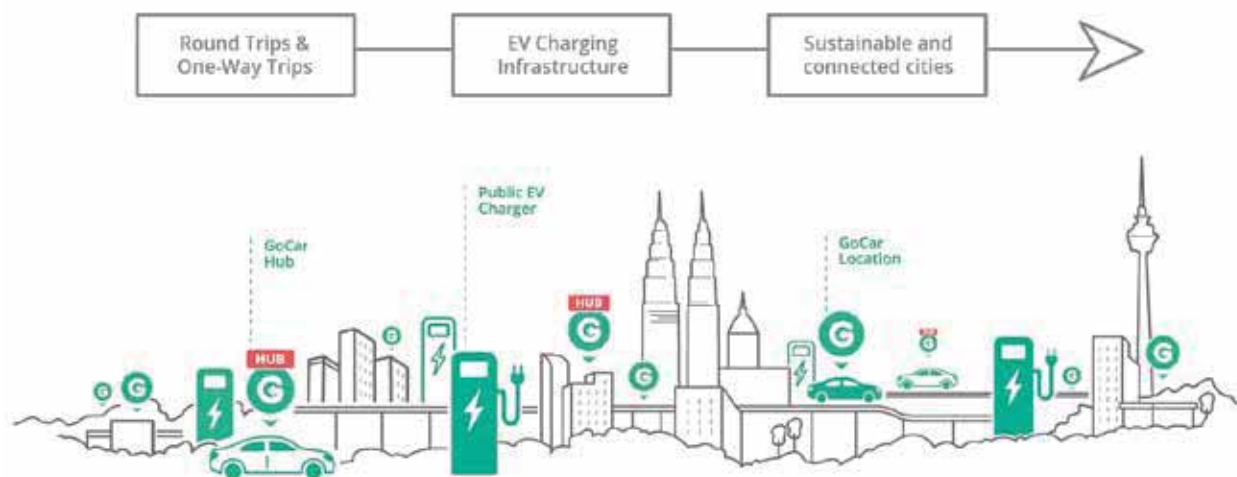
ENVIRONMENTAL SUSTAINABILITY

Resources, Wastes & Energy

The Group is committed to implementing initiatives to reduce our carbon footprint from our operations, and its environmental impact on climate change. The following are the environmental sustainability initiatives and waste management practices implemented in our daily operations:

- Embracing the EV (Electric Vehicle) revolution to reduce carbon emissions to the environment. The GoEV service by GoCar introduced car sharing and subscription of electric cars;

FUTURE OF URBAN MOBILITY



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- Promoting environmentally friendly product alternatives such as trucks with green engines which are compliant to Euro 2 & 3 standards and battery powered forklifts;
- Engaging authorised service providers to ensure by-products and wastes are properly disposed of;
- Installation of grease, oil and silt traps at vehicle workshops to minimise the discharge of grease and oil into pipe drainage system or other water source such as lakes, rivers, etc.;
- Our online travel portals (mayflower.com.my) enable users to book and secure their travelling arrangements remotely from their homes or offices;
- Reducing paper printing by encouraging dissemination of e-copies, where possible, whilst processes such as payroll, leave applications and performance reviews have been digitised;
- Segregation of wastes in recycling bins;
- Using energy efficient LED tubes for illumination and the dated electrical appliances are replaced with appliances certified with good energy saving ratings (inverter technology) in stages; and
- Prohibiting open burning, especially in workshop compounds and open parking lots surrounded with trees and vegetation.

SOCIAL SUSTAINABILITY

Employee Training, Education and Career Development

As our employees are assets to the Group, the employee's career development and professional growth is imperative for the Group's sustainability and performance. The Group's HR Portal is the gateway to employee learning and development (uploaded with reading materials and e-learning) and staff performance management. Available courses are categorised as Personal Development, Mental Health, Leadership & Managerial, Information Technology, Marketing and Health & Lifestyle. Our in-house Learning Management System allows the Group's personnel to register for training programmes, run e-learning modules, including linkages to external content platforms, the tracking of employees' training hours, learning history and documenting the skills of employees. This system helps to improve employee learning and development planning to bridge skills gaps and track the progressive competency achievements in their respective roles and responsibilities.

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



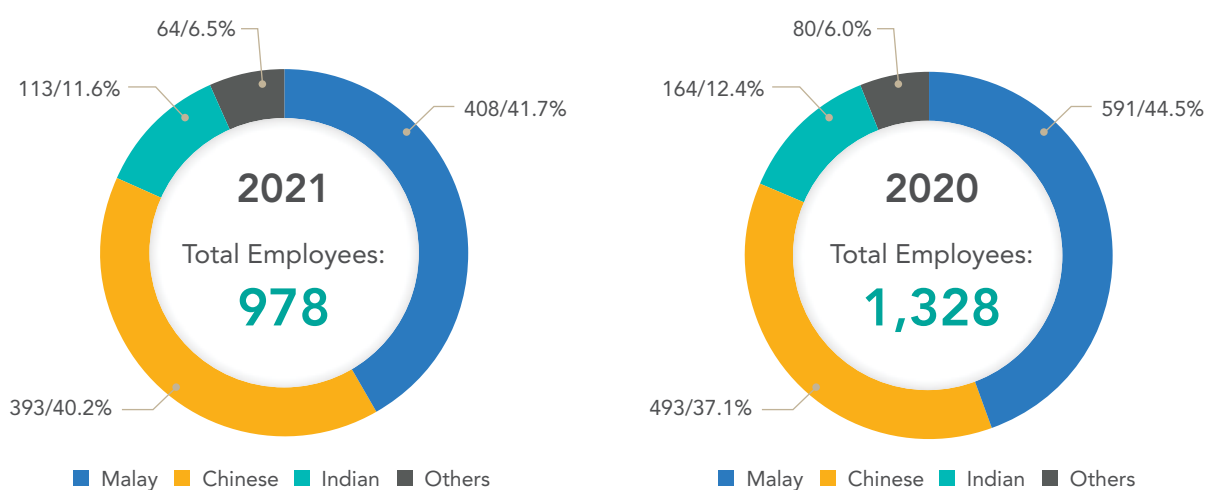
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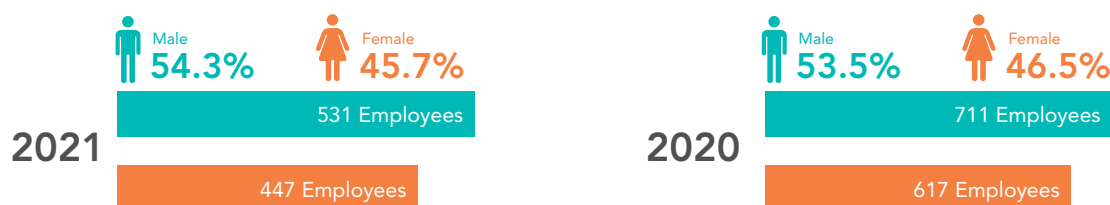
Diversity & Equal Opportunity

We embrace diversity in our people as a source of strength for the Group. Therefore, we promote inclusiveness and equal opportunity at 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 headcount of the Group is reduced from 1,328 to 978 in 2021, which is a 26.4% reduction from the preceding year. Eventhough there is a reduction of headcount, the percentage of ethnicity and gender diversity for years 2020 and 2021 have remained almost the same.

1. Ethnicity



2. Gender



Job Opportunities for Young Talents

To upskill young talents, we provide job opportunities for fresh graduates on a continuous basis to join our workforce and industrial training for interns who are interested to work with our Group. In 2021, there was a total of 13 internship attachments in various subsidiaries of the Group.

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Accolades for Human Resources (HR) Development

At the Malaysia HR Awards event organised by the Malaysian Institute of Human Resource Management on 19 November 2021, MUVM won the Silver Award in the Small & Medium Enterprises (“SME”) Best Employer Award category. This is an award that recognises a sustained commitment by SMEs to human talent development based on the criteria set for good practices in human resource management and conducive work environment; and supports continuous learning and development, reduction in dependency on foreign labour and high application of HR system and technology.



Community Activities and Contributions

The Young Executive Club is an on-going engagement programme with the younger generation to cultivate their talent and maximise their potential through organising various Corporate Social Responsibility (“CSR”) activities and projects within the Group.

Being mindful of the less fortunate and marginalised, we continued to reach out to help the needy and encourage our employees to participate in charitable and community activities, including providing donations and essential food items.



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GoCar launched the GoVAX Shuttle Service as a CSR initiative to provide free transportation service to vaccination centres for the under-represented seniors and persons with disabilities. The initiative also involved engagement with the public to sign up volunteer drivers (also known as GoVax Heroes) as part of the movement in support of the nation's vaccination efforts.



GoCar also initiated a Flood Assist Programme (25% discount) to help ease the burden of flood victims who were affected by the flash flood in the Klang Valley in December 2021.



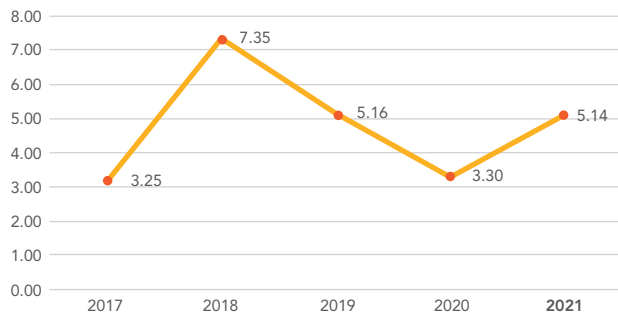
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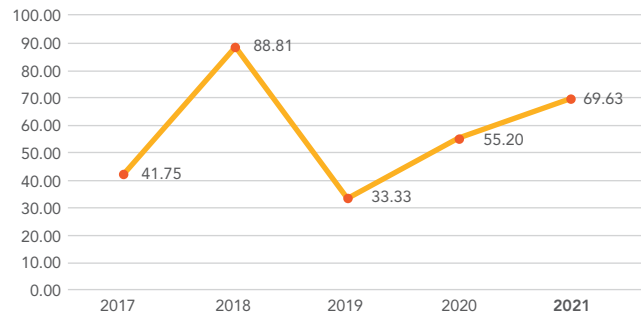
Workplace Safety and Health

Employee safety and health are paramount to us as a Group. Our employees are trained on workplace occupational hazards and safe practices at work so that each individual is capable of observing personal safety and the safety of others at all times.

Lost Time Injury Rate



Severity Rate



Compared to year 2020, the Lost Time Injury Rate (LTIR) and Severity Rate (SR) in 2021 increased by 55% and 26% respectively as businesses resumed operation at full capacity after the Movement Control Order (MCO) was lifted by the Government. Overall, there were 9 cases of Lost Time Injury (LTI) with a total of 122 lost work-days resulting from workplace accident and zero fatality case in 2021. Investigations carried out by the Environment, Health & Safety (EHS) Committee revealed a majority of the reported accidents was related to human error, unsafe working conditions at external locations, drastic weather changes during outdoor work, and tasks subjected to mechanical hazards. Apart from the on-going workplace safety training, other measures taken to improve personal responsibility for safety and job safety included the circulation of safety alerts detailing the root causes and preventive actions of reported accidents/incidents to share lessons learnt and best practices to follow, the revision of Safe Work Instructions to improve the associated job safety and to increase safety protection, as well as regular safety briefing to remind staff all necessary safety precautions to be taken.

Fire drills are carried out periodically as practice for emergency preparedness in fire incidents. The response time and effective communication from the point of raising the alarm to all headcounts being accounted for at the assembly point, familiarisation with firefighting equipment locations and proper handling, as well as the identification of designated escape routes were key learning points during the fire drill. First aid kits are also checked periodically to ensure the contents are available and replaced as and when required.

In 2021, compliance to the COVID-19 SOP continued to be observed and any non-compliance thereof committed by an employee was subject to disciplinary action.

The following measures have been integrated as part of our workplace practices:

- Business continuity plans/guidelines, including when the situation is required to be escalated to crisis mode;
- All SOPs/return to work guidelines which are accessible on the HR portal;
- Regular communications on awareness, precautions to be taken and travelling guidelines via emails and internal notices;
- MySejahtera QR scan code display, hand sanitisers and contactless infrared thermometer available at entry points;
- Mitigating actions and precautions to reduce transmission internally to be taken by Group HR in the event an employee is tested positive;
- Physical distancing at workspaces; and
- Mandatory submission of daily self-declarations.

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The following is a list of safety and health trainings conducted for employees in 2021:

- 1) Business Continuity in 3rd Wave of Covid-19 Outbreaks;
- 2) ATM Yearly Incident Summary Submission (JKKP 8);
- 3) Basic Occupational First Aid (SOFA);
- 4) Briefing - Self Test Kit Roll Out;
- 5) Covid-19 Business Continuity Plan (BCP) COVID-19 Vaccination;
- 6) Enhancing Psychological Well-Being;
- 7) Financial & Health Webinar Series - Diabetic Eye Disease: Too Sweet for the Eye Live; Research -Adoption to the New Norms;
- 8) Parts Safety Briefing;
- 9) Self-Test Kit - Roll Out Briefing Updates Of Covid-19 Pandemic;
- 10) Webinar - Reminder for How Gallstone - Develop and Her Symptoms? What is the Treatment Available? Health Talk;
- 11) Webinar - Vaccination in Pregnancy - Is It Safe?;
- 12) Building Mental Toughness to Bounce Back from Adversity;
- 13) Burn Your Ignorance To Ashes, Ignite Your Attention To Flames!; and
- 14) Smoke Inhalation Training.

Compliance with Laws and Regulations

The Group is committed to comply with the relevant laws and regulations when conducting our business activities and operations locally and overseas.

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 key to sustaining an organisation in the long-term. The Group has zero tolerance on fraudulent and corrupt practices. Hence, we expect our employees, regardless of seniority level and Directors to cultivate and imbibe a culture of honesty, reliability, transparency and accountability in our engagement with our stakeholders.

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

- Anti-Bribery and Anti-Corruption ("ABAC") Policy and Gratification, Entertainment, Hospitality (GEH) Form;
- Code of Business Conduct and Ethics for Employees;
- Fraud Prevention Policy; and
- Special Complaints Policy, which is our equivalent of a whistle-blowing mechanism.

Following implementation of the ABAC Policy back in 2020, various ABAC related activities have been conducted, including the incorporation of ABAC clauses into legal documentation, signing of integrity undertakings as well as training and communication to raise awareness of the relevant stakeholders on the ABAC Policy and relevant laws and regulations. All employees of the Group have completed the training on ABAC for year 2021. There was no reported case pertaining to bribery and corruption in our Group. There was also no complaint filed against any of our subsidiaries and/or personnel for corruption, malpractices or other wrongdoings via the Special Complaint Policy channel during the reporting period. All the active businesses of the Group have completed the corruption risk assessment for year 2021.

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 has reviewed the overall performance of the Group, beyond just financial results.

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

The Board is mindful of the Malaysian Code on Corporate Governance 2021 Edition issued in April 2021, which include 5 new Practices that focus on the sustainability agenda. For financial year ending 31 December 2022, the Board will roll out measures to deliberate on the sustainability targets covering the pillars of Environment, Economic and Social (including Governance) in the strategies of the Group, including monitoring and reporting the actions and imperatives deployed by Management to bridge any sustainability performance gaps.

This Statement is dated 11 April 2022.